



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**SEC Registration No.:** CS201423954

**Company Name:** ASIA PACIFIC MEDICAL CENTER - ILOILO, INC.

**Industry Classification:** N85122

**Company Type:** Stock Corporation

## Document Information

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## SEC FORM-ACGR (FOR PC/RI)

### ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

1. For the fiscal year ended **December 31, 2022**
2. SEC Registration Number **CS201423954**
3. BIR Tax Identification Number **008-922-703-000**
4. Exact Name of the Issuer as specified in its charter **ASIA PACIFIC MEDICAL CENTER –ILOILO, INC.**
5. Province, Country or other jurisdiction of incorporation or organization .....**ILOILO**.....
6. Address of Principal Office **Brgy. Ungka, Jaro, Iloilo City**.....
7. Postal Code ...**5000**.....
8. Issuer's telephone number, including area code .....**(033) 3215748**.....
9. Former name, former address, and former fiscal year, if changed since last report  
**ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – ILOILO, INC.; IMS Bldg., Brgy. Bantud Lapaz Iloilo City**.....
10. Industry Classification Code (For SEC's use only) .....

# ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

RECOMMENDATION	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>THE BOARD'S GOVERNANCE RESPONSIBILITIES</b>			
<b>Principle 1. ESTABLISHING A COMPETENT BOARD</b>			
The company should be headed by a competent, working Board to foster the long-term success of the corporation, and to sustain its competitiveness and growth in a manner consistent with its corporate objectives and the long-term best interests of its shareholders/members and other stakeholders.			
<b>Recommendation 1.1</b>			
1	Compliant	In compliance with the requirements of the SEC, the Company's Annual Reports contain comprehensive profiles of the Board of Directors which disclose the age, qualifications, date of appointment, relevant experience and directorships in other companies. The Biographical details of the Board of Directors and Executive Officers are also posted on the company website. Directors comply with all the qualifications and requirements of the SEC and remain qualified throughout the term. These includes required working knowledge, experience or expertise and competence relevant to the healthcare industry.	
2	Compliant	Twelve members of the Board are doctors-businessmen who are hardwired to understand what matters in the business and driven to craft strategies that would maximize the value of the business.	
3	Compliant	<p>One member of the Board is a public relations and mass media expert whose family owns a newspaper and PR consultancy firm. His insights in the promotion of the APMC brand is expected to enhance the company's image as it positions itself as a leader in Hospital services in the region.</p> <p>One Independent Director is also a CEO of various companies and his experience also guide the Board in crafting strategies for the attainment of the company's goals.</p> <p>Aside from being a doctor, the Chairman is also a pharmaceutical tycoon and has been a Vice Chairman in the Committee on Health of the House of Representatives and authored health-related laws. He brings with him business acumen and a healthy dose of constructive legal perspective together with a lawyer-businessman in the Board. Another Independent Director is a law graduate.</p>	
		Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	

			<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• 2022 17-A ANNUAL REPORT ( pp. 28-34) - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/17-A-2022-website.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/17-A-2022-website.pdf</a></li> <li>• APMC Iloilo Website - <a href="https://apmc-iloilo.com/governance/board-of-directors-and-organizational-structure/">https://apmc-iloilo.com/governance/board-of-directors-and-organizational-structure/</a></li> </ul>	
<b>Recommendation 1.2</b>				
1	The Board is headed by a competent and qualified Chairperson.	Compliant	<p>The Chairman of the Board is Dr. Ferjenel G. Biron. His profile which establishes his competence and qualification is set forth in the 2022 17 A Report and in the Company website.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• 2022 17-A ANNUAL REPORT ( pp. 28-29) - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/17-A-2022-website.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/17-A-2022-website.pdf</a></li> <li>• APMC ILOILO Website: - <a href="https://apmc-iloilo.com/governance/board-of-directors-and-organizational-structure/">https://apmc-iloilo.com/governance/board-of-directors-and-organizational-structure/</a></li> </ul>	
<b>Recommendation 1.3</b>				
1	The company provides a policy on training of directors.	Compliant	<p>The Company aims to ensure that the members of the Board and Company Officers are provided with the necessary, relevant and appropriate training and/or development programs annually. The annual training of the members of the Board and Company officers ensures that they are keep abreast of the developments in the business and regulatory landscapes of the industry.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• POLICY ON TRAINING OF DIRECTORS - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Policy-On-The-Training-Of_Directors_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Policy-On-The-Training-Of_Directors_1.pdf</a></li> </ul> <p>List of Trainings attended by the 2022-2023 Board of Directors:</p> <ul style="list-style-type: none"> <li>• <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/List-of-Trainings-of-BOD-2022_2.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/List-of-Trainings-of-BOD-2022_2.pdf</a></li> <li>• <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/List-of-Trainings-of-Board-of-Director-2023.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/List-of-Trainings-of-Board-of-Director-2023.pdf</a></li> </ul>	
2	The company has an orientation program for first-time directors.	Compliant	<p>As stated in the Manual on Corporate Governance, it is the belief of the Company that all Directors will have more meaningful contribution to the Company if each is properly and suitably informed of the activities of the Company which can be earliest achieved through a</p>	

3	The company has relevant annual continuing training for all directors.	Compliant	<p>Comprehensive Orientation Program for all directors upon joining the Board . In 2022, Noel Gonzales and Ruben Ramirez attended the Orientation Training conducted by the Corporate Secretary on 16 December 2022 via Zoom. Subsequently, Dr. Ramirez and Mr. Gonzales visited the Hospital Construction Site. They were also made to attend the Corporate Governance Orientation Program conducted by the Institute of Corporate Directors.</p> <p>The policy on the Orientation of New Directors and Annual Continuing Training for all directors is published in the Company website as well as the trainings of directors for the covered year, including the number of hours attended and topics covered.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• MANUAL ON CORPORATE GOVERNANCE page 16- <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> <li>• POLICY ON TRAINING OF DIRECTORS: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Policy-On-The-Training-Of_Directors_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Policy-On-The-Training-Of_Directors_1.pdf</a></li> <li>• DIRECTORS' TRAINING IN 202: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/List-of-Trainings-of-BOD-2022_2.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/List-of-Trainings-of-BOD-2022_2.pdf</a></li> <li>• 2022 ORIENTATION OF NEW DIRECTORS: <a href="https://drive.google.com/file/d/1TJmInE7OsOquEkt1SzNY8_Y69p1bEs2N/view?usp=sharing">https://drive.google.com/file/d/1TJmInE7OsOquEkt1SzNY8_Y69p1bEs2N/view?usp=sharing</a>  <a href="https://drive.google.com/file/d/1LiQxsj_rvBYRjnNXp99E5aKg0tdqRxcz/view?usp=sharing">https://drive.google.com/file/d/1LiQxsj_rvBYRjnNXp99E5aKg0tdqRxcz/view?usp=sharing</a>  <a href="https://drive.google.com/file/d/1GwEI-NUwoCsidZYuCgc9h8pUZ2xCo0aU/view?usp=sharing">https://drive.google.com/file/d/1GwEI-NUwoCsidZYuCgc9h8pUZ2xCo0aU/view?usp=sharing</a>  <a href="https://drive.google.com/file/d/16H409EvA7_DmAVyQ5BJDxcvpjUr1NpSz/view?usp=sharing">https://drive.google.com/file/d/16H409EvA7_DmAVyQ5BJDxcvpjUr1NpSz/view?usp=sharing</a></li> </ul>	
<b>Recommendation 1.4</b>				
1	The Board has a policy on board diversity.	Compliant	<p>The Company's policy on Board Diversity is set forth in Annex A of the Manual on Corporate Governance and is published in the website.</p> <p>The Board has eight (9) male directors and six (6) female directors. One (1) director is between the ages of 41-50 years, ten (10) are between ages 50-60 years and four (4) are between 61-70 years.</p> <p>The Chairman is a doctor and a prominent pharmaceutical tycoon. The President and eight other directors are practicing doctors and known specialists in surgery, internal medicine (cardiology, nephrology) EENT, pediatrics, and family medicine. One of these doctors has been a former President of other hospitals and the other is a President of two (2) other hospitals. One (1) is a lawyer- businessman. One (1) is a local legislator with a 9-year</p>	

		<p>experience as Local Chief Executive. Another one is a public relations consultant and journalist. Another director is a full-time businessman.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• <b>POLICY ON BOARD DIVERSITY</b> - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Policy-on-Board-Diversity_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Policy-on-Board-Diversity_1.pdf</a></li> </ul>	
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**Recommendation 1.5**

1	The Board is assisted by a Corporate Secretary.	Compliant		
2	The Corporate Secretary is a separate individual from the Compliance Officer.	Non-Compliant	<p>The Board is assisted by Maylene B. Villanueva as Corporate Secretary and Compliance Officer of the Company. Her firm is the external Counsel of the Company. Her academic qualifications and professional experience are posted in the Website of the Company. Her duties and functions are provided in the Manual on Corporate Governance. She is not a member of the Board of Directors.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• APMCI Website ( See Key Executive Officers) - <a href="https://apmc-iloilo.com/governance/board-of-directors-and-organizational-structure/key-executive-officers/">https://apmc-iloilo.com/governance/board-of-directors-and-organizational-structure/key-executive-officers/</a></li> <li>• MANUAL ON CORPORATE GOVERNANCE pages 25 to 26 -<a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>	<p>The Manual provides that the Board shall appoint the Corporate Secretary and Compliance Officer, which positions may or may not be held by the same person. As the Company is only about to operate its business, the Board appoints its external (retained) legal counsel as the Corporate Secretary and Compliance Officer, as they deem it fit that these positions be held by a person with legal knowledge, considering the nature of these functions and at the same time by someone very familiar with the organization whose</p>

			<p>insights have been proven valuable in its preparation for the upcoming operations of the hospital. Her firm has resources and legal staff who assist her and the lean manpower of APMCI in the performance of the separate functions of Corporate Secretary and Compliance Officer. The Board deems that at the time being, the foregoing arrangement is effective, efficient and maximizes the resources of the company.</p> <p>Nonetheless, in 2022 , the Board has already appointed an Assistant Corporate Secretary, namely Atty. Analie Generoso, who shall be appointed as Corporate Secretary in 2023 just before the Company commences its operations.</p>
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3	The Corporate Secretary is not a member of the Board of Directors.	Compliant		
4	The Corporate Secretary attends annual training/s on corporate governance.	Compliant	<p>Being a corporate governance advocate, the Corporate Secretary had attended the following corporate governance trainings in 2022 accredited by the Securities and Exchange Commission:</p> <ol style="list-style-type: none"> <li>1. Family Business and Governance conducted by the Institute of Corporate Directors on March 17 -18, 2022.</li> <li>2. Corporate Secretary as a Corporate Governance Professional on June 16-17, 2022 conducted by the Institute of Corporate Directors.</li> <li>3. Distinguished Corporate Governance Speaker Series on June 24 2022 conducted by the Institute of Corporate Directors</li> <li>4. Sustainability Strategy and Training ( GRI Accredited Training) on August 10-12 2022 conducted by the Institute of Corporate Directors</li> <li>5. Sustainability Strategy and Training and Reporting on Human Rights ( GRI Accredited Training) on October 4 2023.</li> </ol> <p>Due to her participation in the abovementioned trainings, she was acknowledged by the Institute of Corporate Directors and accorded the 2022 Most Event Attendance New Member Award last December 16 2022.</p> <p><b>Reference documents/links:</b></p> <p>APMCI Website: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/List_of_Trainings_of_Executive_Officers_2022_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/List_of_Trainings_of_Executive_Officers_2022_1.pdf</a></p> <p>Institute of Corporate Directors Facebook page : <a href="https://www.facebook.com/100064068154399/posts/pfbid0CWEGNtVoZDQXAD7Vez2WqNKqGCnLQZB3udknv3wswoDyKzs6bFqDKVGSepEQbojAl/?mibextid=afzh1R">https://www.facebook.com/100064068154399/posts/pfbid0CWEGNtVoZDQXAD7Vez2WqNKqGCnLQZB3udknv3wswoDyKzs6bFqDKVGSepEQbojAl/?mibextid=afzh1R</a></p>	

**Recommendation 1.6**

1	The Board is assisted by a Compliance Officer.	Compliant	The Compliance Officer of the Company is Atty. Maylene B. Villanueva. She is not a member of the Board. The qualifications, duties and functions of the CO is set forth in the Manual on Corporate Governance (pp 26 to 27). Her educational and professional background is posted in the website.	
2	The Compliance Officer has a rank of Senior Vice-President or an equivalent position with adequate	Compliant	While the revised MCG of the Company is silent about the rank of the Compliance Officer, the	



	stature and authority in the corporation.		previous MCG of the company provided that the rank of the CO is Senior Vice President. The principle of non-diminution of rank, privileges and benefits would afford the current Compliance Officer the same rank.	
3	The Compliance Officer is not a member of the board.	Compliant	<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>APMCI Website ( See Key Executive Officers)-<a href="https://apmc-iloilo.com/governance/board-of-directors-and-organizational-structure/key-executive-officers/">https://apmc-iloilo.com/governance/board-of-directors-and-organizational-structure/key-executive-officers/</a></li> <li>MANUAL ON CORPORATE GOVERNANCE pages 26 to 27- <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>	
4	The Compliance Officer attends annual training/s on corporate governance.	Compliant		

## Principle 2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

The fiduciary roles, responsibilities, and accountabilities of the Board, as provided under the law, the company's articles of incorporation and bylaws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to shareholders/members and other stakeholders.

### Recommendation 2.1

1	The Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company, shareholders and stakeholders.	Compliant	<p>Recommendation 2.1 is set forth in page 15 of the Manual on Corporate Governance.</p> <p>The members of the Board of Directors are provided with the relevant materials and information at least five days prior to the meeting for their reference and perusal. Each item in the agenda that requires approval from the Board is discussed and deliberated by the Board prior to the approval.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE pages 15 and 25 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>	
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Recommendation 2.2			
1	The Board oversees the development and approval of the company's business objectives and strategy.	Compliant	<p>The Board oversees the business affairs of the Company. It meets regularly and allots time to discuss strategic issues with the Management. In this manner, the Board is also able to oversee and monitor the implementation of the company's business objectives and strategy.</p> <p>Currently, the company practice is that the quarterly and the annual financial statements and operating results of the Company are presented and discussed to the Board of Directors for approval prior to filing to the relevant regulatory agencies.</p> <p>Atty. Rolex Suplico also attended the training on ESG Strategy: A Boardroom Topic For Directors conducted by Institute of Corporate Directors on December 9 2022. This exemplifies the Board's commitment to overseeing the company's business objectives and strategy by keeping them apprised on the latest trends in strategy.</p>
2	The Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>BOARD CHARTER page 1: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Charter_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Charter_1.pdf</a></li> <li>TRAININGS OF BOD 2022 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/List-of-Trainings-of-BOD-2022.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/List-of-Trainings-of-BOD-2022.pdf</a></li> </ul>
Recommendation 2.3			
1	The Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>One of the governance responsibilities of the Board is to ensure and adopt an effective succession planning program for directors, key officers and management as outlined in the Manual on Corporate Governance and page 10 of the Board Charter. Its Succession Planning Policy is also discussed in the Remuneration and Performance Policy.</p>
2	The Board adopts a policy for the retirement of directors and key officers.	Compliant	<p>The retirement policy is attached as Annex E of the aforementioned Manual.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE page 19 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> <li>BOARD CHARTER page 10- <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Charter_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Charter_1.pdf</a></li> <li>REMUNERATION AND PERFORMANCE POLICY- <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Remuneration-and-Performance_Policy_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Remuneration-and-Performance_Policy_1.pdf</a></li> <li>RETIREMENT POLICY- <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Retirement-Policy_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Retirement-Policy_1.pdf</a></li> </ul>

Recommendation 2.4			
1	The Board aligns the remuneration of key officers and board members with the long-term interests of the company.	Compliant	The Remuneration and Performance Policy of the Company is published in the website. Such policy specifies that the alignment of Key Executives and Board remuneration with the longer-term interests of the Company and its shareholders may be considered.
2	The Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	Per Board Charter, no Director shall be involved in deciding his own remuneration during his incumbent term. Remunerations that are approved takes effect after the term of the approving Board.
3	The Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• REMUNERATION AND PERFORMANCE POLICY- <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Renumeration-and-Performance_Policy_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Renumeration-and-Performance_Policy_1.pdf</a></li> <li>• BOARD CHARTER page 10- <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Charter_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Charter_1.pdf</a></li> </ul>
Recommendation 2.5			
1	The Board has a formal and transparent board nomination and election policy.	Compliant	The Board has a formal and transparent board nomination and election policy which is disclosed in the Manual on Corporate Governance.
2	The Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	A Call for Nomination before the Election of the BOD in the ASM is also sent to the stockholders and published in the website to encourage nominations from shareholders. The Final List of Candidates with the Nominees is attached as Annex C of the 2022 20-IS (Definitive Information Statement)
3	The Board nomination and election policy includes how the company accepted nominations from shareholders/members.	Compliant	<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• BOARD NOMINATION AND ELECTION POLICY - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Nomination-and_Election-Policy_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Nomination-and_Election-Policy_1.pdf</a></li> <li>• 2022 CALL FOR NOMINATION: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/2022-CALL-FOR-NOMINATIONS.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/2022-CALL-FOR-NOMINATIONS.pdf</a></li> </ul>
4	The Board nomination and election policy includes how the board reviews the	Compliant	<ul style="list-style-type: none"> <li>• 2022 20-IS: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/Annex-C-2022-Final-List-of-candidates.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/Annex-C-2022-Final-List-of-candidates.pdf</a></li> </ul>

	qualifications of nominated candidates.			
5	The Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement/removal of a director.	Compliant		
6	The Board has a process for identifying the quality of directors/trustees that is aligned with the strategic direction of the company.	Compliant		
<b>Recommendation 2.6</b>				
1	The Board has overall responsibility in ensuring that there is a policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	APMCI has a Related Party Transactions Policy to ensure that material RPTs are conducted in a manner that will protect the Company and all its stakeholders from conflict of interest which may arise from such transactions, that the RPTs are entered into arms-length or at terms at least comparable to those available to unrelated third parties, and that these transactions shall be disclosed, reviewed, approved in accordance with this Policy and consistent with the principles of transparency and fairness.	
2	The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>RELATED PARTY TRANSACTION POLICY - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Related-Party-Transaction_Policy_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Related-Party-Transaction_Policy_1.pdf</a></li> </ul>	

**Recommendation 2.7**

1	<p>The Board is primarily responsible for approving the selection of Management, led by the Chief Executive Officer (CEO) or his/her equivalent, and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).</p>	Compliant	<p>The Board Charter provides that among the general responsibilities of the Board for Good Governance are the appointment of a CEO with the appropriate ability, integrity and experience to fill the role and review of proposed senior management appointments. It is its duty to select and appoint a President/Chief Executive Officer and other senior officers with the appropriate level of motivation, integrity, competence and professionalism in accordance with the process and criteria set in the by-laws or the Charter.</p> <p>The Management Team are composed of the following:</p> <p>President - Dr. Amado M. Lavallo Jr.          Executive Vice President/Ancillary Director – Dr. Danilo C. Regozo          Medical Director – Dr. Felix P. Nolasco          Nursing Director – Mr. Omar Z. Montejo          Hospital Administrator- Dr. Gerald C. Abonado          Finance Director – Agnes Jean M. Villaflor</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• BOARD CHARTER page 11: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Charter_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Charter_1.pdf</a></li> <li>• 17 C REPORT DATED 04 OCTOBER 2022 : <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf</a></li> <li>• </li> </ul>	
2	<p>The Board is primarily responsible for assessing the performance of Management, led by the CEO or his/her equivalent and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).</p>	Compliant	<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• CEO ASSESSMENT: <a href="https://drive.google.com/file/d/11D1tM2A32Dq0Y00JYQAIP1M4hTy-P57_/view?usp=sharing">https://drive.google.com/file/d/11D1tM2A32Dq0Y00JYQAIP1M4hTy-P57_/view?usp=sharing</a></li> </ul>	

**Recommendation 2.8**

1	<p>The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that Management's performance is on par with the standards set by the Board and Senior Management.</p>	<p>Non-Compliant</p>		<p>As of the moment, the Company is not yet operational and the Management is focused on recruitment and formulation of Departmental policies. The Performance Evaluation Framework for the Management will be approved by the Board prior to its operation in 2023.</p>
2	<p>The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that personnel's performance is on par with the standards set by the Board and Senior Management.</p>	<p>Non-Compliant</p>		<p>As of the moment, the Company is not yet operational and the focus is on recruitment of personnel and formulation of Departmental Policies. The Performance Evaluation Framework for the Personnel will be finalized once all needed personnel are engaged and approved by the Board prior to its operation in 2023.</p>

**Recommendation 2.9**

1	The Board ensures that an appropriate internal control system is in place.	Compliant		
2	The internal control system includes a mechanism for monitoring and managing potential/actual conflicts of interest of the board members/trustees, management and shareholders/members.	Compliant	<p>The Company has a Compliance Office which oversees the compliance of the Company of its regulatory obligations. The Office takes into account the relevant rules and regulations that affect its activities and the business risks that may arise due to non-compliance in formulating policies to be recommended to the Board.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE pages 30 to 33 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>	
3	The Board adopts an Internal Audit Charter.	Non-Compliant	<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE pages 30 to 33 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>	<p>While the Company has not adopted an Internal Audit Charter yet due to the deferment of the appointment of the Chief Audit Executive, the Revised Manual on Corporate Governance adequately discusses the specific duties and responsibilities of the Internal Audit Group and qualifications of the Chief Audit Executive.</p>

Recommendation 2.10			
1	The Board ensures that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	<p>The Enterprise Risk Management Framework of the Company is attached to the Manual on Corporate Governance as Annex B and is published in the website.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>ENTERPRISE RISK MANAGEMENT FRAMEWORK - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Enterprise-Risk-Management-Framework-1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Enterprise-Risk-Management-Framework-1.pdf</a></li> </ul>
2	The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	
Recommendation 2.11			
1	The Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	<p>The Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties which is part of the Manual on Corporate Governance and published in the website.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>BOARD CHARTER: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Charter-1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Charter-1.pdf</a></li> </ul>
2	The Board Charter serves as a guide to the directors/trustees in the performance of their functions.	Compliant	
3	The Board Charter is publicly available.	Compliant	



### Principle 3. ESTABLISHING BOARD COMMITTEES

The board committees should be set up to the extent possible to support the effective performance of the Board’s functions, particularly with respect to audit, risk management, compliance and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all the board committees should be contained in their respective board committee charters.

#### Recommendation 3.1

1	The Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<p>The Company has established Board Committees which are reflected in its Manual on Corporate Governance and also published in the website.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE 19-20: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> <li>APMCI Website ( see Board Governance) : <a href="https://apmc-iloilo.com/corporate-governance/">https://apmc-iloilo.com/corporate-governance/</a></li> </ul>
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#### Recommendation 3.2

1	The Board establishes an Audit Committee to enhance its oversight capability over the company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>Information on the establishment of the Audit Committee is contained in the Manual on Corporate Governance and its function can be found in the Audit Committee Charter.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE 19-20- <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> <li>AUDIT COMMITTEE CHARTER - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Charter.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Charter.pdf</a></li> </ul>
2	The Audit Committee is composed of at least three (3) qualified non-executive directors, the majority of whom, including the Chairperson, are independent directors.	Compliant	<p>The following directors compose the Audit Committee:</p> <p>Dr. Jerusha A. Comuelo – Chairperson (Independent Director)</p> <p>Members:</p> <p>Dr. Ruben B. Ramirez (Regular Director)</p> <p>Mr. Noel J. Gonzales Independent )</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>17 C REPORT DATED 04 OCTOBER 2022: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf</a></li> </ul>

		<ul style="list-style-type: none"> <li>APMCI website- <a href="https://apmc-iloilo.com/corporate-governance/">https://apmc-iloilo.com/corporate-governance/</a></li> </ul>	
		AUDIT COMMITTEE CHARTER - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Charter.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Charter.pdf</a>	
3	All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Non-Compliant	<p>The Committee Chairperson, Jerusha Comuelo attended the training in Finance for Directors on May 10-11, 2022 conducted by the Institute of Corporate Directors. Noel Gonzales had attended the Board Directors' Guide for Audit Committees conducted by the Center for Global Practices only on June 14 2023. Dr. Ruben Ramirez was only able to attend a Corporate Governance Orientation Program.</p> <p><b>Reference documents/links:</b></p> <hr/> <p>DIRECTORS' TRAINING IN 2022 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/List-of-Trainings-of-BOD-2022_2.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/List-of-Trainings-of-BOD-2022_2.pdf</a></p>
4	The Chairperson of the Audit Committee is not the Chairperson of the Board or of any other committee.	Compliant	<p>The Chairperson of the Audit Committee is Jerusha A. Comuelo and is not the Chairperson of any other Board Committees.</p> <p><b>Reference documents/links:</b></p>

		<ul style="list-style-type: none"> <li>• 17 C REPORT DATED 04 OCTOBER 2022: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf</a></li> <li>• AUDIT COMMITTEE CHARTER - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Charter.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Charter.pdf</a></li> </ul>	
<b>Recommendation 3.3</b>			
1	The Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>Information on the establishment of the Corporate Governance Committee is contained in the Manual on Corporate Governance and its function can be found in the Corporate Governance Committee Charter.</p> <p>However, the Board has a separate Remuneration and Compensation Committee and a Nominations and Election Committee which undertook the process of identifying the quality of directors aligned with the company’s strategic direction.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• MANUAL ON CORPORATE GOVERNANCE page-20-<a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> <li>• CORPORATE GOVERNANCE COMMITTEE - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Corporate-Governance-Committee_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Corporate-Governance-Committee_1.pdf</a></li> <li>• NOMINATIONS-AND-ELECTIONS-COMMITTEE-CHARTER - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Nominations-Elections-Committee-Charter.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Nominations-Elections-Committee-Charter.pdf</a></li> <li>•</li> </ul>
2	The Corporate Governance Committee is composed of at least three (3) members, majority of whom, including the Chairperson, should be independent directors.	Compliant	<p>The following directors compose the Corporate Governance Committee:</p> <p>Ms. Ma. Teresa Debuque - Chairperson (Independent Director)  Dr .Jerusha A. Comuelo - Member (Independent Director)  Dr. Felibert O. Dianco –Member ( Regular Director)</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• 17 C REPORT DATED 04 OCTOBER 2022 <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf</a></li> <li>• APMCI website- <a href="https://apmc-iloilo.com/corporate-governance/">https://apmc-iloilo.com/corporate-governance/</a></li> </ul>

Recommendation 3.4			
1	The Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-Compliant	As of 2022, the Board had not established the Board Risk Oversight Committee because the Company is not yet operational. Risk Management is currently being overseen by the Audit Committee considering that directors are focused on expediting the opening of the hospital. The Board intends to organize the Board Risk Oversight Committee prior to its operation.
2	The BROC is composed of at least three (3) members, the majority of whom should be independent directors, including the Chairperson.	Compliant	The Audit Committee which assumes the responsibility of the BROC is compliant with this composition.
3	At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-Compliant	BROC has not yet been constituted.
Recommendation 3.5			
1	All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures,	Compliant	<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>AUDIT-COMMITTEE-CHARTER- <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Charter.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Charter.pdf</a></li> </ul>

	operations, reporting process, resources and other relevant information.		<ul style="list-style-type: none"> <li>CORPORATE GOVERNANCE COMMITTEE - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Corporate-Governance-Committee_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Corporate-Governance-Committee_1.pdf</a></li> <li><a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Compensation-Remuneration-Committee-Charter_1.pdf">COMPENSATION-REMUNERATION-COMMITTEE-CHARTER</a> - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Compensation-Remuneration-Committee-Charter_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Compensation-Remuneration-Committee-Charter_1.pdf</a></li> <li>NOMINATIONS-AND-ELECTIONS-COMMITTEE-CHARTER - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Nominations-Elections-Committee-Charter.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Nominations-Elections-Committee-Charter.pdf</a></li> </ul>	
2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	Compliant		
<b>Principle 4. FOSTERING COMMITMENT</b>				
To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.				
<b>Recommendation 4.1</b>				
1	The Directors attend and actively participate in all meetings of the Board, Committees and shareholders/members in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<p>As can be gleaned in the SEC Report on Attendance, the Directors attend and actively participate in all meetings of the Board, Committees and shareholders which were all done through tele/video conferencing conducted in accordance with SEC MC No. 6 Series of 2020. In compliance with the said MC, the Board also approved its Rules and Procedures for the Conduct of Board Meetings via Remote Communication.</p> <p>Materials are also distributed to the Board days before the meeting to give them ample time to review matters for discussion and approval during the meeting.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>SEC REPORT ON ATTENDANCE - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Annex-J-2022-Board-Attendance-Report.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Annex-J-2022-Board-Attendance-Report.pdf</a></li> <li>PROCEDURE FOR PARTICIPATION VIA REMOTE COMMUNICATION <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/Annex-A-Electronic-Voting-in-Absentia.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/Annex-A-Electronic-Voting-in-Absentia.pdf</a></li> </ul>	
2	The Directors review meeting materials for all Board and Committee meetings.	Compliant		
3	The Directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Directors actively participate during presentation of the Updates on the Construction of the Hospital through inquiries and clarifications on various concerns involving the project as well as during the Treasurer's Report on financial matters that may have a material impact on the Company's fiscal standing.	

**Recommendation 4.2**

1	Non-executive directors concurrently serve in not more than ten (10) public companies and/or registered issuers. If concurrently sitting in at least three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.	Compliant	<p>The policy on multiple Board seats is set forth in Revised Manual on Corporate Governance. The directorships of the company’s directors in listed companies, registered issuers and public companies are published in the website.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE page 18- <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> <li>APMCI Website- <a href="https://apmc-iloilo.com">Board of Directors and Organizational Structure – Asia Pacific Medical Center Iloilo (apmc-iloilo.com)</a></li> </ul>	
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**Recommendation 4.3**

1	The Directors notify the company’s board before accepting a directorship in another company.	Compliant	<p>The Manual on Corporate Governance requires a director of the Company to notify the Board before accepting a directorship in another company. However, no member of the Board has been elected as a director in another company to date aside from those they have previously declared in their Nomination forms but the policy is contained in the link provided.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE page 18 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>	
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**Principle 5. REINFORCING BOARD INDEPENDENCE**

The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.

**Recommendation 5.1**

1	The Board is composed of a majority of non-executive directors who possess the necessary qualifications.	Compliant	<p>Of the fifteen (15) Directors, only four (4) are executive officers.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>APMCI WEBSITE - <a href="https://apmc-iloilo.com">Board of Directors and Organizational Structure – Asia Pacific Medical Center Iloilo (apmc-iloilo.com)</a></li> </ul>	
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**Recommendation 5.2**

1	<p>The Board has at least two (2) independent directors or such number as to constitute one-third (1/3) of the board, whichever is higher.</p>	<p>Non-Compliant</p>	<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• APMCI Website (see BOD profile): <a href="https://apmc-iloilo.com">Board of Directors and Organizational Structure – Asia Pacific Medical Center Iloilo (apmc-iloilo.com)</a></li> <li>• 17 C REPORT DATED 04 OCTOBER 2022: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf</a></li> </ul>	<p>The Company's Manual on Corporate Governance provides that Board shall have at least three (3) independent directors. Due to the difficulty of finding qualified Independent Directors who would sacrifice their time for the corporation in its pre-operation stage with a meager per diem and delays in the construction of the hospital, the status quo suits the current need for resiliency of the company. Nonetheless, the effort of the Board to have an objective and independent judgment on all corporate affairs is not compromised as the three (3) Independent Directors are active in the Board Committees and are given fair opportunity to air their views on corporate matters. The company</p>
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			currently has three (3) independent directors. The names are as follows: <ul style="list-style-type: none"> <li>• Jerusha A.Comuelo</li> <li>• Ma. Teresa F. Debuque</li> <li>• Noel J. Gonzales</li> </ul>
<b>Recommendation 5.3</b>			
1	The independent directors possess all the qualifications and none of the disqualifications to hold the position.	Compliant	The three Independent Directors, Jerusha A. Comuelo, Ma. Teresa F. Debuque and Noel J. Gonzales possess all the qualifications and none of the disqualifications to become such. Their qualifications are published in the website. <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• APMCI Webiste (see BOD profile): <a href="http://apmc-iloilo.com">Board of Directors and Organizational Structure – Asia Pacific Medical Center Iloilo (apmc-iloilo.com)</a></li> </ul>
<b>Recommendation 5.4</b>			
1	The company perpetually bars an independent director from serving in such capacity after the term limit of nine (9) years.	Compliant	The policy barring an independent director from serving in such capacity after the term limit of nine (9) years is set forth in the Manual on Corporate Governance. <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• MANUAL ON CORPORATE GOVERNANCE page 18: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>
2	In the instance that the company retains an independent director in the same capacity after nine (9) years, the Board provides meritorious justification and seeks shareholders'/members' approval during the annual regular meeting.	Compliant	Not applicable because the event had not happened.



Recommendation 5.5			
1	The positions of Chairperson of the Board and Chief Executive Officer (or its equivalent) are held by separate individuals.	Compliant	<p>During its Organizational Board Meeting held on September 29 2022, the Board elected Ferjenel G. Biron as Chairman and Amado Lavallo Jr. as President/Chief Executive Officer.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>17 C REPORT DATED 04 OCTOBER 2022 <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf</a></li> </ul>
2	The Chairperson of the Board and Chief Executive Officer (or its equivalent) have clearly defined responsibilities.		<p>The responsibilities of the Chairman and Chief Executive which are clearly defined are set forth in the Board Charter.</p> <p>The Chairperson and the CEO are not related by blood.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>BOARD CHARTER pages 3 &amp; 4: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Charter_1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Charter_1.pdf</a></li> </ul>
Recommendation 5.6			
1	The Board designates a lead director among the independent directors if the Chairperson of the Board is not an independent director.	Compliant	<p>The Chairperson of the Board is not an Independent Director hence Ma. Teresa F. Debuque was designated as lead director.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>APMCI WEBSITE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Charter_1.pdf">Board of Directors – APMC Iloilo (apmc-iloilo.com)</a></li> <li>17C REPORT DATED 04 OCTOBER 2022 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/17-C-October-2022.pdf</a></li> </ul>
Recommendation 5.7			
1	The Directors/Trustees with material interest in a transaction affecting the corporation fully disclose his/her adverse interest, abstain from taking part in	Compliant	Not applicable at the moment as it had not occurred

	the deliberations for the same, and recuse from voting on the approval of transaction.			
<b>Recommendation 5.8</b>				
1	The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance, and risk functions, without any executive directors present.	Non-Compliant		<p>Pursuant to page 6 of the Manual, the non-executive directors are empowered to have separate periodic meetings with the External Auditor and heads of the internal audit, compliance and risk functions, without any executive directors present and such meetings should be chaired by the Lead Independent Director.</p> <p>However, the non-executive directors determined that there was no need for such meeting in 2022 as the Company is not yet operational.</p>
2	The meetings are chaired by the lead independent director, if applicable.	Non-Compliant		See abovementioned explanation

**Principle 6. ASSESSING BOARD PERFORMANCE**

The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

**Recommendation 6.1**

1	The Board conducts an annual self-assessment of its performance as a whole.	Compliant	<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>2022 BOARD APPRAISAL REPORT: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/Annex-K-2022-Board-Appraisal-Performance.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/Annex-K-2022-Board-Appraisal-Performance.pdf</a></li> <li>REMUNERATION &amp; COMPENSATION COMMITTEE ASSESSMENT QUESTIONNAIRE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Remuneration-and-Compensation-Committee-Assessment-Questionnaire-2.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Remuneration-and-Compensation-Committee-Assessment-Questionnaire-2.pdf</a></li> <li>NOMINATION &amp; ELECTION COMMITTEE ASSESSMENT QUESTIONNAIRE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Nomination- -Election-Committee-Assessment-Questionnaire-2.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Nomination- -Election-Committee-Assessment-Questionnaire-2.pdf</a></li> <li>DATA PRIVACY COMMITTEE ASSESSMENT QUESTIONNAIRE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Data-Privacy-Committee-Assessment-Questionnaire-2.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Data-Privacy-Committee-Assessment-Questionnaire-2.pdf</a></li> <li>CORPORATE GOVERNANCE COMMITTEE ASSESSMENT QUESTIONNAIRE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Corporate-Governance-Assessment-Questionnaire-2.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Corporate-Governance-Assessment-Questionnaire-2.pdf</a></li> <li>AUDIT COMMITTEE ASSESSMENT QUESTIONNAIRE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Assessment-Questionnaire-2.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Assessment-Questionnaire-2.pdf</a></li> <li>CHAIRMAN SELF- ASSESSMENT QUESTIONNAIRE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Chairman-Self-Assessment-Questionnaire-1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Chairman-Self-Assessment-Questionnaire-1.pdf</a></li> <li>EXECUTIVE DIRECTORS SELF-ASSESSMENT QUESTIONNAIRE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Executive-Directors-Self-Assessment-Questionnaire-1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Executive-Directors-Self-Assessment-Questionnaire-1.pdf</a></li> <li>NON-EXECUTIVE &amp; INDEPENDENT DIRECTOR ASSESSMENT QUESTIONNAIRE: <a href="https://drive.google.com/file/d/1i2FJPfrwG57Zt8Y9L67nmMtlNtYOV_Wlf/view?usp=sharing">https://drive.google.com/file/d/1i2FJPfrwG57Zt8Y9L67nmMtlNtYOV_Wlf/view?usp=sharing</a></li> <li>INDIVIDUAL BOARD SELF-ASSESSMENT QUESTIONNAIRE: <a href="https://drive.google.com/file/d/1pI7DNnal-l3lqbFUVOfysKy0LvLvhHRW/view?usp=sharing">https://drive.google.com/file/d/1pI7DNnal-l3lqbFUVOfysKy0LvLvhHRW/view?usp=sharing</a></li> </ul>		
2	The Chairperson conducts an annual self-assessment of his performance.	Compliant			
3	The individual members conduct a self-assessment of their performance.	Compliant			
4	Each committee conducts a self-assessment of its performance.	Compliant			

**Recommendation 6.2**

1	The Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors/trustees and committees.	Compliant	<p>The Board Performance Evaluation and Self- Assessment Criteria is disclosed in the company website and Information Statement for any concerns or feedback from shareholders, who may communicate through the Corporate Secretary.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• CHAIRMAN ASSESSMENT: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Chairman-Self-Assessment-Questionnaire-1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Chairman-Self-Assessment-Questionnaire-1.pdf</a></li> <li>• CORPORATE GOVERNANCE COMMITTEE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Corporate-Governance-Assessment-Questionnaire-1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Corporate-Governance-Assessment-Questionnaire-1.pdf</a></li> <li>• DATA PRIVACY: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Data-Privacy-Committee-Assessment-Questionnaire-1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Data-Privacy-Committee-Assessment-Questionnaire-1.pdf</a></li> <li>• BOARD SELF-ASSESSMENT: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Self-Assessment-Questionnaire-final.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Self-Assessment-Questionnaire-final.pdf</a></li> <li>• AUDIT COMMITTEE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Assessment-Questionnaire-1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Assessment-Questionnaire-1.pdf</a></li> <li>• PRESIDENT/CEO PERFORMANCE EVALUATION: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/President-or-CEO-Performance-Evaluation-Assessment-final.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/President-or-CEO-Performance-Evaluation-Assessment-final.pdf</a></li> <li>• NOMINATION AND ELECTION COMMITTEE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Nomination- -Election-Committee-Assessment-Questionnaire-1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Nomination- -Election-Committee-Assessment-Questionnaire-1.pdf</a></li> <li>• REMUNERATION &amp; COMPENSATION COMMITTEE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Remuneration-and-Compensation-Committee-Assessment-Questionnaire-1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Remuneration-and-Compensation-Committee-Assessment-Questionnaire-1.pdf</a></li> <li>• INDIVIDUAL DIRECTORS SELF-ASSESSMENT: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Individual-Self-Assessment-Questionnaire.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Board-Individual-Self-Assessment-Questionnaire.pdf</a></li> <li>• EXECUTIVE DIRECTORS SELF-ASSESSMENT QUESTIONNAIRE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Executive-Directors-Self-Assessment-Questionnaire-1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Executive-Directors-Self-Assessment-Questionnaire-1.pdf</a></li> <li>• NON-EXECUTIVE &amp; INDEPENDENT DIRECTORS SELF-ASSESSMENT: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Non-Executive- -Independent-Directors-Self-Assessment-Questionnaire-1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Non-Executive- -Independent-Directors-Self-Assessment-Questionnaire-1.pdf</a></li> </ul>	
2	The system allows for a feedback mechanism from the shareholders/members.	Compliant		

			The Board Performance Evaluation and Self- Assessment Criteria is disclosed in the company website and Information Statement for any concerns or feedback from shareholders, who may communicate through the Corporate Secretary. Stockholders are also allowed to comment on any matter brought to their attention in the Information Statement	
<b>Principle 7. STRENGTHENING BOARD ETHICS</b>				
The Board directors are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.				
<b>Recommendation 7.1</b>				
1	The Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of board members.	Compliant	The Company's Code of Business Conduct and Ethics (CBCE) are published in the website.  <b>Reference documents/links:</b> <ul style="list-style-type: none"> <li>APMCI CBCE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Code-of-Business-Conduct-Ethics.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Code-of-Business-Conduct-Ethics.pdf</a></li> </ul>	
2	The Code is properly disseminated to the members of the Board.	Compliant	The Code was deliberated by the Board prior to approval and the approved draft was sent to them via email. New Directors are also furnished the CBCE along with other documents.	
3	The Code is disclosed and made available to the public through the company website.	Compliant	<b>Reference documents/links:</b> <ul style="list-style-type: none"> <li>APMCI CODE OF BUSINESS CONDUCT &amp; ETHICS: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Code-of-Business-Conduct-Ethics.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Code-of-Business-Conduct-Ethics.pdf</a></li> </ul>	
<b>Recommendation 7.2</b>				
1	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The Company implements the following monitoring procedures:  Pre-audit approvals, transaction reviews, such as travel expense reports, reviews of in-process quality checks and outcome data, review of completed staff work.  Directors, officers and employees are required to comply with the Code of Business Conduct and Ethics.	

## DISCLOSURE AND TRANSPARENCY

### Principle 8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES

The Board should establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.

#### Recommendation 8.1

1	The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders/members and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p>The company's disclosure policy is stated in the Manual on Corporate Governance. Reports are distributed/made available to members through the company website and sometimes emails and social media postings.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• MANUAL ON CORPORATE GOVERNANCE ARTICLE IV.: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> <li>• APMCI Website - <a href="https://apmc-iloilo.com/governance/corporate-disclosure/">https://apmc-iloilo.com/governance/corporate-disclosure/</a></li> <li>• Facebook Account ( APMC Iloilo Corporate Governance) - <a href="#">(10) Watch   Facebook</a></li> </ul>	
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#### Recommendation 8.2

1	The company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within five (5) business days.	Compliant	<p>The policy is set forth in the Manual on Corporate Governance.</p> <p>Actual dealings of the directors and officers are disclosed in 18A/B and 23B Reports filed before the SEC and published in the company website.</p> <p>Reference documents/links:</p>	
2	The company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within five (5) business days.	Compliant	<ul style="list-style-type: none"> <li>• MANUAL ON CORPORATE GOVERNANCE: page 30 <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> <li>• APMCI Website (See Company Disclosure 18A/B and 23-B reports: <a href="https://apmc-iloilo.com/governance/corporate-disclosure/">https://apmc-iloilo.com/governance/corporate-disclosure/</a></li> </ul>	

Recommendation 8.3			
1	The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>
2	The company's MCG is submitted to the SEC.	Compliant	
3	The company's MCG is posted on the company website.	Compliant	

Recommendation 8.4			
1	The company's corporate governance policies and practices and all relevant information are disclosed in its Annual Corporate Governance Report (ACGR).	Compliant	<p>The Company is submitting this year's Annual Corporate Governance Report to the SEC and publish it in the company website.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>ACGR 2021 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/ACGR-2021.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/ACGR-2021.pdf</a></li> </ul>
2	The company's ACGR is submitted to the SEC.	Compliant	
3	The company's ACGR is posted on the company website.	Compliant	

**Principle 9. STRENGTHENING EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY**

The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1			
1	The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal,	Compliant	The Audit Committee evaluates the performance of the External Auditor and recommends to the Board its reappointment before the release of the Information Statement for the Annual Stockholders Meeting.

	and fees of external auditors.			
2	The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and the shareholders/members.	Compliant	<p>During the 2022 Annual Stockholders Meeting held on 29 September 2022, 99.84% percent of shareholders ratified the appointment of Dimaculangan and Co. CPA's Independent Auditor for 2022-2023 in the amount of Two Hundred Forty Six Thousand Four Hundred Pesos ( PhP 246, 400.00) inclusive of VAT.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MINUTES OF THE 2022 ASM - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Annex-F-2022-ASM-Minutes-2.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Annex-F-2022-ASM-Minutes-2.pdf</a></li> </ul>	
3	For the removal of external auditor, the reasons for such removal or change are disclosed to the SEC, the shareholders/members, and the public through the company website and required disclosures.	Compliant	The event has not occurred.	
<b>Recommendation 9.2</b>				
1	The Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness</li> </ul>	Compliant	<p>Please see the Audit Committee Charter.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>AUDIT COMMITTEE CHARTER - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Charter.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Audit-Committee-Charter.pdf</a></li> </ul>	



	of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.			
2	The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant		
<b>Recommendation 9.3</b>				
1	The company discloses the nature of non-audit services performed by its external auditor in the Annual Report to manage potential conflict of interest cases.	Compliant	<p>The assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statement was disclosed in the 2022 17 A Report published in the website.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>2022 17 A ANNUAL REPORT page 27 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/17-A-2022-website.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/17-A-2022-website.pdf</a></li> </ul>	
2	The Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>Audit Committee Pre-Approval Process <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/Annex-E1-Pre-Approval-Policy-in-the-Engagement-of-External-Auditor.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/Annex-E1-Pre-Approval-Policy-in-the-Engagement-of-External-Auditor.pdf</a></li> </ul> <p>Provide link on Audit Committee Pre-Approval Process</p>	

**Principle 10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING**

The Board should ensure that the company discloses material and reportable non-financial and sustainability issues.

**Recommendation 10.1**

1	The Board has a clear and focused strategy on the disclosure of non-financial information.	Compliant	<p>The general policy is contained in the Manual on Corporate Governance.</p> <p>To accomplish the purpose, the Corporate Secretary Compliance Officer and attended the training on Sustainability Strategy and Training ( GRI Accredited Training) on August 10-12 2022 And the Sustainability Strategy and Training and Reporting on Human Rights ( GRI Accredited Training) on October 4 2022 conducted by the Institute of Corporate Directors.</p> <p>Specific policies will be formulated when the hospital is completed and operational.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE page 34 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>	
2	The company discloses to all shareholders/members and other stakeholders the company’s strategic and operational objectives with emphasis on the management of environmental, economic, social and governance (EESG) issues of its business which underpin sustainability.	Compliant	<p>The general policy is contained in the Manual on Corporate Governance.</p> <p>Specific policies will be formulated when the hospital is completed and operational.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE 34 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>	

**Principle 11. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION**

The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

1	The company has a website to ensure a comprehensive, cost-efficient, transparent and timely manner of	Compliant	<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>APMCI Website link: <a href="https://apmc-iloilo.com">https://apmc-iloilo.com</a></li> </ul>	
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	disseminating relevant information to the public.			
<b>INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORKS</b>				
<b>Principle 12. STRENGTHENING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS</b>				
To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management system.				
<b>Recommendation 12.1</b>				
1	The company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>The Company's internal control system is provided in the Manual on Corporate Governance on pages 30 to 32.</p> <p>Considering that the Company is not yet operational, the Compliance Office and External Audit is deemed adequate for internal control system of the company.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE page 30-32- <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>	
2	The company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>The Enterprise Risk Management Framework of the Company is attached as Annex B of the Manual on Corporate Governance.</p> <p>The review of the framework will be done annually after the company becomes operational.</p> <p>Please see the following links:</p> <ul style="list-style-type: none"> <li>ENTERPRISE RISK MANAGEMENT FRAMEWORK - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Enterprise-Risk-Management-Framework-1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Enterprise-Risk-Management-Framework-1.pdf</a></li> </ul>	
<b>Recommendation 12.2</b>				
1	The company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Partially Compliant	<p>The Internal Audit Function is set forth in the Manual on Corporate Governance.</p> <p>Reference/link:</p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE pages 30 -32 <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>	While the system is in place, it has not been implemented because the company is not yet operational but the Board intends to have an in-house internal audit function once it starts to operate in 2023.

## CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS/MEMBERS

### Principle 13. PROMOTING SHAREHOLDER/MEMBER RIGHTS

The company should treat all shareholders/members fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

#### Recommendation 13.1

1	The Board ensures that basic shareholder/member rights are disclosed in the Manual on Corporate Governance.	Compliant	<p>The basic shareholder rights of are disclosed in pages 35-37 of the Manual on Corporate Governance.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE pages 35 to 37 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>	
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#### Recommendation 13.2

1	The Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders'/Members' Meeting with sufficient and relevant information at least twenty-one (21) days before the meeting.	Compliant	<p>The Notice of Annual Stockholders' Meeting for Year 2022 with the Agenda and other relevant information was sent twenty-one (21) days before the meeting via email, posting in the webiste and publication in a newspaper of general circulation.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>2022 DEFINITIVE INFORMATION STATEMENT: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/05/2022-20-DIS-APMC-Iloilo.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/05/2022-20-DIS-APMC-Iloilo.pdf</a></li> <li>AFFIDAVITS OF PUBLICATION OF NEWSPAPERS OF GENERAL CIRCULATION: <a href="https://drive.google.com/file/d/1GFZZh5OPaXsd_gnJvBXJxUE_uWwB244u/view?usp=sharing">https://drive.google.com/file/d/1GFZZh5OPaXsd_gnJvBXJxUE_uWwB244u/view?usp=sharing</a></li> </ul>	
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#### Recommendation 13.3

1	The Board encourages active shareholder/member participation by making the result of the votes taken during the most recent Annual or Special Shareholders'/Members' Meeting publicly available the next working day.	Compliant	<p>Please see Minutes of 2022 Annual Stockholders Meeting.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MINUTES OF THE 2022 ANNUAL STOCHOLDERS MEETING: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Annex-F-2022-ASM-Minutes-2.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Annex-F-2022-ASM-Minutes-2.pdf</a></li> </ul>	
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2	The minutes of the Annual and Special Shareholders'/Members' Meetings were made available on the company website within five (5) business days from the date of the meeting.	Compliant	<p>The Minutes of the Meeting was published in the website. The said minutes reflect the voting results for all agenda items, including the approving, dissenting and abstaining votes. The voting on the resolutions was done by voting via Google form. During the meeting, the stockholders were given the opportunity to ask questions and answers were given.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MINUTES OF THE 2022 ANNUAL STOCHOLDERS MEETING: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Annex-F-2022-ASM-Minutes-2.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Annex-F-2022-ASM-Minutes-2.pdf</a></li> </ul>	
<b>Recommendation 13.4</b>				
1	The Board makes available, at the option of a shareholder/member, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Non-Compliant		The Corporate Governance Committee is currently studying the amendment of its AOI to include an arbitration clause for the resolution of Intracorporate Disputes.
<b>Recommendation 13.5</b>				
1	The Board establishes an Investor Relations Office (IRO) or Customer Relations Office (CRO) or its equivalent to ensure constant engagement with its shareholders/members.	Compliant	<p>The Company has an Investor Relations Officer in the person of</p> <p><b>Ma. Toni Dinah Cheer Fernandez</b>  Telephone Number: 321-5748  Fax Number: NONE  Email address: apmciloilo.investment@gmail.com</p>	
2	The IRO or CRO or its equivalent is present at every shareholders'/members' meeting.	Compliant	<p>The IRO attends the Annual Stockholders' Meeting. In 2022, she moderated the Open Forum with Investors.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MINUTES OF THE 2022 ANNUAL STOCHOLDERS MEETING: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Annex-F-2022-ASM-Minutes-2.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Annex-F-2022-ASM-Minutes-2.pdf</a></li> </ul>	

## DUTIES TO STAKEHOLDERS

### Principle 14. RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDER'S RIGHTS

The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

#### Recommendation 14.1

1	The Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<p>The Company's various stakeholders are identified in the Manual on Corporate Governance.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE 37-<a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>	
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#### Recommendation 14.2

1	The Board establishes clear policies and programs to provide a mechanism on the fair treatment, protection and enforcement of the rights of stakeholders.	Compliant	<p>The general policy is established in the Manual on Corporate Governance.</p> <p>The specific policies will be approved prior to the hospitals' operation in 2023.</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>MANUAL ON CORPORATE GOVERNANCE page 37 - <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/revised-MCG-with-Notification.pdf</a></li> </ul>	
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### Principle 15. ENCOURAGING EMPLOYEES' PARTICIPATION

A mechanism for employee participation should be developed to create a symbiotic working environment consistent with the realization of the company's objectives and good corporate governance goals.

#### Recommendation 15.1

1	The Board establishes policies, programs and procedures that encourage employees to actively	Compliant	The following are the employee engagement activities of the company:	
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<p>participate in the realization of the company's goals and in its governance.</p>		<p><b>Reference documents/links:</b></p> <p><b>A. Community Involvement</b></p> <ul style="list-style-type: none"> <li>APMCI CARES FOR ENVIRONMENT 2022 October 28 2022, the employees went to Sitio Lacaran, Brgy. Ermita, Dumangas, Iloilo -<a href="#">Facebook</a></li> </ul> <p><b>B. Consensus Building</b></p> <ul style="list-style-type: none"> <li>APMCI TEAM BUILDING 2022 -provide date and location  <a href="https://m.facebook.com/story.php?story_fbid=144284558254204&amp;id=103503658998961">https://m.facebook.com/story.php?story_fbid=144284558254204&amp;id=103503658998961</a>  <a href="https://m.facebook.com/story.php?story_fbid=142308725118454&amp;id=103503658998961">https://m.facebook.com/story.php?story_fbid=142308725118454&amp;id=103503658998961</a></li> </ul> <p><b>C. Capacity Enhancement</b></p> <ul style="list-style-type: none"> <li>HOSPITAL PREPAREDNESS FOR EMERGENCY (HOPE) (March 2022 APMCI Hospital)  <a href="https://m.facebook.com/story.php?story_fbid=pfbid0uRNHLGj44h1jdMiFcg3Q9vx1ErkOu6wyw3TKXJtNMSy70Q2BpkqQnmyzvnjqfZAl&amp;id=100083454664070&amp;mibextid=Nif5oz">https://m.facebook.com/story.php?story_fbid=pfbid0uRNHLGj44h1jdMiFcg3Q9vx1ErkOu6wyw3TKXJtNMSy70Q2BpkqQnmyzvnjqfZAl&amp;id=100083454664070&amp;mibextid=Nif5oz</a></li> <li>BATCH 1 BASIC LIFE SUPPORT TRAINING: (April 22, 2023 @ APMCI Hospital)  <a href="https://www.facebook.com/asiapacificmedicalcenteriloilo/posts/pfbid0fNmZLX1Wr5cfyVDyg2w4affhqtZn1FMWvRwT7smzLTFbuvKEQWjbxETskGWeQdsI">https://www.facebook.com/asiapacificmedicalcenteriloilo/posts/pfbid0fNmZLX1Wr5cfyVDyg2w4affhqtZn1FMWvRwT7smzLTFbuvKEQWjbxETskGWeQdsI</a></li> <li>BATCH 2 BASIC LIFE SUPPORT TRAINING: ( May 13, 2023 @ APMCI Hospital)  <a href="https://m.facebook.com/story.php?story_fbid=138001975933698&amp;id=100091716884918">https://m.facebook.com/story.php?story_fbid=138001975933698&amp;id=100091716884918</a></li> <li>IMAGING DEPART MENT (June 7, 2023 at APMCI Hospital)  <a href="https://www.facebook.com/photo?fbid=229232926535195&amp;set=pcb.229230676535420">https://www.facebook.com/photo?fbid=229232926535195&amp;set=pcb.229230676535420</a></li> <li>BATCH 3 BASIC LIFE SUPPORT TRAINING: ( June 10, 2023 @ APMCI Hospital)  <a href="https://m.facebook.com/story.php?story_fbid=6931397723554222&amp;id=100000521904497">https://m.facebook.com/story.php?story_fbid=6931397723554222&amp;id=100000521904497</a></li> <li>BATCH 1 NURSE TRAINING (JUNE 19-20, 2023 @ APMCI HOSPITAL) Advanced Cardiac Life Support Training course to Emergency Room and Delivery Room Nurse  <a href="https://www.facebook.com/jasper.jandonero/posts/pfbid02yVb4sRKQhLza7RVtbZw5L78YSje5C5fi5eYEnNiDGNEF223fTHd9Tmt85IMf3yul">https://www.facebook.com/jasper.jandonero/posts/pfbid02yVb4sRKQhLza7RVtbZw5L78YSje5C5fi5eYEnNiDGNEF223fTHd9Tmt85IMf3yul</a></li> </ul>	
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**Recommendation 15.2**

1	<p>The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of</p>	Compliant	<p>As stated in page 4 the Code of Business Conduct and Ethics, the company strictly prohibits giving facilitating payments to any private or government officials or employees, their agents, intermediaries in order to expedite or secure performance of any government action , or to gain any perceived or actual favor or advantage from any private or government entities. The Company ensures that it and its directors, officers and employees fully comply with the laws governing bribes, unlawful payments and other corrupt practices.</p>	
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	Business Conduct and Ethics.		<p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• CODE OF BUSINESS CONDUCT &amp; ETHICS page 4- <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Code-of-Business-Conduct-Ethics.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Code-of-Business-Conduct-Ethics.pdf</a></li> </ul>	
2	The Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.		The Company disseminates the policy and program to employees across the organization through the President and the Hospital Administrator through the issuance of memos and conduct of meetings.	
<b>Recommendation 15.3</b>				
1	The Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	Compliant	<p>The Whistleblowing Policy of the Company is provided in page 10 of the Related Party Transaction Policy of the Company. It also has a provision against retaliatory acts.</p> <p>Contact details for whistleblowing:  Maylene B. Villanueva  Compliance Officer  09175234802  Email address:  Attymbv.endure@gmail.com</p> <p><b>Reference documents/links:</b></p> <ul style="list-style-type: none"> <li>• RELATED PARTY TRANSACTION POLICY: <a href="https://apmc-iloilo.com/wp-content/uploads/2023/06/Related-Party-Transaction Policy 1.pdf">https://apmc-iloilo.com/wp-content/uploads/2023/06/Related-Party-Transaction Policy 1.pdf</a></li> </ul>	
2	The Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant		



3	The Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	To date, there was no opportunity for the Board to enforce the whistleblowing framework as no incident of whistleblowing has been reported.	
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**Principle 16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

The company should be socially responsible in all its dealings with the communities in which it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

**Recommendation 16.1**

1	The company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	<p>As part of its corporate social responsibility program, the Company conducts a Tree Planting Activity annually in various parts of the Province and City of Iloilo. In October 28 2022, the employees went to Sitio Lacaran, Brgy. Ermita, Dumangas, Iloilo to plant mangroves in partnership with the BJMP Pototan District Jail. More programs will be implemented when it starts to operate the Hospital.</p> <ul style="list-style-type: none"> <li>• APMCI CARES FOR ENVIRONMENT  <a href="https://www.facebook.com/photo/?fbid=138255408966281&amp;set=pcb.138256015632887">https://www.facebook.com/photo/?fbid=138255408966281&amp;set=pcb.138256015632887</a></li> </ul>	
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Pursuant to SEC Memorandum No. 13 Series of 2021 mandating all Public Companies and Registered Issuers to submit an Annual Corporate Governance Report for the year 2022, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on June 16, 2023.

**SIGNATURE PAGES FOLLOWS:**

~~FERJENEL G. BIRON~~  
Chairman

~~NOEL J. GONZALES~~  
Independent Director

~~MAYLENE B. VILLANUEVA~~  
Corporate Secretary & Compliance Officer

NAMES	VALID ID#	DATE OF ISSUE	PLACE OF ISSUE
<del>FERJENEL G. BIRON</del>	<u>Phil. Passport# P8912997B</u>	<u>10 February 2022</u>	<u>DFA Manila</u>
<del>NOEL J. GONZALES</del>	<u>Phil. Passport# P3822229B</u>	<u>13 November 2019</u>	<u>DFA Manila</u>
<del>MAYLENE B. VILLANUEVA</del>	<u>Phil. Passport# P1972096C</u>	<u>10 October 2022</u>	<u>DFA NCR East</u>

Republic of the Philippines)  
City of Mandaluyong City

**JUN 16 2023**

SUBSCRIBED AND SWORN to before me this \_\_\_ day of \_\_\_\_\_ 20\_\_ affiant(s) exhibiting to me and known to me personally to be the same person who executed and personally signed the foregoing Annual Corporate Governance Report before me and acknowledged that they executed the same.

Doc. No. 291  
Page No. 60  
Book No. 30  
Series of 2023

**ATTY. JAMES M. ABUGAN**  
Notary Public  
APPT. NO. 0442-23 Until 12-31, 2024  
IBP No. 180334 Nov. 23, 2022 Rizal Chapter  
Roll No. 26890 Lifetime  
MCLE No. VII-0020184 until 4/14/2025  
TIN No. 116-239-956  
PTR No. 5105663 01/09/2023  
Mand. Rm. 314 J&B Bldg., 251 EDSA,  
Mandaluyong City Tel. No. (02)854-523-21

Pursuant to SEC Memorandum No. 13 Series of 2021 mandating all Public Companies and Registered Issuers to submit an Annual Corporate Governance Report for the year 2021, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of CITY OF PASIG on JUN 07 2023

MA. TERESA F. DEBUQUE  
Independent Director

NAMES	VALID ID#	DATE OF ISSUE	PLACE OF ISSUE
<u>MA. TERESA F. DEBUQUE</u>	<u>TIN#934-575-645</u>	<u>16 March 2005</u>	<u>Iloilo</u>

Republic of the Philippines)  
City of Cities of Pasig and San Juan  
and Municipality of Pateros

SUBSCRIBED AND SWORN to before me this JUN 07 2023 day of \_\_\_\_\_ 20\_\_ affiant(s) exhibiting to me and known to me personally to be the same person who executed and personally signed the foregoing Annual Corporate Governance Report before me and acknowledged that she executed the same.

Doc. No. 157  
Page No. 22  
Book No. VI  
Series of 2023

**MAYLENE B. VILLANUEVA**  
NOTARY PUBLIC  
Cities of Pasig and San Juan  
and in the Municipality of Pateros  
Appointment No. 154 (2022-2023)  
Roll No. 60137; 03-22-12  
IBP Lifetime Member No. 010763; 03-13-2012; Iloilo  
PTR No. 9604789; 01-04-2023; Pasig City  
MCLE Compliance No. VII-0012768; 04-14-2025  
Commission expires on December 31, 2023  
Suite 24-G, Goldland Millenia Suites,  
Escriva Drive, Ortigas Center, Pasig City  
Contact No. 0917-5234802

Pursuant to SEC Memorandum No. 13 Series of 2021 mandating all Public Companies and Registered Issuers to submit an Annual Corporate Governance Report for the year 2021, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Iloilo on JUN 28 2023

**ASIA PACIFIC MEDICAL CENTER -ILOILO, INC.**  
(Formerly Allied Care Experts (ACE) Medical Center-Iloilo, Inc.)

**SIGNATURE PAGES FOLLOW:**

~~AMADO M. LAVALLE, JR.~~  
~~President and CEO~~

~~JERUSHA A. COMUELO~~  
~~Independent Director~~

JUN 28 2023

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of \_\_\_\_\_ 20\_\_ affiant(s) exhibiting to me their Valid IDS, as follows:

NAMES	VALID ID#	DATE OF ISSUE	PLACE OF ISSUE
<b>AMADO M. LAVALLE, JR.</b>	<u>PRC#0068822</u>	<u>March 05, 1990</u>	<u>Iloilo City</u>
<b>JERUSHA A. COMUELO</b>	<u>PRC#0078518</u>	<u>September 2018</u> /	<u>Iloilo City</u>

Doc. No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of 2023

**ATTY. JOSEPH EDWARD P. AREÑO**  
NOTARY REGISTRATION NO. 85  
ATTORNEY'S ROLL NO. 45471  
IBP NO. 035831, 06-11-2018 (LIFETIME)  
PTR NO. 8081331, 01-03-2023  
UNTIL DECEMBER 31, 2023  
ST. ANNE BLDG., LUNA ST., LA PAZ, ILOILO CITY  
MCLE COMP. CERT. NO. VII-0002859  
Issued on May 3, 2021  
TIN: 123-761-675