



LIFE & HEALTH HMP, INC.

SUCCESSION POLICY

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I. POLICY STATEMENT

It is the duty of the Board of Directors (BOD) to ensure and adopt an effective succession planning program for key officers and management to ensure growth and a continued increase in the shareholder's value.

It is the BOD's responsibility to implement a process to appoint competent, professional, honest, and highly motivated management officers who can add value to the Company.

II. PURPOSE AND MISSION

This Succession Policy (Policy) gives assurance and confidence to all stakeholders of the Company, demonstrating that changes in leadership would be carefully planned, communicated, and implemented by the BOD.

This Policy ensures the Company's readiness to replace key positions, in the event such roles and functions are vacated due to retirement, resignation, and other unforeseen circumstances.

The Corporate Governance Committee (CG Committee or Committee) shall be the overall responsible to supervise and ensure the enforcement of this Policy to ensure sustainability of a competent, experienced, and committed leadership, and aligns the current and future leadership competencies with the Company's short- and long-term business strategies and goals.

III. GUIDELINES

These guidelines shall be implemented by the CG Committee if position to be succeeded pertains to Management; and by the Executive Committee (Exec Committee) and Human Resources Department (HRD) if position to be succeeded pertains to key officers.

1. The Company shall establish a succession planning policy and related procedures that are practical and in accordance with best practices and regulatory expectations.
2. Succession planning shall be anchored on the Company's short- and long-term goals and objectives, in relation to the areas of competencies for key leadership positions, to ensure the continuity of an effective organizational performance and attainment of business objectives and targets.
3. A process shall be in place to identify and assess potential internal candidates, conduct periodic review and assessment of readiness, and present contingency planning for temporary absences of holders of key positions due to disability or any other unexpected event.
4. Periodic review of the leadership needs of the Company shall be conducted.
5. Perform annual exercise of identifying high potential employees who merit faster career progression to positions of higher responsibility, and formulate, administer, monitor, and review the process of skill development to identify their training requirements.
6. The succession planning process shall be established to include the following processes:
 - a. Identification of key positions and functions based on
 - Areas of competencies
 - Criticality – positions which, if removed, will cause a significant loss to the Company or have critical impact

- on the Company's ability to conduct normal business;
and
 - Retention risk – functions that represent the highest risk to be vacated (e.g. pregnancies, retirement dates, accident, injury, death, termination, etc.)
 - b. Identification of potential successors
 - c. Development of competencies and talent
 - d. Possession of necessary knowledge, skills, and behavior
 - e. Tracking of progress
 - f. Assessment of the readiness of successors
7. Potential candidates from within should be given the opportunity of priority consideration for openings in the Company to give meaning to employee development efforts.
 8. Apply a due diligence process to determine the suitability of candidates being considered.
 9. Hiring someone from outside may be considered if the Company wants fresh ideas and if there are no qualified and ready talent to fill up the vacancies. External candidates tend to be objective and may help the Company counteract blindness to the Company's failures.
 10. Appropriate recommendations shall be presented by the CG Committee or the Exec Committee to the BOD for approval.
 11. All hiring and appointments of Management shall be presented, deliberated, and approved by the CG Committee; while hiring and appointments of key officers shall be facilitated by the Exec Committee and the HRD.
 12. In the event of any unexpected occurrence to any member of the Management and key officers, the next person in the organization chart shall take interim charge of the position, pending a regular appointment in terms of the succession plan.
 13. All current incumbents or next-in-rank incumbents to critical positions shall be subjected to an onboarding program, making

- them aware and knowledgeable of the succession plan and program of the Company.
14. The succession plan shall include a transition program to help the new incumbents to critical positions adapt to their new job, which includes communicating the transition to all concerned stakeholders inside and outside the Company.

IV. LEADERSHIP DEVELOPMENT

This aims to develop current talents, leaders, and successors through various programs which are offered by outside institutions. This program may be implemented through the following:

1. Learning and Development (L&D) Plan – to ensure candidates will be provided with focused and structured learning and given access to advancement opportunities to allow them to reach their full potentials, and
2. Performance Management System – to provide a mechanism for measuring performance, identify areas for improvement, provide feedback, and implement mentoring, when necessary, to eliminate gaps between required competencies and current level of knowledge, skills, and abilities. Criteria to be considered are as follow:
 - a. Performance – consistent demonstration of competencies and impact to the business results
 - b. Demonstration of Leadership Attributes – can be validated through critical incidents and vouching of critical stakeholders on consistent demonstration of the leadership attributes:
 - i. Competent
 - ii. Strategic
 - iii. Innovative
 - iv. Passionate
 - v. Entrepreneurial; and

vi. Team Player

V. TALENT ACQUISITION AND MANAGEMENT

This program involves engaging top executive search firms for market scan and research of high potential individuals.

VI. RETIREMENT AGE FOR MANAGEMENT AND KEY OFFICERS

In accordance with the [REDACTED], the Company adopts the retirement age as follow:

1. Employees can be retired upon, or after, reaching age sixty (60).
2. Employees can retire at their option upon reaching age of fifty five (55), or after twenty five (25) years of service (Optional Retirement Age).
3. The Company allows any employee to defer his retirement up to a specified age beyond Optional Retirement Age but not beyond age sixty five (65) when retirement becomes compulsory.
4. An extension of tenure shall be effected upon meritorious justification, which is subject to the approval of the BOD. The continuing service of Management and key officers shall be determined on the basis of their ability to perform their duties meritoriously and willingness to serve regardless of age with due regard to mental sharpness, physical fitness, and the resilience to actively engage and make a positive contribution in the pursuit of Company goals for the benefit of its stakeholders.

VII. ANNUAL REVIEW OF THE POLICY

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