

SECTION 5. COMMITTEES OF THE BOARD OF TRUSTEES

The Board of Trustees shall establish Committees to promote Good Corporate Governance of CARE MBA, Inc.

1. Election Committee

The Election Committee is composed of at least three (3) members elected by the General Assembly possessing all the qualifications and none of the disqualifications for the members of the Board of Trustees.

The Election Committee's tasks shall include:

- a. Shall review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Trustees. It should prepare a description of the roles and capabilities required of a particular appointment.
- b. The Election Committee is hereby vested sole authority to conduct and supervise the elections for the members of the Board of Trustees and other officers and proclaim the winners. The election committee shall likewise be the judge of all electoral contests, including questions on the qualification of candidates and its decision shall be final unless appealed to the Board of Trustees whose decision shall be final. Further, the CARE MBA, INC. may be tasked to supervise the election of other special committees.
- c. They shall serve for a term of two years tasked to review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Trustees; conduct and supervise the elections for the members of the Board of Trustees and other officers and proclaim the winners.
- d. The election committee may deputize such personnel of the head office of the CARE MBA, INC. Which it may deem necessary to enable it to perform its function.
- e. The members of the election committee shall not be entitled to any salary but shall be entitled to reimbursement of travel and communication expenses for attendance of official meetings equal to those received by members of the Board of Trustees.
- f. No member elected as a member of the election committee shall be eligible for election for any position during his term of office even if he resigns or is removed from office for any reason.

2. Audit Committee

The Audit Committee shall compose of at least three (3) members, all are non-executive officers and the Chairperson must be an Independent Trustee. At least one of the members of the committee should have audit or accounting expertise and/or experience. The Audit Committee shall meet quarterly.

The Audit Committee's duties and responsibilities include the following:

- a. The Audit Committee provides oversight of the financial reporting policies, audit process and Association system of internal and external audit functions.

- b. Ensure that a review of the effectiveness of the Association's internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually.
- c. The Audit Committee evaluates the results of an audit with management and external auditors
- d. It is also responsible for the appointment, compensation and oversight of the work of the auditor.
- e. Audit Committee may meet separately with the external auditors if there be any matters to discuss privately.
- f. Prepares a report to the Board of Trustees summarizing the work performed in fulfilling the committee's primary responsibilities.

3. Board Risk Oversight Committee

Risk Oversight Committee shall compose of at least three (3) members headed by an Independent Trustee as the Chairperson. Risk Oversight Committee shall meet quarterly.

The Risk Oversight Committee tasks shall include the following:

- a. The committee is responsible for the development and oversight of the risk management program of CAREMBAI
- b. The committee shall assess the probability of each risk becoming to progress and estimate its possible effect and cost.
- c. The risk oversight committee shall conduct regular discussions on the Association's current risk exposure that is based on regular management reports.
- d. Review the risk management plans to ensure its continued applicability and effectiveness
- e. Report regularly to the Board of Trustees about the over-all risk exposures and actions taken to reduce the risks and recommend further actions or plans as required.

4. Corporate Governance Committee

Corporate Governance Committee shall be composed of at least three (3) members headed by an Independent Trustee as the Chairperson. Corporate Governance Committee shall meet quarterly.

The Corporate Governance Committee shall be responsible for the following:

- a. The Corporate Governance Committee is responsible for assisting the Board of Trustees in fulfilling its oversight responsibilities in relation to the overall approach to corporate governance of the CARE MBA, Inc.
- b. The Committee is responsible in recommending action to the Board of Trustees for structural changes to ensure CAREMBA's compliance with its legal duties.
- c. The Governance Committee shall be accountable for the Board of Trustees and the Association's governance guidelines and policies.
- d. The Committee undertakes studies regarding in-house arrangements and changes concerning the understanding, adoption and implementation of corporate governance principles by CARE MBA, Inc. employees and submits the results of these studies to its Board of Trustees.

- e. The CGC is in charge for updating and revising the CARE MBA's manuals (AMLA, Corporate Governance Manual)
- f. The CGC will periodically present key findings to the Board of Trustees during its regular Board meeting.

5. Related Party Transaction Committee

Related Party Transaction Committee shall be composed of at least three (3) members headed by an Independent Trustee as the Chairperson. Related Party Transaction Committee shall meet quarterly.

The Related Party Transaction Committee shall be primarily responsible for the following:

- a. The Related Party Transaction Committee shall assist the association in handling transactions with related parties.
- b. They review and evaluate each transaction to assess its fairness
- c. The RPT Committee set materiality threshold for each type of transactions to related parties such as investment, financial assistance, contract agreements and others.
- d. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with nonrelated parties under similar circumstances and that no corporate business.

6. Remuneration Committee

Shall be composed of at least three (3) members of the Board of Trustees, one (1) of whom must be an Independent Trustee possessing all the qualifications and none of the disqualifications for the members of the Board of Trustees. The Remuneration Committee shall meet quarterly.

The Remuneration Committee shall be primarily responsible for the following:

- a. Shall judge or make plans where to position the company relative to other companies. But such comparisons shall be used with caution in view of the risk of an upward ratchet of the level of remuneration with no corresponding improvement in performance.
- b. Shall delegate responsibilities for setting up remuneration for all executive officers and president, including pension rights or any compensation payments.
- c. Shall also recommend and monitor the level and structure of salaries including remunerations for senior management. The definition of senior management for this purpose shall be determined by the Board but would normally include first level Management and Board of Trustees level.