

NOVO ECIJANO TEACHERS' MUTUAL BENEFIT ASSOCIATION, INC.

228 Gabaldon Street, Brgy. San Roque, Cabanatuan City, Nueva Ecija, Philippines 3100
Tel. No. (044) 463-9112

**CORPORATE
GOVERNANCE
COMMITTEE**

Document Code:
NECGC

Revision Number:
000

Effectivity Date:

Approved by:

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee (CGCom) shall assist the Board of Trustees in fulfilling its corporate governance responsibilities and in ensuring implementation of the NOVO's Compliance System.

The committee is tasked with the responsibility of establishing an organized, formal and transparent procedure in determining the remuneration of officers, employees and independent service providers, that is consistent with the culture, strategy, business environment and industry practice.

The committee shall have the responsibility to:

a. Oversee the implementation of the corporate governance framework and periodically reviews the same framework to ensure that it remains appropriate in light of material changes to the group's size, complexity and business strategy, as well as its business and regulatory environments.

b. Adopt and maintain an effective policy for corporate governance and compliance structure that will enable effective oversight over the Association to ensure that said policies are regularly reviewed and updated and most importantly consistently and efficiently implemented in form and substance.

c. Make recommendations to the Board on matters pertaining to the assignment to committees, as well as succession plan for the members of the Board and senior management.

d. Oversee the continuing education/training programs for the Board. proposes and plans relevant trainings for the members of the Board.

- e. Ensure allocation of sufficient time, budget and other resources for the continuing education of directors and draw on external expertise as needed.
- f. Establish and ensure effective implementation of policy for on-boarding/orientation program for first time directors and annual continuing education for all directors.
- g. Oversee the performance evaluation process and ensure that the results of the Board evaluation are shared, discussed and that concrete action plans are developed and implemented to address the identified areas for improvement.
- h. Determine whether or not a Trustee or officer who has multiple positions is able to and has been adequately carrying out his/her duties and, if necessary, recommend changes to the Board based upon said performance/review.
- i. Oversee the design and operation of the remuneration and other incentives policy and ensure that the remuneration and other incentives policy is aligned with operating and risk culture as well as with the strategic and financial interest of the Association, promotes good performance and conveys acceptable risk-taking.

Composition

The members of the CGCCOM shall be composed of at least three (3) members of the Board of Trustee who shall all be non-executive directors, majority of whom shall be independent directors, including the chairperson.

The Committee members, including the President, shall have a maximum cumulative term of 9 years.

All decisions or resolutions of the Committee shall have the affirmative vote of the majority of the members of the Committee.

Delegation

The Committee may, in its discretion, delegate all or a portion of its authority to act upon specific matters to a subcommittee consisting of one or more members of the Committee as it deems appropriate, unless prohibited by applicable law, regulation or exchange listing standard.

Any such subcommittee shall have a charter and shall report any action to the full Committee at the next meeting. In addition, to the extent not prohibited by applicable law, as appropriate, the Committee may, if and to the extent determined by the Committee, delegate to the Chair of the Committee certain of the Committee's duties and responsibilities.

Meeting

The Committee shall meet at least once every quarter. A special meeting may be called as necessary.

The Committee Secretary shall develop the agenda for each meeting and send out notices at least five (5) banking days before the meeting date. He/She shall likewise prepare/distribute the minutes and make memo to the Board and other reports, as needed.

The Committee Charter shall be reviewed annually or as necessary, should there be changes in the regulations affecting the Committee.

The Committee shall report to the Board at least once every quarter or as necessary.