

LIFE & HEALTH HMP, INC.

BOARD CHARTER

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I. PURPOSE

The Board Charter formalizes and clearly states the roles, responsibilities, and accountabilities of the Board of Directors (BOD or the Board) of Life & Health HMP, Inc. (the Company) in carrying out its fiduciary duties. This Charter serves as guidelines to the directors in the performance of their functions.

The provisions in this Charter are complementary to the requirements regarding the Board and Board members contained in the Articles of Incorporation, the By-laws, and the Manual of Corporate Governance (CG Manual).

II. AUTHORITY

The BOD shall have the power to create committees and other bodies as may be necessary or beneficial in the operation and internal regulation of the Company. Such committees shall have such powers and functions as may be delegated to them by the Board or as defined in the CG Manual except those that may not be delegated under the Revised Corporation Code of the Philippines.

The Board shall have the power to appoint and remove the members of such committees and may at any time, with or without cause, dissolve any of such committees.

The Board shall have the resources and authorities appropriate to discharge its responsibilities including the authority to engage and obtain external advice, counsel, or consultancy services as it deems appropriate.

1. MEMBERSHIP

Composition

1. The Board shall be composed of at least five and not more than fifteen members.
2. The Board should be composed of a majority of non-executive directors (NEDs) who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on Company affairs and to substantiate proper checks and balances.
3. The Board members should have diversity in terms of gender, race, culture, religion, ethnicity, as well as age, skills, competence, and knowledge. The Company may use professional search firms or other external sources when searching for candidates to the BOD.
4. The Chairman of the Board cannot be the Chief Executive Officer (CEO) / President of the Company, at the same time, nor can the Chairman or the CEO / President be a Treasurer or Corporate Secretary at the same time.
5. Each member of the Board shall serve a term of one year or until his replacement is duly appointed.
6. If a member of the Board resigns or for any other reason ceases to be a member with the result that the number of members is reduced below five, the BOD shall, within forty-five (45) days of that event, appoint such number of new members as may be required to make up the minimum of five members, or fill the vacancy through creation of an Emergency Board.
7. The member appointed to fill the vacancy shall hold office for the remainder of the term, or until his successor shall have been duly appointed and qualified.
8. The Board will be conducting an annual assessment of its performance including the performance of the Chairman and

individual members. Every three years, the assessment may be supported by an external facilitator.

Qualifications of Directors

1. Members of the BOD shall have collective working knowledge, experience, or expertise that is relevant to the Company's current activities and holdings.
2. The Board members shall:
 - Have knowledge of the primary activities of the Company and the industry in which it operates.
 - Have an adequate working knowledge with the Company's Articles, By-laws, CG Manual, and Code of Business Conduct and Ethics (Code); and
 - Attend seminars on CG and such other trainings as appropriate and conducted by duly recognized private or government entities to keep their skills and expertise current and relevant.
3. All directors shall be stockholders, and shall be elected, qualified, and nominated in accordance with the Republic Act (R.A.) 11232 or the Revised Corporation Code of the Philippines, the rules and regulations prescribed by the Securities and Exchange Commission (SEC) or such other relevant government agency or body, especially in connection with the nomination and election of independent directors.
4. A director shall have the following qualifications at the time he is duly elected and qualified, and throughout his term of office:
 - Holder of at least one share of stock of the Company,
 - Has personal integrity, capacity to read and understand financial statements, absence of conflict of interest with the Company (subject to the discretion of the Board), time availability, and motivation.

5. The BOD will perform an annual self-assessment to confirm the qualifications of the directors.

Disqualifications of Directors

1. Any stockholder may be elected director unless he is engaged in any business or activity which competes with or is antagonistic to that of the Company.
2. A Board member shall be disqualified if:
 - a. He is an officer, manager, or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any corporation engaged in a business or activity which the Board, by at least two-thirds vote of the directors present constituting a quorum, determines to be competitive or antagonistic to that of the Company.
 - b. The Board, in the exercise of its judgment in good faith, determines by at least two thirds vote of the directors present constituting a quorum that he is the nominee of any person set forth in item (a).
 - c. There is a finding against him by final and executory judgment by the SEC or a court or other administrative body of competent jurisdiction of a willful serious violation, or willful aiding, abetting, counseling, inducing, or procuring of the serious violation of, any material provision of the Securities Regulation Code (SRC), the Revised Corporation Code, or any other law administered by the SEC or Insurance Commission (IC), or any material rule, regulation, or order of the SEC or IC.
 - d. He is judicially declared insolvent.
 - e. There is a finding against him by final judgment by a foreign court or equivalent regulatory authority with competent jurisdiction of acts, violations, or misconduct similar to any of the acts, violations, or misconduct listed in the foregoing paragraphs.

- f. He previously committed patently unlawful act/s and/or other act/s deemed prejudicial or inimical to the reputation and/or interest of the Company.
 - g. He committed acts causing undue injury to another company while acting as a director therein; or
 - h. He previously committed gross negligence or bad faith in directing the affairs of another company where he served as a director or officer.
3. A member shall be disqualified from continuing to be such during the remainder of his tenure if, upon determination by the BOD, a member ceases to meet any of the qualifications for directorship.

Multiple Board Seats

1. A director should exercise sound judgment in accepting other directorships outside the Company. He may accept directorships outside the Company which, in his opinion, do not hinder him from his obligation to diligently perform his duties and functions in the Company.
2. In all instances, a director should notify the Board before accepting a directorship in another company.
3. Board members should concurrently serve as directors up to only a maximum of five companies.
4. The restrictions on multiple board seats shall apply to all directors of the Company.

Independent Directors

1. Independent directors shall constitute at least 20% or one third of the members of the BOD, whichever is higher.
2. An independent director:
 - a. Shall mean a person other than an officer or employee of the Company, or any other individual having a relationship with

the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. An independent director shall submit to the Corporate Secretary a confirmation that he holds no interests with the Company extending beyond a qualifying share within a reasonable time after his election and/or re-election as an independent director.

- b. Is a person who, apart from his fees and shareholdings, is independent of the Management and free from any business or other relationships which could or could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in the Company.
- c. Possesses the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances
- d. Possesses the following qualifications:
 - Have at least one share of stock of the Company.
 - At least a college graduate or have been engaged or exposed to the business of the Company for at least five years.
 - Has integrity / probity; and
 - Diligent.
- e. Is not a director or officer or substantial stockholder of the Company. An independent director shall be disqualified during his tenure if his beneficial security ownership exceeds 10% of the outstanding capital stock of the Company.
- f. Is not a relative of any director, officer, or substantial shareholder of the Company. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother, or sister.
- g. Is not acting as a nominee or representative of a substantial shareholder of the Company.

- h. Has not been employed in any executive position by the Company within the last five years.
 - i. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent, or counsel of the Company, or is otherwise independent of Management and free from any business or other relationship within the three years immediately preceding the date of his election.
 - j. Does not engage or has not engaged, whether by himself or with other persons, or through a firm of which he is a partner, director, or substantial shareholder, in any transaction with the Company, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment.
 - k. Is one who ceased to be a regular director of the Company in the preceding two years prior to qualification as an independent director.
 - l. Has not been appointed in the Company as Chairman Emeritus, Ex-Officio Director / Officer or Member of any Advisory Board, or otherwise appointed in a capacity to assist the BOD in the performance of its duties and responsibilities within two years immediately preceding his election.
 - m. Is not affiliated with any non-profit organization that received significant funding from the Company; and
 - n. Is not employed as an executive officer of another company where any of the Company's executives serve as directors.
3. Each independent director should serve for a maximum of five consecutive years with a cooling-off period of two years before they can be nominated and elected for another term and shall be perpetually barred from re-election after serving as independent director for nine years. The independent director may, however, continue to qualify for nomination and election as a non-independent director. In the instance that the Company wants to retain an independent director who has served for nine years, the

BOD should provide meritorious justifications/s and seek shareholders' approval during the annual shareholders' meeting.

Non-Executive Directors

1. The NEDs should possess the necessary qualifications and stature to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances.
2. NEDs should concurrently serve as directors up to only a maximum of five companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals / views, and oversee the long-term strategy of the Company.
3. Exceptions may be granted only in meritorious cases such as due to the concerned director's exceptional experience, stature, and his ability to accommodate the additional demands that may be made on his time and abilities due to the multiple appointments.

2. ELECTION OF DIRECTORS

The BOD shall be elected among the holders of stocks in the Company, subject to their possession of all qualifications and none of the disqualifications set out in the By-laws, CG Manual, and relevant laws, rules, and regulations.

All nominations for election of directors shall be submitted in writing to the BOD through the Chairman of the Board and the Corporate Secretary, at least five days before the regular or special meeting of stockholders for the purpose of electing directors.

The elected members of the BOD shall immediately submit within two weeks from election, their respective Biodata or Curriculum Vitae (CV) in the prescribed format, and NBI clearance.

Guidelines in nomination / election shall be in accordance with the Company's Nomination Policy.

Proxy Voting

A stockholder may vote in person or by proxy at all meetings. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Corporate Secretary. All proxies must be in the hands of the Corporate Secretary before the time set for the meeting. Proxies filed with the Corporate Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Corporate Secretary, prior to a scheduled meeting or by their personal or remote presence at the meeting.

Cumulative Voting

A stockholder may either vote such number of shares in favor of specific directors or he may cumulate said shares and give one or more candidates a total of votes equal to the number of directors to be elected multiplied by the number of his shares.

III. TRAINING OF DIRECTORS

New directors should be familiarized with the Company's operations, Senior Management, and its business environment and be inducted in terms of their fiduciary duties and responsibilities as well as in respect of the Board's expectations, the CG Manual, and the Code,

New directors should likewise be given an orientation on matters and topics mandated by the SEC and IC on corporate governance.

If new directors have no board experience, they should receive orientation in their unaccustomed responsibility for such number of hours in accordance with the requirements of the SEC, that is at least eight hours for first-time directors and at least four hours for annual continuing training.

Training opportunities for existing and potential directors should be identified and appropriate development should be undertaken on at least an annual basis. The annual trainings shall serve to ensure that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Company.

IV. EMERGENCY BOARD

Any vacancy occurring in the BOD other than by removal or by expiration of term may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, said vacancies must be filled by the stockholders in a regular or special meeting called for that purpose.

When the vacancy is due to term expiration, the election shall be held no later than the day of such expiration at a meeting called for that purpose. When the vacancy arises as a result of removal by the stockholders, the election may be held on the same day of the meeting authorizing the removal and this fact must be so stated in the agenda and notice of said meeting. In all other cases, the election must be held no later than forty-five (45) days from the time the vacancy arose.

However, when the vacancy prevents the remaining directors from constituting a quorum and emergency action is required to prevent

grave, substantial, and irreparable loss or damage to the Company, the vacancy may be temporarily filled from among the officers of the Company by unanimous vote of the remaining directors. The action by the designated director shall be limited to the emergency action necessary, and the term shall cease within a reasonable time from the termination of the emergency or upon election of the replacement director, whichever comes earlier. The Company must notify the SEC within three (3) days from the creation of the emergency board, stating therein the reason for its creation.

V. REMOVAL OF DIRECTORS

Any director may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock; Provided, that such removal shall take place either at a regular meeting of the Company or at a special meeting called for that purpose, and in either case, after previous notice to stockholders of the Company of the intention to propose such removal at the meeting. A special meeting of the stockholders for the purpose of removing any director must be called by the Corporate Secretary on order of the CEO / President, or upon written demand of the stockholders representing or holding at least a majority of the outstanding capital stock. If the Corporate Secretary, despite demand, fails or refuses to call the special meeting or to give notice thereof the stockholder of the Company signing the demand may call for the meeting by directly addressing the stockholders. Notice of the time and place of such meeting, as well as the intention to propose such removal, must be given by publication or by written notice. Removal may be with or without cause; Provided, that removal without cause may not be used to deprive minority stockholders of the right of representation to which they may be entitled.

The SEC shall, upon verified complaint, and after due notice and hearing, order the removal of a director elected despite the

disqualification, or whose disqualification arose or is discovered subsequent to an election. The removal of a disqualified director shall be without prejudice to other sanctions that the SEC may impose on the BOD who, with knowledge of the disqualification, failed to remove such director.

VI. RESPONSIBILITIES

Chairman of the Board

The Board should be headed by a competent and qualified Chairman. The Chairman of the Board, or in his absence, the CEO / President, shall preside at all meetings of the Board.

The Chairman's responsibilities shall include the following:

1. Ensure that the meetings of the Board are held in accordance with the By-laws or as the Chairman may deem necessary.
2. Ensure that the agenda of the meetings focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations.
3. In coordination with the Corporate Secretary, take into consideration the suggestions of the CEO / President, Management, and the directors, and supervise the preparation of the agenda of the meetings.
4. Assist in ensuring compliance with the CG Manual.
5. Maintain lines of communication and information between the Board and Management.
6. Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decision.

7. Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors.
8. Ensure that the BOD sufficiently challenges and inquires on reports submitted and representations made by Management.
9. Initiate the development of corporate objectives and policies and formulate long range project, plans, and programs for the approval of the BOD, including those for executive training, development, and compensation.
10. Exercise such powers as may be incidental to his office and perform each duty as the BOD may assign to him.

Corporate Secretary

The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines. In no instance shall the Corporate Secretary and Compliance Officer positions be held by one individual. The Corporate Secretary should not be a member of the Board and should annually attend training on corporate governance.

The functions and duties of the Corporate Secretary are as follow:

1. Keep the minutes of all meetings of the BOD, and the minutes of all meetings of the stockholders.
2. Record all the votes and proceedings of the meeting of stockholders and the BOD in a book kept for that purpose.
3. Take charge of the corporate seal of the Company.
4. Keep at the principal office of the Company the stock and transfer book and therein keep a record of all the stock, the names of stockholders alphabetically arranged with the addresses to which notices may be sent, the installments paid and unpaid on all stock for which subscription has been made and the date of payment of

- any installment, sale of transfer of stock made, the date thereof and by and to whom made.
5. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Company.
 6. Works fairly and objectively with the Board, Management, and stockholders, and contribute to the flow of information between the Board and Management, the Board and its committees, and the Board and its stakeholders, including shareholders.
 7. Attend to the giving and serving of all notice of the Company, in accordance with the Company's By-laws, of the agenda of BOD meeting, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.
 8. Serve as the Company's Investor Relations Officer (IRO) that ensures constant engagement and communication with the Company's shareholders.
 9. Should attend all stockholders and board meetings.
 10. Assist the Chairman of the Board in organizing the Board's activities including providing information, preparing an agenda, reporting of meetings, evaluations, and training programs.
 11. May sign with the CEO / President in the name of the Company all certificates of stocks and contracts authorized by the BOD or by the Executive Committee.
 12. Perform such other duties as may be properly delegated to him / her.

CEO / President

The CEO and / or President, elected by the Board from among its members, shall have administration and direction of the day-to-day business affairs of the Company. He / she shall exercise the following functions:

1. Preside at the meetings of the BOD and of the stockholders in the absence of the Chairman.
2. Have general management and supervision of the business affairs and property of the Company.
3. Ensure that the administrative and operational policies of the Company are carried out under his / her supervision and control.
4. Subject to guidelines prescribed by law to appoint, remove, suspend, or discipline employees of the Company, prescribe their duties, and approve their salaries.
5. Oversee the preparation of budgets of the Company.
6. Prepare statements and reports of the Company as may be required of him / her by law.
7. Represent the Company at all functions and proceedings, when authorized by the Chairman of the Board or the majority of the BOD.
8. Render annual reports to the BOD and to the stockholders.
9. Determine the Company's strategic direction and formulates and implements its strategic plan on the direction of the business.
10. Communicate and implement the Company's vision, mission, values, and overall strategy and promotes any organization or stockholder change in relation to the same.
11. Oversee the operations of the Company and manage human and financial resources in accordance with the strategic plan.
12. Have a good working knowledge of the Company's industry and market and keeps up to date with its core business purpose.
13. Direct, evaluate, and guide the work of the key officers of the Company.
14. Manage the Company's resources prudently and ensures a proper balance of the same.
15. Provide the Board with timely information and interfaces between the Board and the employees.
16. Build the corporate culture and motivates the employees of the Company.

17. Serve as the link between internal operations and external stakeholders.
18. Sign certificates of stock along with the Corporate Secretary.
19. Perform such duties as incident to his / her office or as entrusted to him / her by the Chairman of the Board, or the BOD.

Treasurer

The Treasurer of the Company shall have the following duties:

1. Keep full and accurate account of receipts and disbursements in the books of the Company.
2. Have custody of, and be responsible for, all funds, securities, and bonds of the Company.
3. Deposit in the name and to the credit of the Company, in such bank as may be designated from time to time by the BOD, all the moneys, funds, securities, bonds, and similar valuable effects belonging to the Company which may come under his control.
4. Render an annual statement showing the financial condition of the Company and such other financial reports as the BOD, or the CEO / President may, from time to time require.
5. Prepare such financial reports, statements, certifications, and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies; and
6. Exercise such powers and perform such duties and functions as may be assigned to him by the CEO / President.

Compliance Officer

The Board is assisted in its duties by a Compliance Officer, who should have a rank of Senior Vice President or an equivalent position with adequate stature and authority in the Company. He / she should not be a member of the BOD and should annually attend a training on CG.

The Compliance Officer shall be primarily liable to the Company and its shareholders, and not to the Chairman or CEO / President of the Company. Among his / her duties and responsibilities are as follow:

1. Ensure proper onboarding of new directors (i.e., orientation on the Company's business, charter, Articles of Incorporation and By-laws, among others).
2. Monitor, review, evaluate, and ensure the compliance by the Company, its officers, and directors with the relevant laws, this Code, rules and regulations, and all governance issuances of regulatory agencies.
3. Report the matter to the BOD if violations are found and recommend the imposition of appropriate disciplinary action.
4. Ensure the integrity and accuracy of all documentary submissions to regulators.
5. Appear before the IC when summoned in relation to compliance with the Revised Corporation Code.
6. Collaborate with other departments to properly address compliance issues, which may subject to investigation.
7. Identify possible areas of compliance issues and work toward the resolution of the same.
8. Ensure the attendance of board members and key officers to relevant trainings; and
9. Perform such other duties and responsibilities as may be provided by the IC.

General Board Responsibilities

1. Foster the long-term success of the Company and secure its sustained competitiveness in a manner consistent with its corporate objectives and fiduciary responsibility, which it shall exercise in the best interest of the Company, and in proper cases, its shareholders as a body, and other stakeholders.
2. Conduct itself with utmost honesty and integrity in the discharge of its duties, functions, and responsibilities. Apply high ethical standards, considering the interests of all stakeholders.
3. Act on a fully informed basis and exercise care, skill, judgment, good faith, and due diligence in the conduct and management of the business of the Company within the scope and authority provided in the Company's Articles of Incorporation, By-laws, policies, and applicable laws and regulations.
4. Review, monitor, and oversee the implementation of the corporate strategy at least once a year.
5. Establish committees as prescribed in the SEC and IC's Revised Code of Corporate Governance, and the CG Manual. Require committees to have Committee Charters.
6. Review and approve the Company's budget and forecasts. Evaluate and approve major resource allocations and capital investments.
7. Review the Company's material controls and risk management systems.
8. Conduct annual performance assessment of the Chairman, President / CEO, individual board members, and board committees.
9. Institute adequate internal control mechanisms and exert its best efforts to ensure best practices, keeping in mind its objective of steering the Company towards sustained profitability.
10. Consider the interest and welfare of the shareholders and other stakeholders. Identify the Company's various stakeholders and

promote cooperation between them and the Company in creating wealth, growth, and sustainability.

11. Establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.
12. Adopt a transparent framework and process that allows stakeholders to communicate with the Company and to obtain amends for the violation of their rights.
13. Recognize and place an importance on the interdependence between business and society and promote a mutually beneficial relationship that allows the Company to grow its business, while contributing to the advancement of the society where it operates.

Specific Board Responsibilities

1. Formulate the Company's vision, mission, strategic objectives, policies, and procedures that shall guide its activities, including the means to effectively monitor Management's performance. Review the mission and vision statement of the Company at least once a year or whenever deemed necessary.
2. Establish policies, programs, and procedures that encourage employees to actively participate in the realization of the Company's goals and in its governance.
3. Review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets, and business plans.
4. Monitor the effectiveness of management policies and decisions.
5. Provide sound strategic policies and guidelines to the Company on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets, and Management's overall performance.
6. Ensure that adequate procedures, systems and practices that protect the Corporation's assets and reputation are in place

and are maintained. In cases of mergers and/or acquisitions, including the acquisition or disposal of assets, the Board shall ensure an independent party is appointed, if still needed and to the extent practicable, to evaluate the fairness of the transaction price.

7. Ensure that the Company communicates with shareholders and other stakeholders effectively by providing the shareholders and other stakeholders relevant and timely information, including periodic reports and an annual report of its performance as well as its prospects through publicly available reports submitted to the regulatory authorities.
8. Establish and maintain an investor relations program that will keep the shareholders informed of important developments in the Company.
9. Adopt a system of checks and balances within the Board and/or its committees. A review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times.
10. Identify the Company's stakeholders in the community in which the Company operates or are affected by its operations and formulate a relevant communications policy affecting them.
11. Have overall responsibility in ensuring that there is a policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality.
12. Appoint a Compliance Officer.
13. Establish a process to ensure that the composition of the Board has an appropriate mix of competence and expertise.
14. Establish a process for the selection of qualified and competent directors and corporate officers and ensure that such directors and corporate officers remain qualified and competent for their positions individually and collectively throughout their terms to enable the Board to fulfill its roles and

responsibilities and respond to the needs of the Company based on the evolving business environment and strategic direction.

15. Approve the selection and assess performance of Management.
16. Ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position.
17. Make sure that the internal controls are in place to ensure the Company's compliance with the Code of Business Conduct and Ethics and its internal policies and procedures.
18. Approve the Internal Audit Charter.
19. Adopt an effective succession planning program for directors, key officers and Management to ensure growth and a continued increase in the shareholders' value and adopt a policy on the retirement age for directors and key officers as part of Management succession and to promote dynamism in the Company, subject to exceptions as deemed necessary by the Company, such as expertise, abilities, or stature that the Company needs.
20. Align the remuneration of key officers and Board members with the long-term interests of the Company.
21. Establish an effective performance management framework that will ensure that the Management and personnel's performance is at par with the standards set by the Board and Senior Management.
22. Oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess, and manage key business risks.
23. Identify key risk areas and performance indicators and monitor these factors to enable the Company to anticipate and prepare for possible threats to its operational and financial viability.
24. Encourage active shareholder participation by sending the notice of annual and special shareholders' meeting with sufficient and relevant information to allow for sufficient time to

consider the agenda and matters to be voted upon, to the extent practicable.

25. Encourage active shareholder participation by making the result of the votes taken during the most recent annual or special shareholders' meeting available the next working day, to the extent practicable. In addition, the minutes of the annual and special shareholders' meeting should be available on the Company website within five (5) business days from the end of the meeting or as soon as possible thereafter.
26. As may be deemed proper by the Board, establish and maintain an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its shareholders, and the Company and third parties, including the regulatory authorities.
27. Report immediately to the Chairman any conflict of interest or potential conflict of interest and report all relevant information on this matter under the provision of the Code of Business Conduct and Ethics.
28. During his or her membership, shall not disclose any information of a confidential nature regarding the business of the Company. He / she shall not use the confidential information of the Company for his / her personal benefit.
29. Make a stand against corrupt practices by adopting an anti-corruption policy and program in its Corporate Code of Business Conduct and Ethics; and
30. Establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board, Management representative or a unit created to handle whistleblowing concerns.

Other Responsibilities

Perform any other activities consistent with this Charter that the BOD determines are necessary or appropriate.

VII. COMPENSATION OF THE BOARD

Each director shall receive a reasonable per diem for his attendance at each meeting of the BOD, or of the Executive Committee, or of other committees created by the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the Company during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at regular or special meeting of stockholders.

The form and amount of directors' compensation will be determined and approved by the CG Committee, through its Remuneration function, in accordance with the policies and principles set forth in its charter, and the CG Committee will conduct an annual review of directors' compensation. The remuneration report will differentiate between executive and non-executive compensation.

Nothing herein contained shall be construed to preclude any director from serving the Company in any other capacity and receiving compensation therefor.

VIII. SUCCESSION PLANNING FOR DIRECTORS AND MANAGEMENT

The Board will evaluate potential successors and approve succession strategies and plans for the directors and executive officers of the Company. Succession plan shall be in accordance with the Company's Succession Policy.

IX. MEETINGS

Quorum

A quorum at any meeting of the Board shall consist of a majority of its independent and non-executive members who are present throughout the meeting, whether physically or through remote communication.

Quorum in all regular or special meeting of stockholders shall constitute majority of the outstanding capital stock present or represented. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present.

Frequency of Meetings

The Board shall meet immediately after their election. Thereafter, regular monthly meetings shall be held at the 2nd floor, ___ room The Coco Mall Osmena Blvd., Cebu City.

The annual meetings with stockholders shall be held at the 2nd floor, ___ room The Coco Mall Osmena Blvd., Cebu City every 3rd Saturday of June each year, if legal holiday, then on the following day.

Special meetings of the Board may be called by the Chairman or of its stockholders representing majority of the outstanding capital stock. Special meetings may be held at any time and place.

The independent and non-executive directors must meet separately at least once during the year without any executives present.

Notice of Meetings and Agenda

1. Meetings of the Board shall be convened by the Corporate Secretary at the request of the Chairman of the Board, or upon the request of majority of the directors.
2. Notice of each meeting confirming the venue, time, and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Board, and any other person required to attend, no later than one week prior to the meeting.
3. Notice of annual and special shareholders' meeting including, among, others, the date, location, meeting agenda, and its rationale and explanation, and details of issues to be deliberated on and approved or ratified at the meeting, should be sent to all shareholders at least 21 days before the meeting and posted on the Company's website.
4. The Chairman will approve the agenda for meetings and any member may suggest items for consideration. Members are authorized to directly request information or seek clarification from Management to facilitate a healthy discussion during the meeting.

Attendance to Meetings

1. All Board members are expected to attend and actively participate in all meetings in person or via tele- or videoconference, as authorized by the Company's By-laws.

2. The Chairman of the Board, or in his absence, the Vice-Chairman, shall preside in all meetings. If both chairs are absent, the Board members present shall elect one of their members to act as the Chairman for the meeting.
3. The Board may request any officer or employee of the Company or outside counsel to the Company or any special counsel or advisor to the Committee to attend a meeting of the Board or to meet with any members of, or consultants to, the Board.

Resolutions

1. Resolutions by the Board shall be subject to any applicable provision of the Company's By-laws.
2. Resolutions at a meeting of the Board at which there is a quorum shall be passed by a simple majority of the members present at such meeting, whether physically or through remote communication.
3. Each member, including the Chairman of the Board, shall have one vote.
4. Members of the Committee may exercise his vote through remote communication, as authorized by the Company's By-laws.
5. In case of an equality of votes, the Chairman of the Board shall be entitled to a second or casting vote. The Chairman must act in good faith in this regard to use the casting vote to resolve disputes and attempt to achieve consensus, and not to promote personal interests.

Escalation

The Committee shall timely refer to the BOD its recommendations or decisions which require ratification or approval by the BOD or, if otherwise, as it may deem necessary or proper.

Minutes of Meetings and Records

1. The Corporate Secretary shall minute the proceedings and the resolutions of all meetings of the Board, including the names of those present and in attendance.
2. The Corporate Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. If any conflict of interest exists, the member subject to the conflict shall not participate or vote on the issue giving rise to the conflict.
3. Minutes of meetings shall be circulated promptly to all members of the Board and once agreed unless a conflict of interest exists.
4. Minutes of all meetings shall be formally approved by the Board at its next scheduled meeting.
5. Minutes of all meetings shall be maintained by the Corporate Secretary, along with the following records:
 - Appointments and resignations of the members; and
 - All agenda and other documents sent to the members.
6. Any such meetings and records shall be open for inspection by any member upon reasonable prior notice during usual office hours of the Company.

X. DISCLOSURE AND TRANSPARENCY TO STAKEHOLDERS

1. The Board should ensure that a Company website is established to have a comprehensive, cost-efficient, transparent, and timely manner of disseminating relevant information to the public.
2. The Board shall submit its Annual Corporate Governance Report (ACGR) to IC.
3. The Board shall disclose its policies and procedures to ensure a comprehensive, accurate, reliable, and timely report to shareholders and other stakeholders that give a fair and complete

- picture of the Company's financial condition, results, and business operations.
4. The Board shall disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, share ownership in the Company, membership of other boards, other executive positions, and continuous trainings attended, and assess any potential conflicts of interest that might affect their judgment.
 5. The Board should provide a clear disclosure of its policies and procedures for setting board and executive remuneration, remuneration on an individual basis, including termination and retirement provisions, in the ACGR, consistent with ASEAN Corporate Governance Scorecard and the Revised Corporation Code.
 6. The Board should ensure a full, accurate, and timely disclosure of the Company's policy governing RPTs and other unusual or infrequently occurring transactions, as well as the review and approval of material and significant RPTs, to prevent abusive dealings and transactions, and to promote transparency.
 7. The Board should ensure that the Company has a clear and focused strategy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social, and governance (EESG) issues of its business, which underpin sustainability. Disclosures can be made using standards / frameworks such as the G4 Framework by the Global Reporting Initiative (GRI), the Integrated Reporting Framework by the International Integrated Reporting Council (IIRC) and / or the Sustainability Accounting Standards Board (SASB)'s Conceptual Framework.
 8. The Board should ensure that all relevant information on its CG policies and practices as contained in the ACGR submitted to IC, committee charters, and Code of Business Conduct and Ethics are posted on the Company's website and are continuously updated.

9. Make the result of votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. Ensure that the Minutes of the Annual and Special Shareholders' Meeting may be available on the Company website within five business days from the end of the meeting.

XI. PERFORMANCE EVALUATION AND CONTINUOUS IMPROVEMENT

The Board shall conduct a self-assessment of its performance at least once a year.

The Board members shall obtain and subject itself to an independent assessment by the CG Committee relative to its performance in accordance with expectations set out in this Charter and the discharge of its responsibilities.

The annual performance assessment shall be divided into four sets:

1. Board Appraisal
2. Director Appraisal
3. Committee Appraisal
4. Chief Executive Officer Appraisal

The Board may also engage the services of an external body to facilitate, or support, the evaluation of the BOD, the individual directors, board committees, Senior Management, and key officers at least once every three years. The use of an external facilitator in the assessment process increases the objectivity of the same. The external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution, or professional organization.

Based on the results of the self-assessment, formulate, and implement plans to improve its performance. These shall include the

identification of relevant training needs intended to keep the Board members up to date with relevant best practices.

XII. ANNUAL REVIEW OF THE CHARTER

The CG Committee shall annually review and propose amendments (if any) to the Board Charter and endorse such for BOD approval.