

**MEDICARD RXER
Healthcare Program Agreement**

MediCard Philippines, Inc., (hereinafter referred to as “MediCard”), a duly organized and registered corporation, with principal office address at 8th Floor, The World Centre Building, 330 Sen. Gil Puyat Avenue, Makati City 1200, through the undersigned as its duly authorized representative, hereby confers this Service Agreement (the “Agreement”) to the CLIENT/MEMBER who agreed to engage the services of the former under the terms and conditions stipulated herein.

Signed and effective as of _____ in Makati City, Philippines.

JULIAN C. MENGUAL
Chief Executive Officer

Conforme:

Signature over printed name of CLIENT/MEMBER

SPECIMEN COPY

TERMS AND CONDITIONS

I. DEFINITION OF TERMS

1. **ACCIDENT** – A visible, external, sudden and violent event occasioned by a physical or natural cause and occurring entirely beyond the member’s control causing damage to the health of the member.
2. **ACCREDITED HOSPITAL** - A duly licensed hospital included in the list of accredited hospitals of MediCard with which MediCard has an existing and valid service agreement and where a member can avail of medical services pursuant to this Agreement.
3. **ACCREDITED MEDICAL CLINIC** - A duly licensed medical health care facility included in the list of accredited medical clinics of MediCard which has an existing and valid accreditation agreement with MediCard and where a member can avail of medical services pursuant to this Agreement.
4. **ACCREDITED PHYSICIAN/DOCTOR** - A duly licensed physician or specialist accredited by MediCard and named in the list of MediCard’s accredited physician with whom MediCard has made arrangements to provide the required services under this Agreement.
5. **ATTENDING PHYSICIAN** - An Accredited Physician who is part of the medical staff of an Accredited Hospital or Accredited Medical Clinic, and legally responsible for the care given to a member while in the hospital or on out-patient basis.
6. **CLIENT** – A person of legal age who purchases Healthcare Program online or offline, which benefits will be enjoyed by his/her enrolled MEMBER here in the Philippines.
7. **CONVALESCENT CARE OR REHABILITATION CARE** - The restoration of a person's ability to function as normally as possible after a disabling illness or injury.
8. **COMPLEX DIAGNOSTIC EXAMINATIONS** - Procedures which may or may not be invasive in nature involving use of nuclear/radionuclide scans, digital imaging, fiberoptic/video endoscopy, markers/dyes and specific modalities listed in “Schedule of Benefits”.
9. **DEVELOPMENTAL, CONGENITAL CONDITION, BIRTH DEFECT** - A medical abnormality existing at the time of birth as well as neonatal physical or mental abnormalities developing thereafter because of causal factors or conditions present at the time of birth.
10. **DISABILITY** - An illness or Injury and any symptoms, sequelae, or complication thereof requiring treatment. All injuries arising from the same event or series of continuous events are considered as one Disability.
11. **DISEASE** – Any illness, injury or adverse medical condition characterized by the abnormal functioning of a part, organ or system of the human body hallmarked by identifiable signs and symptoms, including all Disease Complications thereof.
12. **DURABLE MEDICAL EQUIPMENT** - As determined by the MediCard, medically prescribed items of medical equipment for repeated use, owned or rented, such as but not limited to crutches and wheelchairs which are placed in the home of a member to facilitate treatment and/or rehabilitation of illness or Injury.

13. **EFFECTIVE DATE** - The date the Agreement commences as specified in this Agreement.
14. **ELIGIBLE EXPENSES** - Expenses incurred in the treatment of a covered Illness or Injury which are Medically Necessary and not exceeding the limits in “Schedule of Benefits”.
15. **EMERGENCY CONDITION** - A life threatening or accidental Injury or a sudden and unexpected onset of a condition or Illness which at the time of the occurrence reasonably appears to have the potential of causing immediate Disability or death, or which requires the immediate action or alleviation of pain or discomfort. These Illnesses or injuries require urgent medical or surgical care and attention which the member secures immediately after the onset or as soon as the care may be made available.
16. **HAZARDOUS JOB-RELATED ILLNESSES/INJURIES ARISING FROM NEGLIGENT ACTS** - Illnesses/injuries suffered on the occasion, or as a consequence, of the performance of a job brought about by negligence or non-use of protective measures in jobs requiring the handling of biological agents, radioactive substances, toxic chemicals and high voltage equipment.
17. **ILLNESS** - A poor health or poor physical condition marked by a pathological deviation from the normal healthy state caused by disease or sickness.
18. **IN-PATIENT** - A person who has been admitted to a hospital as a registered bed patient and is receiving services under the direction of a MediCard accredited physician.
19. **INJURY** - Physical damage or trauma arising wholly and exclusively from an Accident or other events of violent or external, and visible nature.
20. **MATERIAL INFORMATION** - An information is deemed material if its disclosure would have resulted in the (a) declination of the application for Membership of the applicant, (b) the assessment of a higher Membership Fee or (c) the inclusion of additional restrictions and exclusions to the benefits of the member under this Agreement.
21. **MEDICAL BENEFITS** - The medical, surgical and dental services available as out-patient or in-patient benefits generally at no cost to MEMBERS if within the agreed scope of coverage, whenever the need for them arises, and when rendered by and in MediCard accredited doctors, hospitals and clinics.
22. **MEDICAL DIRECTOR (in an HMO set-up)** – is a physician who is responsible in assuring healthcare delivery for health plans, products and services by leading, developing, directing and implementing medical and non-medical activities that impact health care quality, cost and outcomes in a financially responsible manner.
23. **MEDICARD HEALTH PROGRAM AGREEMENT** - Refers to this Agreement. It contains the provisions of enrollment eligibility and effective date; benefits and coverages; claims and member satisfaction provisions; exclusions and limitations of benefits; payment of membership fee; termination of coverages; etc.
24. **MEDICARD IDENTIFICATION CARD** - The identification card issued to the members for their identification. It contains the member’s name, account number and validating signature.

25. **MEDICINE AND DRUGS** - Those for which a licensed medical practitioner has prescribed for dispensing, which are specifically required for the treatment of a covered Illness or Injury under this Agreement.
26. **MEMBER** – one who is eligible, has been accepted for Membership by MediCard after complying with the Eligibility provision, and is currently enrolled under this Agreement.
27. **MEMBERSHIP** - Refers to membership in MediCard, pursuant to this Agreement.
28. **OUT-PATIENT** - A person receiving medical services under the direction of a MediCard physician, but not as an in-patient.
29. **PRIMARY ACCREDITED PHYSICIAN** - The officer-in-charge physician who acts as the family physician of the members in their MediCard accredited hospital. He directs the members' medical care, examines, treats and/or refers members to specialists, orders x-ray and other laboratory tests, prescribes medicines and arranges for hospitalization, if needed. This person must not be a relative of the member up to the third degree of consanguinity and affinity.
30. **PROFESSIONAL FEES** - Fees paid to licensed medical professionals including but not limited to Occupational Therapists, Physiotherapists, Attending Physicians, Surgeons, Anesthesiologists, or Pathologists.
31. **SURGERY** - The branch of medicine dealing with manual or operative procedures for the correction of deformities and defects, repair of injuries, diagnosis and cure of certain diseases. This includes surgery performed in an out-patient setting for a covered Illness or Injury.

ARTICLE II. ENTIRE AGREEMENT

- SEC. 2.1 The application, any medical certifications and/or documents and any written statements, representations, information or evidences furnished by the MEMBER upon the request of MediCard, and this AGREEMENT constitute the entire AGREEMENT between the parties.
- SEC. 2.2 This AGREEMENT is not subject to any modification or waiver of any provision hereof. MediCard will not be bound by any promise or representation herefore or hereafter made by or to any agent or person other than as specified herein.
- SEC. 2.3 The virtual card sent by MediCard via email or the physical card issued by MediCard shall be considered as proof of membership. In case the MEMBER will avail any of the services of MediCard, the MEMBER should also present a valid identification card.
- SEC. 2.4 This AGREEMENT shall be governed by and construed in accordance with Philippine Law. All services and benefits arising out of this AGREEMENT are valid only in the Philippines.

ARTICLE III. NOTIFICATION OF MATERIAL CHANGE

- SEC. 3.1 The MEMBER shall be obliged to promptly notify MediCard in good faith and in writing of a change in his place of residence, occupation and other material changes in the information he/she has furnished as required by MediCard. All notices sent by

MediCard to the MEMBER's address on record with MediCard shall be considered as validly sent regardless of the actual address or whereabouts of the MEMBER.

ARTICLE IV. MEMBERSHIP FEES AND CHARGES

SEC. 4.1 In consideration for the services rendered by MediCard, the Client agrees to pay the one (1) year membership fee of **two thousand three hundred seventy-eight pesos (P2,378.00)** inclusive of 12% VAT upon enrollment with MediCard. Membership fee shall be valid within the one (1) year membership period only.

ARTICLE V. MATERIAL MISREPRESENTATION OR NON-DISCLOSURE

SEC. 5.1 Failure to disclose or misrepresentation of any material information by the Client or MEMBER or any applicant for membership under this Agreement, whether intentional or not, shall entitle MediCard to terminate this Agreement, effective immediately upon receipt of the Client and/or MEMBER of a notice of termination for this case. Information is deemed material if it is among those required to be answered or supplied in the individual application and/or medical examination forms of MediCard at the time of application; or it would have resulted in the disapproval of the application for membership, or the denial of coverage at the time the misrepresentation or non-disclosure was discovered.

In case of invalidation of the agreement due to fraudulent non-disclosure or misrepresentation of any material information by the MEMBER, he/she shall not be entitled to a return of membership fees which may have been paid already to MediCard, as well as any and all benefits which may be provided under this Agreement. Furthermore, MediCard may also demand for reimbursement of the cost of services rendered or amount already refunded to the member plus administration fee; however, in the event that there is no fraud, MediCard shall return the membership fees paid less cost of previous services rendered by MediCard including administration fee.

ARTICLE VI. AGREEMENT PERIOD

SEC. 6.1 Upon payment of membership fee and approval by MediCard of the application for membership, this AGREEMENT shall be deemed effective from the date indicated above and for a period of one (1) year thereafter.

SEC. 6.2 Upon expiration of membership, the Client and/or MEMBER may re-apply for membership which re-application shall be subject to re-evaluation and approval by MediCard.

ARTICLE VII. MEMBERSHIP ELIGIBILITY

SEC. 7.1 Client should be at least 18 years of age and has capacity to contract and perform his/her obligations under this AGREEMENT.

SEC. 7.2 No eligibility requirement will apply to MEMBER.

ARTICLE VIII. PHILHEALTH/ECC PROVISION

It is hereby declared and agreed that hospitalization benefits due under the PHILHEALTH and/or Employee Compensation Commission (ECC) program are assigned to and integrated with the

MediCard program such that any of the MediCard benefits due under this Agreement shall be net of the MEMBER's PHILHEALTH and/or Employee Compensation Commission (ECC) benefits. MediCard will not pay or advance the costs of such benefits, nor be responsible for filing any claims under PHILHEALTH and/or ECC.

ARTICLE IX. SCHEDULE OF BENEFITS

Upon payment of the fees and upon effectivity of the membership, the MEMBER shall be entitled to the following benefits:

SEC. 9.1 Annual Physical Examination in any MediCard Free Standing Clinics consisting of the following may be availed by the MEMBER after fourteen (14) days from membership effectivity:

- Comprehensive Physical Examination
- Complete Blood Count
- Urinalysis
- Fecalalysis (Stool Exam)
- Chest X-ray

SEC. 9.2 Out-patient Consultations in any MediCard Free Standing Clinics by the following specialists after seven (7) days from membership effectivity:

- General Practitioner
- Family Medicine Physician
- Internal Medicine Physician
- Paediatrician
- Gynecologist (except on maternity-related consultations)

SEC. 9.3 MEMBER is entitled to the following discounts in any MediCard Free Standing Clinics upon effectivity of membership:

- Flat rate of P600.00 for out-patient consultations with other specialists and sub-specialists
- 30% discount on out-patient laboratory and diagnostic tests
- 30% discount on out-patient surgeries and other services
- 30% discount on procedures in Skin and Body by MediCard Laser & Aesthetics Center

SEC. 9.4 Dental care services in any MediCard Free-Standing Clinics with dental services upon effectivity of membership:

- One-time oral prophylaxis
- Out-patient Dental consultations
- 30% discount on dental procedures
- Baseline Panoramic X-ray in the following MediCard Free Standing Clinics: MediCard Lifestyle Center, Makati; Festival Mall, Alabang; Centris, QC; Uptown, BGC; Clark, Pampanga; and Sta. Rosa, Laguna

Note: All benefits listed above may only be availed of by appointment from Mondays to Fridays in any MediCard Free-Standing Clinics listed in Article XVI.

SEC. 9.4 MediCard will cover the following Out-Patient Emergency Care cases in all MediCard Accredited Hospitals and Non-MediCard Accredited Hospitals up to one hundred percent (100%) of the approved total hospital bills and of doctor's professional fees, based on MediCard relative value, subject to any applicable inner limits, provided that, it will not exceed the annual benefit limit of P20,000.00, which is the total emergency care limit:

TRAUMA CASES which include the following:

- a. Vehicular accidents and other forms of accidents not brought about by the MEMBER's own negligence or misconduct or not brought about by acts which are against the law of the Philippines (for vehicular accidents, vehicle registration (OR/CR) and driver's license should be submitted.
 - b. Burns
 - c. Animal Bites
 - d. Accidental Chemical Poisoning
1. Out-Patient Emergency care services will include the following:
 - a. Doctor's services
 - b. Emergency Medicines used during treatment or for immediate relief
 - c. Oxygen
 - d. Dressings, ordinary casts, and sutures
 - e. Tetanus toxoid, anti-tetanus serum, and active immunization for rabies
 - f. Basic laboratory, x-ray and other basic diagnostic examinations directly related to the emergency management of the patient.
 - g. CT scan, MRI and ultrasound are covered up to P5,000.00 within the total limit each if deemed necessary for the immediate management of the patient.
 - h. Emergency Complex Diagnostic and Therapeutic Procedures will be covered by MediCard up to P5,000.00 within the total limit. The following are considered as complex diagnostic or therapeutic procedures:
 - angiography
 - pulmonary perfusion scan
 - tests involving use of nuclear technologies
 - electromyography, nerve conduction studies
 - 2D echo and Doppler
 - endoscopies including one of video
 - Arthroscopies
 - adrenocortical functions
 - all other diagnostic tests and therapeutic procedures not mentioned but deemed by MediCard as a complex diagnostic and therapeutic procedure
 2. MEMBER may avail of the emergency services more than once as long as there is still a remaining limit.
 3. For Out-Patient Emergency Care in MediCard Accredited Hospitals, MediCard will only cover cases within six (6) hours from the time of incident and within the total emergency care limit, subject to the conditions under exclusions and limitations. Services availed by a MEMBER in excess of the coverage or allowable limit in hospitals with blanket authority, shall be settled by the MEMBER directly with the hospital. Failure of the MEMBER to settle the excess charges shall necessitate MediCard to bill the MEMBER all excess charges with corresponding twenty

percent (20%) service fee, payable within fifteen (15) calendar days from receipt of billing. Otherwise, a corresponding penalty of 1% per month will be incurred. If the bills remain unpaid after thirty (30) days, the concerned MEMBER shall cease to be entitled for coverage until after bills have been settled in full.

4. For Out-Patient Emergency Care in Non-MediCard Accredited Hospitals, coverage should be within the total emergency care limit on a reimbursement basis and subject to the conditions under exclusions and limitations.

ARTICLE X. MEMBER’S SATISFACTION SERVICE

SEC. 10.1 All questions or concerns of MEMBER about the medical services and benefits shall be directed to the MediCard Head Office. MEMBER must provide complete and necessary information so that the Customer Management Assistant, Customer Care Officers and/or other appropriate staff can resolve the MEMBER's concern in a timely manner.

SEC. 10.2 An **Emergency Assistance Response Service (E.A.R.S.)** that operates on a 24 hour/day 365 day/year basis to respond to inquiries shall be available at the following telephone numbers:

Tel. No.	: 841-8080
Toll Free Nos.	: +1-800-1-888-9001 (PLDT/Smart) : +1-800-8-944-8400 (Globe landline/mobile and Touch mobile)

SEC. 10.3 Open door policy. Direct access to a network of accredited hospitals/clinics nationwide, satellite medical clinics, existing mall-based clinics, and a Head Office Clinic.

ARTICLE XI. REIMBURSEMENT PROCEDURE

SEC. 11.1 All claims for reimbursement must be submitted or forwarded to MediCard Head Office within thirty (30) calendar days after discharge from the hospital. Failure to do so shall invalidate the claim, except if it can be shown in writing that it was not reasonably possible to furnish such documents within thirty (30) calendar days. In case of death of a Member, any benefit due remaining unpaid shall be paid to the first surviving class of the following classes of successive preference of beneficiaries: the Member’s (a) widow or widower; (b) surviving children; (c) surviving parents; (d) surviving brothers and sisters; and (e) executors or administrations.

Required documents in availing reimbursement:

1. Out-Patient emergency consultation/treatment by a non-accredited doctor in areas where there are accredited hospitals/clinics.
 - Medical Certificate to include complete final diagnosis
 - Original Official Receipt paid to the doctor
 - Incident report
 - Police report if due to accident or medico-legal case
2. Out-Patient emergency or non-emergency consultation/treatment by a non-accredited doctor in areas where there is no accredited Hospital/Clinic.
 - Medical Certificate to include complete final diagnosis
 - Original Official Receipt

- Incident report
- Police report if due to accident or medico-legal case

SEC. 11.2 RECONSIDERATION OF DENIED REQUEST FOR PAYMENT

If a request for payment is denied, the MEMBER or the MEMBER's authorized representative may appeal the decision by filing a written request with MediCard Head Office within thirty (30) days after receiving a negative decision. The request must set forth why the MEMBER believes that the decision was in error. The MEMBER may examine pertinent documents not subject to "privileged communication" (as discussed in Rule 130, Section 24 of the Rules of Court) or disclosure and may submit additional written statements for consideration of the appeal.

Upon completion of the procedure, the MEMBER will receive a written notice stating the final MediCard decision and the reason for such decision.

SEC. 11.3 FRAUDULENT CLAIMS

If any claim under this Agreement is in any respect fraudulent, all benefits payable and/or paid in relation to that claim shall be forfeited and if deemed appropriate, recoverable, respectively.

SEC. 11.4 PHYSICAL EXAMINATION AND AUTOPSY

MediCard shall have the right and opportunity to examine the MEMBER when and as often as it may reasonably require during the pendency of claim hereunder, and the right and opportunity to make an autopsy in case of death, where it is not forbidden by law.

SEC. 11.5 BENEFIT PAYMENT

- a. All benefits payment shall be in PHILIPPINE PESO.
- b. If a MEMBER incurs Eligible Expenses during the effectivity of this Agreement, MediCard will pay benefits in accordance with the "Schedule of Benefits" of this Agreement. MediCard will pay the Eligible Expenses after application of any stipulated co-payment or other deductions that may apply.
- c. Benefits will not exceed the total medical expenses when combined with other health care or medical coverage in force or organizations or which are provided free of charge in government or private facilities.
- d. MediCard reserves the right to deny Claims for Reimbursement if the procedures and requirements have not been strictly complied with.

SEC. 11.6 PAYMENT OF CLAIMS

All benefits that pertain to a MEMBER will be paid by check to the order of Client or Member, unless the Client or Member requests otherwise, or HMO, in its discretion, considers it preferable to make the payment in another manner. In case of death of a MEMBER, any benefit due but remaining unpaid shall be paid to the first surviving class of the following classes of successive preference of beneficiaries: the MEMBER's (a)

widow or widower; (b) surviving children; (c) surviving parents; (d) surviving brothers and sisters; and, (e) executors or administrators.

ARTICLE XII. EXCLUSIONS, LIMITATIONS, RESTRICTIONS AND CONSENT

SEC. 12.1 In-Patient Services are not covered.

SEC. 12.2 LIMITATION IN SERVICES

MediCard is not responsible for the following:

- a. Delay or failure to render services due to major disasters and natural calamities, brownouts or epidemics affecting facilities or personnel.
- b. Unusual circumstances such as complete or partial destruction of facilities, war, riots, disability of a significant number of MediCard personnel or similar events which result in delay to provide services.
- c. Conditions for which a MEMBER has refused recommended treatment for personal reasons, for which MediCard physicians believe no professionally acceptable alternative treatment exists.
- d. Sudden change of hospital policies.
- e. Failure of the patient to get the proper treatment if deemed not covered by MediCard.
- f. Out-patient consultations outside clinic hours.

SEC 12.3 EXCLUSIONS

- a. Issuance of medical certificate shall not be covered during out-patient consultation.
- b. Take home medicines and medical supplies shall not be covered.
- c. Prescribed medicines shall not be provided by MediCard or MediCard-accredited doctors/hospitals/clinics.
- d. Hospitalization and treatment outside the Philippines are not covered.
- e. Cost of medical services, medicine and other expenses incurred as a result of a MEMBER's decision to avail of such medical services, treatment or procedure, not prescribed or contrary to what has been prescribed by the attending MediCard provider, or without MediCard's express written report shall not be covered by MediCard.
- f. Bandages, fiberglass and other forms of prosthetics, medical appliances, pins, screws and the like are not covered.
- g. Plastic and reconstructive surgery for cosmetic purposes and for physical congenital deformities and abnormalities.
- h. Slipped disc, herniated disc, scoliosis, spinal stenosis and spondylosis.
- i. Experimental medical procedures, acupuncture, acupressure, reflexology and chiropractics.
- j. Purchase or lease of durable medical equipment, oxygen dispensing equipment and other medical supplies.
- k. Corrective appliances, artificial aids and prosthetic devices.
- l. Human blood products like platelets, packed RBC, plasma, gamma globulin, etc. and its processing.
- m. Psychiatric and psychological illnesses including neurotic and psychotic behavior disorders.

- n. Treatment for alcoholic intoxication and drug addiction or overdose reaction to use of prohibited drugs including illnesses directly related to it and other injuries attributed as a result of it.
- o. Rehabilitation treatment, physical, speech, occupational and hormonal therapies.
- p. Hazardous job-related illnesses and/or injuries.
- q. Injuries or illnesses resulting from participation in war-like or combat operations, riots, insurrection, rebellion, strikes, domestic violence and other civil disturbances.
- r. Treatment of self-inflicted injuries or injuries attributable to the MEMBER'S own misconduct, gross negligence, use of alcohol and/or drugs, vicious or immoral habits, participation in act of crime, violation of a law or ordinance, unnecessary exposure to imminent danger or hazard to health and hazardous sports related injuries.
- s. Oral surgery for purposes of beautification; temporomandibular joint disease (TMJ) surgery done by dental practitioner.
- t. Treatment of injuries sustained in a motor vehicle accident if the MEMBER or his guardian fails or refuses to execute the deed of Subrogation.
- u. Professional fees of medico-legal officers.
- v. Cost of vaccines for active and passive immunization other than tetanus toxoid, anti-tetanus serum, and active immunization for rabies.
- w. Follow-ups at the emergency room.
- x. All other forms of services not mentioned under this Agreement.

SEC 12.4 RESTRICTIONS:

- a. The MEMBER shall not use the benefits of his other MediCard coverage (if any) simultaneously with the RxER package or vice versa.
- b. The MEMBER shall not use his RxER in combination with other MediCard Plan.
- c. RxER is not a full HMO plan.

SEC. 12.5 CONSENT

It is hereby understood that, to be entitled to the benefits under this Agreement, the MEMBER hereby waives his/her consent to the disclosure and processing of his/her medical/health information which is determinative for the assessment of his/her coverage and necessary for the treatment of his/her illness. MediCard, its physician and other allied health professionals, including its Accredited Hospitals/Clinics are hereby released from any liability by reason of such disclosure.

ARTICLE XIII. PRE-TERMINATION OF AGREEMENT

SEC. 13.1 TERMINATION OF AGREEMENT BY THE CLIENT

- a. **Free Look Provision.** The MEMBER may terminate this Agreement by giving a written notice within fifteen (15) days from his/her receipt of the contract. The MEMBER may cause the termination of this Agreement provided the membership ID Cards and this Agreement are surrendered to MediCard within the same period. If payment was made by the MEMBER, the amount shall be returned in full to the MEMBER. MediCard shall thereafter terminate the membership and the termination provision of this Agreement shall apply. Failure to terminate this Agreement within the period set shall be understood as an acceptance of all terms and conditions provided hereunder. Any availment of a MEMBER within the fifteen (15) - day period shall also mean acceptance by the MEMBER of all the terms and conditions of this Agreement.

- b. The CLIENT may terminate this Agreement for justifiable reasons at any time by giving a written notice to MediCard at least thirty (30) days prior to the intended termination date. The CLIENT may only terminate this Agreement if it is not in default in the performance of its obligations or it has not violated any of its warranties and representations. Starting on the termination date, MediCard shall be free from all liabilities to the CLIENT and/or MEMBER. This shall be without prejudice to the right of MediCard to collect Client's obligations which have become due and demandable. Likewise, the CLIENT shall be entitled to a refund of unused membership fee if the cancellation by the CLIENT was for justified reasons.

SEC. 13.2 This AGREEMENT may be pre-terminated by MediCard in the event that:

- a. Any material misrepresentation; or warranty made by the CLIENT and/or MEMBER is false or untrue; or if the CLIENT and/or MEMBER commits any act with the intend to defraud MediCard;
- b. The CLIENT and/or MEMBER assigns this Agreement to another person or permits the use of his/her membership ID by another person.
- c. The CLIENT and/or MEMBER commits any act done in bad faith, in breach of the Agreement or other similar acts.

Pre-termination shall take effect after a 30-day notice to the Client and/or MEMBER's address on record unless MediCard was convinced to disregard the termination. All medical services and coverage under this Agreement shall also be terminated.

SEC. 13.3 TERMINATION OF AGREEMENT BY THE AGGRIEVED PARTY

Any aggrieved party may pre-terminate this Agreement for cause (i.e. any act of bad faith, breach of agreement, etc.) upon service of thirty (30) days notice to the other.

In case of pre-termination under this Section, where the CLIENT is the aggrieved party, emergency care limit will be pro-rated according to the number of months of actual membership for the year. All benefits availed beyond determined limits will be deducted from refundable fees, or will be billed to the CLIENT, as the case may be. The provision of Section 13.5 shall apply.

SEC. 13.4 CONDITION DURING TERMINATION

In all cases, termination shall be without prejudice to the right of MediCard to collect CLIENT and/or MEMBER's obligations which have become due and demandable. All medical expenses incurred after the date of termination of the MEMBER's coverage shall be charged to the CLIENT.

The termination of this Agreement will not hold MediCard responsible to provide the medical and health care services described herein to such enrolled MEMBER.

SEC. 13.5 **REFUND/CREDIT OF MEMBERSHIP FEE.** If a member's coverage is terminated or cancelled, the unused pro rata Membership Fee paid shall be refunded to the Client, only if no availment has been made by the Member prior to the termination or cancellation. The schedule of refund is provided below:

If the Agreement/Membership has been in force for	Percent of refund from the paid Annual Membership Fees
Not more than one (1) month	80%
More than one (1) month but less than three (3) months	70%
At least three (3) months but less than six (6) months	40%
Six (6) months or more	No refund

Note: A processing fee of P50.00 shall be deducted from the refundable amount.

There shall be no refund of membership fees in the event that the MEMBER has availed of any benefit under this Agreement.

ARTICLE XIV. GENERAL PROVISIONS

SEC. 14.1 **ARBITRATION.** Any difference arising between the Client or any MEMBER and MediCard shall be referred to an arbitrator to be appointed by the parties to the dispute. If the parties are unable to agree on a single arbitrator, two (2) arbitrators shall be appointed (one by each party). In the event of further disagreement, the arbitrators shall select an umpire. If the difference between the parties requires medical knowledge (including any question regarding the appropriate maximum indemnity for any medical service or an operation not listed in the schedule of surgical fees) the arbitrators at the discretion of MediCard, may be a registered medical practitioners and the umpire in such an instance, shall be a consultant Specialist, Surgeon, or Physician. Determination of an award shall be a Condition Precedent to Any Liability or right of action against MediCard.

SEC. 14.2 **NON-TRANSFERABILITY PROVISIONS.** This Agreement or any of the benefits hereunder can neither be transferred nor assigned by the Client and/or MEMBER to any other person. Any purported assignment or delegation of this Agreement is null and void and can be considered as breach of this Agreement.

SEC. 14.3 **AUTHORITY TO EXAMINE MEDICAL RECORDS.** The CLIENT and/or MEMBER hereby represents and warrants that, at the time of the effectivity of this Agreement and effectivity of coverage, it has authorized MediCard and any of its authorized representatives to obtain, examine and process the MEMBER's personal information, including the medical records of their hospitalization, consultation, treatment or any other medical advice in connection with the benefit/claim availed under this Agreement;

The CLIENT and/or MEMBER shall hold MediCard free and harmless from and against any and all suits or claims, actions, or proceedings, damages, costs and expenses, including attorney's fees, which may be filed, charged or adjudged against MediCard or any of its directors, stockholders, officers, employees, agents, or representatives in connection with or arising from the use by MediCard of the MEMBER's medical records and other personal information pursuant to this Agreement.

SEC. 14.4 **CONFIDENTIALITY.** The Client and/or MEMBER shall not use or reproduce, directly or indirectly any Confidential Information for the benefit of any person, or disclose to anyone such Confidential Information without the written authorization of MediCard,

whether during or after the term of this Agreement, for as long as such information retains the characteristics of Confidential Information.

"Confidential Information" means any data or information, that is proprietary to MediCard and not generally known to the public, whether in tangible or intangible form, whenever and however disclosed, including, without limitation: (i) personal information, treatments or operations undergone by its MEMBERS; (ii) trade secrets, confidential or secret formulae, special medical equipment and procedures; (iii) medical utilization reports, directly or indirectly useful in any aspect of the business of MediCard; (iv) any vendor, names, customer, MEMBER and supplier lists; (v) marketing strategies, plans, financial information or projections, operations, sales estimates, business plans and performance results relating to the past, present or future business activities of MediCard; (vi) all intellectual or other proprietary or material information of MediCard; (vii) all forms of Confidential Information including, but not limited to, loose notes, diaries, memoranda, drawings, photographs, electronic storage and computer print outs; (viii) any other information that should reasonably be recognized as confidential information of MediCard. All information which the Client and/or MEMBER acquires or becomes acquainted with during the period of this Agreement, whether developed by MediCard or by others, which the Client and/or MEMBER has a reasonable basis to believe to be Confidential Information, or which is treated, designated and/or identified by MediCard as being Confidential Information, shall be presumed to be Confidential Information. Confidential Information need not be novel, unique, patentable, copyrightable or constitute a trade secret in order to be designated as Confidential Information.

- SEC. 14.5 **FUTURE TAXES, LEVIES AND GOVERNMENT IMPOSITION.** If during the effectivity of this Agreement, the fees and benefits are made subject to new taxes, levies or fees, or such law, regulation or its equivalent resulted to changes in the formula or manner of computing taxes thereby resulting in additional obligations on the part of MediCard, any additional amount due shall automatically be charged to the Client and/or MEMBER in addition to the fees stated therein. Future taxes, levies or fees referred herein are only those that affect the quoting of Membership Fees (Ex. 12% VAT), other future taxes, levies or government impositions that do not affect the quoting of Membership fees are therefore excluded.
- SEC. 14.6 **SEPARABILITY.** If any term or provision of this Agreement is declared invalid, illegal or unenforceable under Philippine laws, such invalidity, illegality or unenforceability shall not affect or render unenforceable any other term or provision of this Agreement.
- SEC. 14.7 **NOTICES.** All notices, demands and other communications required or permitted hereunder shall be made in writing and sent to the Parties addresses indicated herein. All notices sent by MediCard to the Client and/or MEMBER address indicated herein shall be considered validly sent unless Client and/or MEMBER has notified MediCard of the change of address.
- SEC. 14.8 **RIGHT OF SUBROGATION.** MediCard medical and hospital services are extended to a MEMBER if the MEMBER's bodily injuries and fractures are claimed to have been caused by any act or omission of a third party through a motor vehicle. Provided, however, that the MEMBER executes an agreement to subrogate to MediCard whatever rights the MEMBER may have by reason of such accident or event that gave rise to such claim to the extent of the value of the services so rendered and that the MEMBER will undertake to assist MediCard in the successful recovery of the losses. The agreement to subrogate form is available at MediCard Head Office.

SEC. 14.9 **CIVIL CODE ARTICLE 1250 WAIVER.** The provisions of Article 1250 of the Civil Code of the Republic of the Philippines (Republic Act No. 386) which reads, "In case an extraordinary inflation or deflation of the currency stipulated should supervene, the value of the currency at the time of establishment of the obligation shall be the basis of payment", shall not apply in determining the extent of liability under the provisions of this Agreement.

SEC. 14.10 **IMPORTANT NOTICE.** The Insurance Commission, with offices in Manila, Cebu and Davao, is the government office in charge of the enforcement of all laws related to Health Maintenance Organization (HMO), and has supervision over HMOs. It is ready at all times to assist the general public in matters pertaining to HMO. For any inquiries or complaints, please contact the Public Assistance and Mediation Division (PAMD) of the Insurance Commission at 1071 United Nations Avenue, Manila with telephone numbers +632-85238461 to 70 and email address publicassistance@insurance.gov.ph. The official website of the Insurance Commission is www.insurance.gov.ph.

ARTICLE XV. MEDICARD RULES AND REGULATIONS

It is expressly agreed that the MEMBER shall abide by such reasonable rules and regulations concerning the Health Care Program that may be issued by MediCard in the interest of improving the over-all efficiency and effectiveness of the delivery of all the medical benefits under this material to all MediCard RxER MEMBERS.

ARTICLE XVI. LIST OF MEDICARD FREE-STANDING CLINICS:

- 1) MediCard Clinic – Alabang
- 2) MediCard Clinic – Angeles
- 3) MediCard Clinic – Calamba
- 4) MediCard Clinic – Cebu
- 5) MediCard Clinic – Centris
- 6) MediCard Clinic – Davao
- 7) MediCard Clinic – Fairview
- 8) MediCard Clinic – Iloilo
- 9) MediCard Clinic – Imus
- 10) MediCard Clinic – Lipa
- 11) MediCard Clinic – Makati
- 12) MediCard Clinic – McKinley Hill
- 13) MediCard Clinic – Ortigas
- 14) MediCard Clinic – Pasay
- 15) MediCard Clinic – Sta. Lucia
- 16) MediCard Clinic – Sta. Rosa
- 17) MediCard Clinic – Uptown
- 18) MediCard Lifestyle Center – Makati

Note: The above list may change