



**MediCard**  
*Prescribed by Doctors*

**MEDICard Philippines, Inc.**

**Corporate Governance Committee Charter**

MEDICard Philippines, Inc. Restricted and Proprietary Information

**Document Details\***

<b>Document Name</b>	Corporate Governance Committee Charter
<b>Document Version</b>	Version 1.0
<b>Originating Business Function</b>	Legal and Corporate Secretary
<b>Policy Owner</b>	Legal and Corporate Secretary
<b>Primary Policy Contact Person</b>	Carla J. Domingo
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<b>Date of First Issuance</b>	
<b>Date of Last Approval</b>	

<b>Version Effective Date</b>	__March 2023
<b>Endorsed by</b>	Legal and Corporate Secretary
<b>Approved by</b>	Board of Directors (__ March 2023)
<b>Review Frequency</b>	Minimum Once every Three (3) Years
<b>Next Review Date</b>	__March 2024
<b>Document Type</b> <i>Per Standard for Corporate Policy Governance</i>	Manual
<b>Information Classification</b> <i>Per Group Data Protection Standard</i>	Public
<b>Source Documents</b>	Revised Corporation Code of the Philippines Securities and Exchange Commission (SEC) Code of Corporate Governance Insurance Commission (IC) Code of Corporate Governance for IC-Related Entities (ICRE) IC Circulars ASEAN Corporate Governance Scorecard (ACGS)
<b>Related Policies and Standards</b>	MEDICard Corporate Governance and Procedure Manual AIA Group Code of Conduct Insider Trading and Abusive Dealing Policy Related Party Transactions Policy Anti-Corruption Policy Conflict of Interest Policy Employee Health Safety and Welfare Policy And all other relevant Corporate Governance Policies Board and Board-Committee Charters

### VERSION CONTROL\*

Version	Approval Date	Approved by
1.0		Board of Directors

## DISTRIBUTION LIST

TITLES
Board of Directors
Local Executive Committee
Risk and Compliance Office
Group Internal Audit
Legal and Corporate Secretary

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## I. Definitions

1. For the purposes of these charter (these **Charter**): **Board**  
means the Board of Directors of the Company;  
**Company** means MEDICard Philippines, Inc.;  
**Company Secretary** means the Corporate Secretary of the Company;  
**Directors** mean the members of the Board;  
**Corporate Governance Committee** means the Governance, Nomination and Compensation Committee established by the resolution of the Board;  
**Management** means any persons discharging an executive management role within the Company;  
**Shareholders** mean the shareholders of the Company

## II. Constitution

2. The Corporate Governance Committee was established by resolutions of the Board the members of which shall be appointed by the Board on an annual basis or from time to time as necessary.

## III. Membership

3. The members of the Corporate Governance Committee shall be appointed by the Board and shall consist of three (3) members of the Board majority of whom shall be an independent directors. Attendance of at least two (2) members of the Committee, at least one of whom should be an independent non-executive Director, shall be required to constitute a quorum.
4. Each member of the Corporate Governance Committee shall serve and initial term of one (1) year or until his replacement is duly appointed. The members of the Committee may be re-appointed by the Board.
5. The Chairman of the Corporate Governance Committee shall be an Independent Director who shall be appointed by the Board.

## IV. Frequency of Meetings

6. The Committee shall meet at least twice a year or as often as it deems necessary in order to perform its responsibilities.
7. The Committee Chairman may call a meeting of the Committee if so requested by any of its member, the Chairman of the Board or the CEO.

## **V. Conduct of Meetings**

8. An agenda and accompanying meeting materials should be sent in full to all members of the Committee in a timely manner and at least three (3) business days before the intended date of a meeting of the Committee.
9. Meetings of the Committee may be in person or held by means of such telephone, electronic, or other digital communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such meeting shall constitute presence in person at such meeting.
10. Management is obliged to supply the Committee with complete and reliable information in a timely manner, in order to enable it to make informed decisions. Where a Director requires more information than is provided by Management, the relevant Director should make additional necessary enquiries. Each Director shall have separate and independent access to the Management.
11. A resolution in writing signed or approved by a majority of all of the members of the Committee shall be effective for all purposes as a resolution of the members of the Committee passed at a meeting duly convened, held and constituted.

## **VI. Annual Shareholders Meeting**

12. The Chairman of the Committee shall attend the Company's annual shareholders' meeting and be prepared to respond to any shareholder's questions on the Committee's activities or in his absence, another member of Committee, or his duly appointed delegate.

## **VII. Authority**

13. The Committee is authorized by the Board to investigate any activity within these Charter. It is authorized to seek any information it requires from any employees and all employees are directed to co-operate with any request made by the Committee.
14. The Committee is authorized by the Board to obtain outside independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Committee shall be provided with sufficient resources to discharge its duties. It shall be responsible for establishing the selection criteria, selecting, appointing and setting the charter for any external party who advises the Committee.

## **VIII. Duties**

15. The Corporate Governance Committee shall assist the MEDICard Board of Directors in ensuring compliance with and proper observance of the corporate governance principles and practices. The Committee shall also ensure the observance of the nomination and compensation policies and functions of the Board. In addition to and to supplement the duties and functions of the Committee as provided in the Revised Corporate Governance Policy and

Procedure Manual of the Company, the Committee shall have the following responsibilities and authority:

A. Governance Functions:

- (a) Oversee the adoption and implementation of the corporate governance policies and framework of the Corporation and periodically review said framework to ensure it remains appropriate in light of material changes to the Corporation's size, complexity and business strategy, as well as its business and regulatory requirements;
- (b) Oversee the periodic performance evaluation of the Board and its Committees as well as the executive management to determine whether the Board, its members, the Board Committees, the Chairman, and the CEO are functioning effectively, and conducts an annual self-evaluation of its performance; and ensure that the results of the Board evaluation are shared and discussed, and concrete action plans are developed and implemented to address the identified areas for improvement;
- (c) Recommend assignments to Board Committees, including the types, duties, functions, size, and operations of said Board Committees; Review the adequacy of charters of all Board Committees and make recommendations to the Board for any changes to such Charters;
- (d) Recommend succession plan for the members of the Board and senior officers; and remuneration packages for corporate and individual performance;
- (e) Recommend and plan continuing education and relevant trainings for the members of the Board;

B. Board Nomination Functions:

- (f) Determine the nomination and election process, criteria and qualifications of the members of the Board and other appointments that require Board approval. The Committee shall consider the competencies, skills, and experience that the Board, as a whole, should possess, and the knowledge, competencies, skills and experience of each current director. The Committee shall review with the Board, as necessary and appropriate, the requisite skills and criteria for Board members, as well as the composition and size of the Board as a whole in order to ensure that the Board has the requisite expertise, that its membership consists of persons with sufficiently diverse and independent backgrounds and possesses a record of integrity and good repute, and that its membership consists of an appropriate mix of inside, outside, and independent directors.

Identify and recommend to the Board individuals qualified to become members of the Board, consistent with the criteria and qualifications approved by the Board or the Committee. The Committee shall be responsible for recommending to the Board the nominees for election as directors at any meeting of shareholders and the persons to be appointed

by the Board to fill any vacancies on the Board. The Committee shall always encourage shareholders' participation by accepting nominations from minority shareholders.

- (g) Consider questions of independence and possible conflicts of interest of members of the Board and make recommendations regarding such matters to the Board, including the criteria for determining director independence.

**C. Board Compensation Functions:**

- (h) Establish a formal and transparent procedure to develop a policy on remuneration of directors and senior officers, as required by the Board, to ensure that their compensation is consistent with Corporation's culture, strategy, as well as the business environment in which it operates.
- (i) Recommend to the Board the form and amount of compensation to be paid by the Company to the directors for services on the Board and on Board Committees. The Committee shall review director compensation at least on an annual basis.
- (j) Review and approve the Company's compensation structure and incentive compensation programs and recommends changes in or additions to such structure and plans to the Board of Directors as needed.

**D. Others Authorities and Functions:**

- (k) Perform such other functions as may be delegated by the Board or required by law or the regulators.

## **IX. Reporting Procedure**

- 16. Full minutes of the Corporate Governance Committee's meetings shall be kept by the Company Secretary or a duly appointed secretary of the meeting, and such minutes shall be available for inspection at any reasonable time on reasonable notice by any Director.
- 17. Minutes of meetings of the Corporate Governance Committee shall record in sufficient detail the matters considered by the Committee and decisions reached, including any concerns raised by Directors, members or dissenting views expressed. Draft and final versions of minutes of such meetings should be sent to all members of the Corporate Governance Committee for their comment and records respectively, in both cases within a reasonable time after such meetings.
- 18. Without prejudice to the generality of the duties of the Corporate Governance Committee set out in these Charter, the Committee shall report back to the Board and keep the Board fully informed of its decisions and recommendations and of any material issues, unless there are legal or regulatory restrictions on its ability to do.



The Corporate Governance Committee shall make a statement in the annual report about its activities, and, if applicable, the processes used for the appointment of Directors during the reporting period, and whether external advice and/or open advertising was used.

## **X. Charter Available**

20. The Corporate Governance Committee shall make available these Charter on request and by inclusion on the Company's website, thereby explaining its role and authority delegated to it by the Board.

## **XI. Performance Standards**

21. To ensure that the Committee continues to fulfill its responsibilities in accordance with best practices and in compliance with the Revised Code of Corporate Governance and other relevant regulatory requirements, the Committee shall conduct an assessment of its performance at least annually. Performance standards shall be developed for the purpose and shall form part of this Charter.