



BOARD RISK OVERSIGHT COMMITTEE CHARTER

The Board of Directors (the “Board”) of Asia Pacific Medical Center – Aklan Inc. (the “Corporation”) hereby adopts this Charter of the Board Risk Oversight Committee (the “Committee”).

I. PURPOSE

The purpose of the Committee is to oversee the establishment of Enterprise Risk Management (“ERM”) framework that will effectively identify, monitor, assess and manage key business risks. The risk management framework shall guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. The Committee shall be responsible for defining the Corporation’s level of risk tolerance and providing oversight over its risk management policies and procedures to anticipate, minimize, control or manage risks or possible threats to its operational and financial viability.

II. MEMBERSHIP

A. Composition

The Committee shall be composed of at least three (3) members of the Board, the majority of whom should be independent directors, including the Chairman. The Corporate Secretary shall be the Committee Secretary, unless otherwise determined by the Committee.

B. Qualifications

The Committee has to be composed in such a way that it possesses, as a group, the necessary knowledge, skills and experience required to properly perform its duties.

The Committee shall regularly review its composition, taking into account the evolving requirements of the Corporation, and best practices in corporate governance.

C. Term

The Board shall appoint the members of the Committee at its annual organizational meeting and each member shall serve upon his election until the next organizational meeting of the Board, unless removed or replaced by the Board.

D. Vacancy

In case any vacancy or vacancies should occur on the Committee other than removal or expiration of term, due to death, resignation or other causes, the remaining Directors, may fill the vacancy by election from among the members of the Board.



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E. Compensation

The members of the Committee shall receive such compensation as the Board may fix and determine, subject to the provisions of the Revised Corporation Code of the Philippines and other applicable laws.

III. OPERATION

A. Meetings

The Committee shall meet at such times and places as it considers appropriate, preferably at least two (2) times a year. The Chairman of the Committee, any Committee member, or the Corporate Secretary of the Corporation, may call a meeting of the Committee.

The Chair shall preside in all meetings. In the absence of the Chair, any member shall preside. Meetings may be held, and the members can participate in meetings of the Committee, through teleconference, video conference or other similar means.

B. Quorum

Attendance of at least two (2) Committee members shall constitute a quorum for all meetings.

C. Voting

The affirmative vote of a majority of such quorum shall be required to authorize any corporate action.

D. Notices

A notice of each meeting of the Committee specifying the place, date, time, and agenda and matters to be discussed during the meeting shall be given to each member of the Committee personally, in writing or orally, or sent to him by mail, facsimile, electronic mail or other similar means at least two (2) days prior to the date of the meeting. Each member shall give the Committee Secretary his address, facsimile number and electronic mail address for the service of notices of meetings. A member may waive notice of any meeting of the Committee and may consent to shorter notice of any meeting. Any Committee meeting called by shorter notice shall be deemed to have been duly convened if it is so agreed by the members present in the meeting at which there is a quorum.

E. Minutes and Record

The Committee Secretary shall maintain minutes or other records of the Committee meetings and activities.



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IV. POWERS, DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

In pursuit of its purpose, and so authorized by the Board, the Committee shall:

1. Oversee the development and implementation of a formal ERM Plan that contains the following elements:
 - a. Common language or register of risks;
 - b. Well-defined risk management goals, objectives and oversight;
 - c. Uniform processes of identifying, assessing, evaluating and measuring risks as well as developing strategies to manage and mitigate prioritized risks;
 - d. Designing and implementing risk management strategies; and
 - e. Continuing assessments and monitoring to improve risk strategies, processes and measures;
2. Evaluate the ERM Plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee shall revisit defined risk management strategies, look for emerging or changing material exposures, and stays abreast of significant developments that may seriously impact the likelihood of harm or loss;
3. Review the Corporation's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and occurrence of major events that may have a major impact on the Corporation;
4. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are mostly likely to occur and to impact the performance and stability of the Corporation and its Stakeholders;
5. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
6. Report to the Board on a regular basis, or as deemed necessary, the Corporation's risk, material risk exposures, the actions taken to reduce the risks, and recommends appetite levels, risk tolerance limits, further action or plans, as necessary.

V. PERFORMANCE ASSESSMENT

1. The members of the Committee shall evaluate its performance based on best practices and expectations set-out in this Charter and in related SEC Memorandum Circulars concerning Board Risk Oversight Committee.



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2. The Committee shall obtain and subject itself to an independent assessment by the Board of Directors based on best practices and relative to its performance in the discharge of its responsibilities as set out in this Charter.
3. Based on the results of the performance assessment, the Committee shall formulate and implement plans to improve its performance. These may include the identification of relevant training needs intended to keep the members up to date with corporate governance best practices, accounting and auditing standards, as as specific areas of concern.



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VI. MISCELLANEOUS

A. Access to Information

The Committee shall have free and full access to all relevant information, data, records and personnel of the Corporation.

B. Technical Assistance

The Corporate Secretary, the management and all personnel of the Corporation shall provide assistance and support to the Committee.

The Committee may also invite such members of management and other resource persons to its meetings and may secure independent expert and/or professional advice as it may deem desirable and appropriate.

All resources necessary for the Committee to perform its duties and functions shall be provided by the Corporation, at its expense.

C. Records/Confidentiality

The Corporate Secretary shall keep and have custody of the records of the Committee. Except for information that are required to be disclosed pursuant to law or regulations issued by competent government authorities, the records shall be kept confidential.

D. Annual Review/Self-Evaluation

This Charter shall be reviewed by the Committee annually. Any proposed changes shall be approved by the Board. The Committee shall conduct a yearly self-evaluation of its own performance.

E. Effectivity

This Charter shall take effect when approved by the Board through the Committee.