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Company Information

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Industry Classification: N85120

Company Type: Stock Corporation

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REPUBLIC OF THE PHILIPPINES)
Kalibo, Aklan) S.S.

CERTIFICATION

I, **MARSHA LOURDES P. CONANAN-MORATO**, Corporate Secretary of **Asia Pacific Medical Center (APMC) - Aklan Inc. formerly Allied Care Experts (ACE) Medical Center-Aklan Inc.**, with SEC registration number **CS201739437** with principal business office at **Judge Martelino Road, Brgy. Andagao, Kalibo, Aklan**, on oath state:

- 1) That I have caused this **Annual Corporate Governance Report (ACGR)** dated 28 June 2024 to be prepared;
- 2) That I have read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) That I comply with the requirements set forth in SEC Memorandum Circular No. 18 dated October 9, 2023, for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I am fully aware that documents filed online that require pre-evaluation and/or processing fees shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of June 2024 at Kalibo, Aklan.

MARSHA LOURDES P. CONANAN-MORATO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 28th day of June 2024 at Kalibo, Aklan Philippines, affiant personally appeared and exhibited to me her PRC ID No. 0114192 issued on _____, at PRC and valid until _____.

Doc. No. 372
Page No. 74
Book No. 29
Series of 2024.

ROMEO P. INOCENCIO
Notary Public for Aklan
Appointment No. 1 (2023-2024)
Until December 31, 2024
Roll No. 35274
XIX Martyrs St., Kalibo, Aklan
ICP No. 296644 (MD2024)/12/20/2023/Pesig City
PTR No. 671649801/05/2024/Kalibo, Aklan
MCLE Compliance No. VII-0001762
Issued on December 02, 2019

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City / Town / Province)

DR. MARSHA LOURDES P. CONANAN-MORATO																			
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Contact Person

(+63)9190963082 / (+63)9178146042									
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Company Telephone Number

1	2		3	1
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Month

Day

Fiscal Year

ACGR

FORM TYPE

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Month

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Annual Meeting

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Secondary License Tyoe, if Applicable

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Dept. Requiring this Doc

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Amended Articles Number/Section

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Total No. of Stockholders

X

Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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SEC FORM – ACGR (FOR PC/RI)

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUER

1. For the fiscal year ended December 31, 2023
2. SEC Identification Number CS201739437
3. BIR Tax Identification No. 009-900-845-000
4. Exact name of issuer as specified in its charter ASIA PACIFIC MEDICAL CENTER (APMC) – AKLAN INC.
(Formerly: ALLIED CARE EXPERTS (ACE) MEDICAL CENTER – AKLAN INC.
5. Province, Country or other jurisdiction of incorporation or organization Aklan Philippines
6. Address of Principal Office Judge Martelino Road, Andagao, Kalibo, Aklan
7. Postal Code 5600
8. Issuer's telephone number, including area code (+63)9190963082 / (+63)9178146042
9. Former name, former address, and former fiscal year, if changed since last report.---
10. Industry Classification Code (SEC Use Only) --

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

RECOMMENDATION	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
THE BOARD'S GOVERNANCE RESPONSIBILITIES			
Principle 1. ESTABLISHING A COMPETENT BOARD			
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.			
Recommendation 1.1			
1 The Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Principle 1 and Recommendation 1.1 are embodied in the Manual on Corporate Governance of Asia Pacific Medical Center-Aklan Inc. (the "Company") as approved on 1 December 2021 (the "Manual"). The academic qualifications, industry knowledge, professional experience, and expertise of directors are set forth in the Annual Report (SEC Form 17-A) for the fiscal year 31 December 2023 ("SEC Form 17-A") and also published in the Company website. Reference documents/links: Manual on Corporate Governance page 6 : MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf 2023 SEC Form 17-A Annual Report pages 42 to 47 : https://apmcaklan.com/investors/data/2023/SEC FORM 17-A 2023.pdf	
2 The Board has an appropriate mix of competence and expertise.	Compliant		
3 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.	Compliant		

			APMC Aklan Website : https://apmcaklan.com/about/corporate-governance/data/2023-2024%20BOD%20Profile.pdf	
Recommendation 1.2				
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 2023 17 A Report.</p> <p>Reference documents/links: (update links)</p> <p>2023 SEC Form 17-A Annual Report pages 42: https://apmcaklan.com/investors/data/2023/SEC FORM 17-A 2023.pdf</p> <p>APMC Aklan Website (About Us): https://apmcaklan.com/about/corporate-governance/data/2023-2024%20BOD%20Profile.pdf</p>	
Recommendation 1.3				
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 kept abreast of the developments in the business and regulatory landscapes of the industry.</p> <p>Reference documents/links:</p> <p>Policy on Training of Directors: Policy on the Orientation and Training of Directors and Officers.pdf</p>	

2	The company has an orientation program for first-time directors.	Compliant	<p>The Company has an Orientation Program for first time directors but for year 2023, no Orientation was conducted because all members of the 2022 Board of Directors were re-elected so there are no new directors.</p> <p>Reference documents/links:</p> <p>Policy on the Orientation and Training of Directors and Officers: Policy on the Orientation and Training of Directors and Officers.pdf</p>	
3	The company has relevant annual continuing training for all directors.	Compliant	<p>Reference documents/links:</p> <p>Policy on the Orientation and Training of Directors and Officers: Policy on the Orientation and Training of Directors and Officers.pdf</p> <p>https://apmcaklan.com/articles/</p> <p>2023 APMCAI List of Trainings: https://apmcaklan.com/about/corporate-governance/data/LIST%20OF%20TRAINING%20OF%20DIRECTORS%20AND%20OFFICERS.pdf</p>	
Recommendation 1.4				
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.</p> <p>The 2023 APMC Aklan Board of Directors are composed of eight (8) female and seven (7) male. One (1) of them are between the ages of 35-40, eight (8) between the ages of 41-50 and six (6) between the ages of 51-60. Three (3) of the directors are physician and businessmen including the Chairman and the President while the rest of the Board are</p>	

			<p>medical specialists in internal medicine (cardiology and otorhinolaryngology), pediatrics, anaesthesiology, infectious diseases, orthopedics, family medicine, obstetrics and gynecology. The different specializations in the field of medicine of the Directors is strategic before and during the initial stages of the operation of the hospital as it facilitated the formulation of experience-based policies and procedures that secure the efficient operation of the various Departments of the Hospital.</p> <p>Reference documents/links: Policy on Board Diversity: Policy-on-Board-Diversity.pdf</p> <p>APMC Aklan Website (About Us): https://apmcaklan.com/about/sec-filing/data/2024/ANNEX%20B-2023-2024%20DIRECTORS%20AND%20%20EXECUTIVE%20OFFICERS%20PROFILE-1-12.pdf</p>	
Recommendation 1.5				
1	The Board is assisted by a Corporate Secretary.	Compliant	<p>The Corporate Secretary is Marsha Lourdes P. Conanan-Morato. She is not the Compliance Officer but is a member of the Board of Directors. Her qualifications, duties and functions are set forth in the Company's Manual on Corporate Governance. Her educational and professional background is posted in the website.</p> <p>Reference documents/links: APMC Aklan Website (About Us): https://apmcaklan.com/about/corporate-governance/data/2023-2024%20BOD%20Profile.pdf</p>	
2	The Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3	The Corporate Secretary is not a member of the Board of Directors.	Non-Compliant		<p>The Board appoints Dr. Marsha Lourdes P. Conanan-Morato to serve as its Secretary who has been performing the role since the Company was incorporated in 2017 and has proven to be the most efficient person for the job. Given her familiarity</p>

			Manual on Corporate Governance page 27-28: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf	with the operational policies of the corporation, the Board deems that the foregoing arrangement is effective , efficient and maximizes the resources of the company.
4	The Corporate Secretary attends annual training/s on corporate governance.	Compliant	Reference documents/links: https://apmcaklan.com/articles/	
Recommendation 1.6				
1	The Board is assisted by a Compliance Officer.	Compliant	<p>The Compliance Officer of the Company is Atty. Maylene B. Villanueva. As CO, her rank is Vice President which is a position of adequate stature and authority in the corporation. 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. Her educational and professional background is posted in the website.</p> <p>Reference documents/links:</p> <p>Manual on Corporate Governance pages 28-29: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p> <p>APMC Aklan Website (About Us): https://apmcaklan.com/about/sec-filing/data/2024/ANNEX%20B-2023-2024%20DIRECTORS%20AND%20%20EXECUTIVE%20OFFICERS%20PROFILE-1-12.pdf</p>	
2	The Compliance Officer has a rank of Senior Vice-President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3	The Compliance Officer is not a member of the board.	Compliant		

<p>4 The Compliance Officer attends annual training/s on corporate governance.</p>	<p>Compliant</p>	<p>The Compliance Officer had attended the following corporate governance trainings in 2023 accredited by the Securities and Exchange Commission:</p> <p>Tax Compliance Specialist Course conducted by the Center for Global Best Practices on 15 August – 22 September, 2023.</p> <p>The following trainings in the ICD Masterclass Third Series conducted by the Institute of Corporate Directors :</p> <ol style="list-style-type: none"> Redefining the Future of Finance ; Fintech’s Role in Shaping our Economy – 28 July 2023 The Governance of Family Firms : Emerging Perspectives from Established Models – 25 August 2023 Transforming Companies with Digital Disruption- Ready Boards of Directors - 27 October 2023 Disruptive Health Innovations – 24 November 2023 The Brand Architecture : A Valuable Framework for Setting Strategy – 15 December 2023 <p>Reference documents/links:</p> <p>2023 APMCAI List of Trainings: https://apmcaklan.com/about/corporate-governance/data/LIST%20OF%20TRAINING%20OF%20DIRECTORS%20AND%20OFFICERS.pdf</p>	
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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 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>In 2023, the Board has approved 67 resolutions after discussion and deliberations.</p> <p>Reference documents/links:</p> <p>Manual on Corporate Governance page 17: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p> <p>2024 Definitive Information Statement page 23: https://apmcaklan.com/about/sec-filing/data/2024/25 2024-APMC-Aklan-Inc.-DIS.docx.pdf</p>	
Recommendation 2.2				
1	The Board oversees the development and approval of the company's business objectives and strategy.	Compliant	The Board oversees the business affairs of the Company. It meets regularly and allots time to discuss strategic issues with Management. In this manner, the Board is also able to oversee and monitor the implementation of the company's business objectives and strategy.	
2	The Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	The following member of Board of Directors attended the ICD Masterclass: The Third Series – Session 6 “The brand Architecture: A Valuable Framework for Setting Strategy” conducted by Institute of Corporate Directors on 15 December 2023.	

1. Dr. Simeon A. Arce, Jr.
2. Dr. Regina R. Buenaflor
3. Dr. Eileen May B. Debuque
4. Dr. Nikki James C. Francisco
5. Dr. Mary Karen Veronica R. Icamina
6. Dr. Marsha Lourdes P. Conanan-Morato
7. Dr. Claire B. Perez
8. Dr. Darcy A. Quindor

This affirms the commitment of the Board in overseeing and monitoring the implementation of the company's business objectives and strategy.

Reference documents/links:

Board Charter page 11: [Board-Charter.pdf](#)

2023 BOD Attendance Report: <https://apmcaklan.com/about/sec-filing/data/2023/2023%20BOARD%20OF%20ATTENDANCE%20REPORT.pdf>

2023 APMCAI List of Trainings: <https://apmcaklan.com/about/corporate-governance/data/LIST%20OF%20TRAINING%20OF%20DIRECTORS%20AND%20OFFICERS.pdf>

Recommendation 2.3

1	The Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	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 the Board Charter. Its	
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2	The Board adopts a policy for the retirement of directors and key officers.	Compliant	<p>Succession Planning Policy is also discussed in the Remuneration and Performance Policy.</p> <p>The retirement policy is attached as Annex E of the aforementioned Manual.</p> <p>Reference documents/links:</p> <p>Manual on Corporate Governance page 17: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p> <p>Board Charter page 22: Board-Charter.pdf</p> <p>Remuneration and Performance Policy: Remuneration-and-Performance-Policy.pdf</p> <p>Retirement Policy - Retirement-Policy.pdf</p>	
Recommendation 2.4				
1	The Board aligns the remuneration of key officers and board members with the long-term interests of the company.	Compliant	<p>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.</p> <p>Per Board Charter, no Director shall be involved in deciding his own remuneration during his incumbent term. Remuneration that are approved takes effect after the term of the approving Board.</p> <p>Reference documents/links:</p> <p>Remuneration and Performance Policy: Remuneration-and-Performance-Policy.pdf</p>	
2	The Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3	The Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		

Recommendation 2.5

1	The Board has a formal and transparent board nomination and election policy.	Compliant	<p>The Board has a formal and transparent board nomination and election policy which is disclosed in the Manual on Corporate Governance.</p> <p>A Call for Nomination before the Election of the BOD in the ASM is also sent to the stockholders to encourage nominations from shareholders and to be able to maximize the process to identify potential candidates that are qualified and aligned with the strategic direction of the company.</p> <p>The Nomination and Election Policy contains a provision on Performance Evaluation</p> <p>Reference documents/links:</p> <p>Board and Nomination Policy : BOARD-NOMINATION-AND-ELECTION-POLICY.pdf</p> <p>Call for Nomination for 2023 Board of Directors : CALL FOR NOMINATION 2023.pdf</p>	
2	The Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3	The Board nomination and election policy includes how the company accepted nominations from shareholders/members.	Compliant		
4	The Board nomination and election policy includes how the board reviews the qualifications of nominated candidates.	Compliant		
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		

Recommendation 2.6				
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	<p>The Board's Related Party Transaction is a part of the Manual on Corporate Governance and published in the website.</p> <p>Reference documents/links:</p>	
2	The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<p>Related Party Transactions: Related-Party-Transaction-Policy.pdf</p>	
Recommendation 2.7				
1	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).	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 Board appoints the Chief Executive Officer , Chief Finance Officer and other Key Management Personnel as well as the heads of the Control Functions such as Compliance Officer and Internal Audit Head shown in the 17C Reports dated 04 September 2023 and 30 June 2024.</p> <p>The Management Team of the Company is as follows:</p>	

		<p>President/Chief Executive Officer - Dr. Simeon A. Arce, Jr. Vice President/Chief Operations Officer – Dr. Claire B. Perez</p> <p>Treasurer-Dr. Joanne B. Abril</p> <p>Administrative Officer – Dr. May Urbanozo-Ignacio</p> <p>Compliance Officer – Maylene B. Villanueva</p> <p>Internal Audit Head – Mr. Bonnie Vee S. Dela Torre</p> <p>Reference documents/links:</p> <p>Board Charter page 12: Board-Charter.pdf</p> <p>17 C Report dated 04 September 2023 on the Election of BOD: SECFORM 17-C SEPTEMBER 4, 2023.pdf</p> <p>17 C Report dated 5 July 2023 : SEC FORM 17C JULY 5, 2023.pdf</p>	
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>	<p>Compliant</p>	<p>The Board of Directors evaluates the Chief Executive Officer’s performance to ensure that he is providing the best leadership for the Company in the long-and short-term.</p> <p>Reference documents/links:</p> <p>Board of Directors’ Performance Evaluation of President/CEO: BOARD OF DIRECTORS (PERFORMANCE EVALUATION PRESIDENT/CEO).pdf</p>
Recommendation 2.8			

1	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.	Compliant	<p>The Company's Revised Manual of Corporate Governance mandates the Board to formulate and to annual review the Company's mechanism for performance assessment of the Board and Management , principally, the President and/or Chief Executive Officer.</p> <p>The performance of Managers and employees is rated using a 5-point rating scale where "5" is the highest and "3" is the passing rating. Performance ratings are to be subjected to a calibration and validation process to check on the fairness of the ratings and to ensure consistency in the application of standards among all raters.</p> <p>Reference documents/links: Performance Evaluation Form of Managers and Employees: Performance Appraisal Form.pdf</p>	
2	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.	Compliant		
Recommendation 2.9				
1	The Board ensures that an appropriate internal control system is in place.	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>The RPT Policy prescribes the mechanism for monitoring and managing potential/actual conflicts of interest of the board members, management and shareholders.</p> <p>Reference documents/links:</p>	
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>Manual On Corporate Governance page 8: https://apmcaklan.com/about/corporate-governance/data/MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p> <p>17-C Report dated 05 July 2023 : https://apmcaklan.com/about/sec-filing/data/2023/SEC%20FORM%2017C%20JULY%205,%202023.pdf</p> <p>Related Party Transaction page 10: https://apmcaklan.com/about/corporate-governance/data/Related-Party-Transaction-Policy.pdf</p>	
3	The Board adopts an Internal Audit Charter.	Non -Compliant		<p>The attached Audit Manual is for approval of the Board in 2024:</p> <p>AUDIT MANUAL.pdf</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>Reference documents/links:</p>	
2	The risk management framework guides the Board in identifying units/business lines and enterprise-level risk	Compliant	<p>Enterprise Risk Management Policy: Enterprise-Risk-Management-Framework-.pdf</p>	

	exposures, as well as the effectiveness of risk management strategies.			
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	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. Reference documents/links: APMCAI Board Charter: Board-Charter.pdf	
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	The Company has established Board Committees which are reflected in its Manual on Corporate Governance. The composition of the Board is published in the website and reported to the SEC. Reference documents/links: Manual On Corporate Governance page 22: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf	

			<p>Board Committees: APMC-Aklan Committees.pdf</p> <p>17-C Report dated 04 September 2023 : SEC FORM 17-C SEPTEMBER 4, 2023.pdf</p>	
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>Reference documents/links: Manual on Corporate Governance pages 22: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf Audit Committee Charter : Audit-Committee-Charter.pdf</p>	
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. Delphine Joanne Quintana- Bartolome- Chairperson (Independent Director) Dr. Mary Karen Veronica R. Icamina -Member (Independent Director) Dr. Regina R. Buenaflor – Member (Regular Director)</p> <p>All three directors are qualified non-executive directors, with two being independent director and one serving as Regular Director.</p> <p>Reference documents/links: Board Committees: APMC-Aklan Committees.pdf 17-C Report dated 04 September 2023 : SEC FORM 17-C SEPTEMBER 4, 2023.pdf</p>	

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		Among the members of the Committee , only Dr. Bartolome attended the Finance for Directors training conducted by the Institute of Corporate Directors on July 18-19, 2023. The other members will attend relevant trainings in 2024.
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 Dr. Delphine Joanne Quintana- Bartolome- and is not the Chairperson of any other Board Committees.</p> <p>Reference documents/links:</p> <p>Audit Committee: Audit-Committee-Charter.pdf</p> <p>17-C Report dated 4 September 2023: SEC FORM 17-C SEPTEMBER 4, 2023.pdf</p>	
Recommendation 3.3				
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>	

			Reference documents/links: Manual on Corporate Governance pages 22: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf Corporate Governance Charter: Coporate-Governance-Committee.pdf Nominations and Election Committee Charter: BOARD-NOMINATION-AND-ELECTION-POLICY.pdf Remuneration and Compensation Committee Charter: Remuneration-and-Performance-Policy.pdf	
2	The Corporate Governance Committee is composed of at least three (3) members, majority of whom, including the Chairperson, should be independent directors.	Compliant	The following directors compose the Corporate Governance Committee: Dr. Darcy A. Quindor - Chairperson (Independent Director) Dr. Delphine Joanne Quintana-Bartolome - Member (Independent Director) Dr. Regina R. Buenaflor - Member (Regular Director)	
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.	Compliant	The Board Risk Oversight Committee was established by the Board on 31 August 2023. Reference documents/links: Board Risk Oversight Committee Charter : https://apmcaklan.com/about/corporate-governance/data/BOARD%20RISK%20OVERSIGHT%20COMMITTEE%20CHARTER.pdf	
2	The BROC is composed of at least three (3) members, the majority of whom should be	Compliant	The following directors compose the Board Risk Oversight Committee:	

	independent directors, including the Chairperson.		<p>Dr. Darcy A. Quindor - Chairperson (Independent Director) Dr. Delphine Joanne Quintana-Bartolome - Member (Independent Director) Dr. Claire B. Perez - Member (Vice President)</p> <p>All three directors are qualified directors, with two being independent directors.</p> <p>Reference documents/links:</p> <p>17-C Report dated 04 September 2023 : https://apmcaklan.com/about/sec-filing/data/2023/SEC%20FORM%2017-C%20SEPTEMBER%204.%202023.pdf</p>	
3	At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-Compliant		In 2023 , the Board had been focused on complying with the regulatory requirements of the Department of Health for the opening of the Hospital. The members of the BROC undertake to go through the necessary trainings in 2024.
Recommendation 3.5				
1	All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	<p>Reference documents/links:</p> <p>Audit Committee Charter: Audit-Committee-Charter.pdf</p> <p>Corporate Governance Committee Charter: Corporate-Governance-Committee.pdf</p> <p>Compensation and Remuneration Committee: Compensation-and-Remuneration-Committee-Charter.pdf</p>	

2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	Compliant	<p>Nomination and Election Committee: Nominations-and-Election-Committee-Charter.pdf</p> <p>Board Risk Oversight Committee Charter: BOARD RISK OVERSIGHT COMMITTEE CHARTER.pdf</p> <p>Data Privacy and Information Security Charter: Data Privacy and Information Security Committee Charter.pdf</p>	
Principle 4. FOSTERING COMMITMENT				
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.				
Recommendation 4.1				
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	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. 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.	
2	The Directors review meeting materials for all Board and Committee meetings.	Compliant	<p>Reference documents/links:</p> <p>2023 SEC Report on Attendance: https://apmcaklan.com/about/sec-filing/data/2023/2023%20BOARD%20OF%20ATTENDANCE%20REPORT.pdf</p>	

			Procedure for Remote Communication Meetings: Internal-Procedures-for-Board-and-Committee-Meetings-Through-Remote-Communication.pdf	
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 various reports in Board Meetings that may have a material impact on the Company's operations.	
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 the 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>Reference documents/links: Manual on Corporate Governance pages 20: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p> <p>APMC Aklan Website (About Us): https://apmcaklan.com/about/</p>	
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.</p> <p>Reference documents/links: Manual on Corporate Governance page 21: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p>	

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.		<p>Of the fifteen (15) Directors, eight (8) are executive officers.</p> <p>Arce, Simeon A., Jr. - Director / President/CEO Perez, Claire B. - Director / Vice-President/COO Conanan-Morato, Marsha Lourdes P. - Director / Corporate Secretary Francisco, Nikki James C. - Director / Asst. Corporate Secretary Abril, Joanne B. - Director / Corporate Treasurer Ardena, Gregory Joseph Ryan A. - Director /Asst. Corporate Treasurer Buenaflor, Regina R. - Director/ Asst. Vice President for Procurement Services Daulo-Lavilla, Meride - Director/Vice President for Internal Audit</p> <p>Reference documents/links:</p> <p>APMC Aklan Website (BOD Profile): 2023-2024 BOD Profile.pdf</p>	<p>The present arrangement where there are more executive directors than non-executive directors is deemed necessary as the hospital has just commenced operations due to the following reasons:</p> <ol style="list-style-type: none"> 1. Executive directors are responsible for the day-to-day operations and strategic decision-making of the organization. Having more executive directors allows for a stronger focus on operational efficiency and effectiveness, ensuring that the organization is able to achieve its goals and objectives. 2. Executive directors play a crucial role in providing strategic leadership to the organization. By having more executive directors, the board can benefit from a wider range of perspectives and expertise, leading to better strategic
		Non- Compliant		

				<p>decision-making and overall performance.</p> <p>3. Board independence is not compromised by having more executive directors than non-executive directors. The key to maintaining board independence lies in having a strong independent chairperson and clear delineation of roles and responsibilities between executive and non-executive directors.</p> <p>4. Even with more executive directors, the Board can still maintain its independence as it has robust governance processes in place, such as regular board evaluations, conflict of interest policies, and independent committees. These mechanisms help ensure that the Board remains independent and able to make objective decisions</p>
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				in the best interest of the organization.
Recommendation 5.2				
1	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.	Non- Compliant		The Company's Manual on Corporate Governance provides that Board shall have at least three (3) independent directors which is complied with. However, the SEC recommends that the Company should have at least five (5) independent directors which is 1/3 of the Board . Due to lack of candidates for Independent Directors, the status quo suits the current need 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.
Recommendation 5.3				
1	The independent directors possess all the qualifications and none of the disqualifications to hold the position.	Compliant	The three Independent Directors, Dr. Delphine Joanne Quintana- Bartolome, Dr. Mary Karen Veronica R. Icamina and Dr. Darcy A. Quindor possess all the qualifications and none of the disqualifications to become such. Their qualifications are published in the website.	

			Reference documents/links: APMC Aklan Website (BOD Profile): 2023-2024 BOD Profile.pdf	
Recommendation 5.4				
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. Reference documents/links: Manual on Corporate Governance page 7: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf	
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	During its Organizational Board Meeting held on 31 August 2023, the Board elected Ferjenel G. Biron as Chairman and Simeon A. Arce, Jr. as President/Chief Executive Officer. Reference documents/links: APMC Aklan Website (BOD Profile): 2023-2024 BOD Profile.pdf	

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>Chairman Ferjenel G. Biron and President/CEO Simeon Arce Jr. are not related by blood.</p> <p>Reference documents/links:</p> <p>Board Charter pages 13 to 16 - Board-Charter.pdf</p>	
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>On 15 September 2022, Dr. Mary Karen Veronica R. Icamina was designated as Lead Independent Director to serve as such until the Board appoints a new successor. Dr. I Amina remained as the Lead Director in 2023.</p> <p>Reference documents/links:</p> <p>17 C Report dated 15 September 2022 on the Election of BOD: https://apmcaklan.com/about/sec-filing/data/2022/Election%20Appointment%20Report.pdf</p>	
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 the deliberations for the same, and recuse from	Compliant	<p>The policy is set forth in the Manual on Corporate Governance but no transaction in which a director has a material interest had taken place in 2023.</p> <p>Reference documents/links:</p> <p>Manual on Corporate Governance pages 7-8: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p>	

	voting on the approval of transaction.			
Recommendation 5.8				
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.			<p>According to page 6 of the Manual, non-executive directors have the authority to conduct distinct regular meetings with the External Auditor and the heads of internal audit, compliance, and risk functions. These meetings are to be held without any executive directors present, and the Lead Independent Director should preside over them. As the Company has only commenced operations on 8 December 2023, no meetings had been held yet. A schedule for this meeting will be set on 2024.</p> <p>Reference documents/links: Manual on Corporate Governance page 8: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p>
		Non- Compliant		
2	The meetings are chaired by the lead independent director, if applicable.			
		Non- Compliant		Please see above 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	Reference documents/links: Board Self Assessment - Board Self-Assessment.pdf Chairman's Self Assessment - Self-Assessment (Chairman).pdf Audit Committee Members' Assessment - https://apmcaklan.com/about/corporate-governance/data/Audit%20Committee%20Self-Assessment.pdf Nominations and Election Committee Members' Assessment - https://apmcaklan.com/about/corporate-governance/data/Nominations%20Committee%20Self-Assessment.pdf Remuneration and Compensation Committee Members' Assessment - https://apmcaklan.com/about/corporate-governance/data/Remuneration %20Compensation%20Committee%20Self-Assessment.pdf Corporate Governance Committee Members' Assessment - https://apmcaklan.com/about/corporate-governance/data/Corporate%20Governance%20Committee%20Self-Assessment.pdf SELF-ASSESSMENT QUESTIONNAIRE (INDIVIDUAL DIRECTOR).pdf	
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	Reference documents/links: Board Self-Assessment https://docs.google.com/forms/d/1Hlt2HdYl_RhtbbzaQZ_OE_pvQGMqNdUggnpEI5p4KRgA/edit Directors Self-Assessment https://docs.google.com/forms/d/1Rsf3-izZtNmFTm6hErY7lAECBrs5N0sfVy1Tra_2HCl/edit
2	The system allows for a feedback mechanism from the shareholders/members.	Compliant	Audit Committee Self-Assessment https://docs.google.com/forms/u/1/d/1LivSNa8itkQbe8lKwXLjCqF9MOusl576XDl3GbiDZzk/edit?usp=forms_home&ths=true Nominations Committee Self-Assessment https://docs.google.com/forms/d/1XUvpvtB9zMUcog9Vulx3EkNmOJJ1r4C-yvu3_GipWPM/edit Remuneration/ Compensation Committee Self-Assessment https://docs.google.com/forms/d/1mE2locNjesnqcaShLxMrq-pmhWKBwFQz5zOZlqgumZA/edit Corporate Governance Committee Self-Assessment https://docs.google.com/forms/d/1TieTD7RMLBqFj_c3YaQGa3HwHm19aWgbgPz_Qxr_FsY/edit Board of Directors' Performance Evaluation of the President/CEO https://docs.google.com/forms/d/1BpxG_QZxPl7oMpEojV3l5GLTOQJBpDuSoinoQwM-CQk/edit Self-Assessment Questionnaire (Individual Director) https://docs.google.com/forms/d/1H0ugeH0MTbHUZYn95jFCBxFpt_H4e_adqebd8rAnUdA/edit

		Stockholders are given the opportunity to give feedback on all matters disclosed in Annual Stockholders' Meeting which include Board Performance. However, there was no feedback from the stockholders in 2023.	
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Principle 7. STRENGTHENING BOARD ETHICS

The Board directors are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

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	<p>The Company's Code of Business Conduct and Ethics (CBCE) is published in the website</p> <p>Reference documents/links: The Code of Business Conduct and Ethics: THE CODE OF BUSINESS CONDUCT AND ETHICS.pdf</p>	
2	The Code is properly disseminated to the members of 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	<p>Reference documents/links:</p> <p>The Code of Business Conduct and Ethics: THE CODE OF BUSINESS CONDUCT AND ETHICS.pdf</p>	

Recommendation 7.2

1	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<p>The Company implements the following monitoring procedures:</p> <p>Pre-audit approvals, transaction reviews, such as travel expense reports, reviews of in-process quality checks and outcome data, review of completed staff work.</p> <p>Directors, officers and employees are <i>required</i> to comply with the Code of Business Conduct and Ethics.</p>	
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>Reference documents/links: Manual on Corporate Governance pages 35-36: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p> <p>Company Disclosures: https://apmcaklan.com/investors/</p>	
Recommendation 8.2				
1	The company has a policy requiring all directors to disclose/report to the company any dealings in the	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 23 A/B Reports filed before the SEC.</p>	

	company's shares within five (5) business days.		Reference documents/links:	
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	Manual on Corporate Governance pages 35-36: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf Corporate Disclosure Section : https://apmcaklan.com/about/sec-filing/	
Recommendation 8.3				
1	The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Reference documents/links: Manual on Corporate Governance : MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf	
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	Reference documents/links: 2022 Annual Corporate Governance Report: Annual-Corporate-Governance-Report-December-31-2022.pdf	
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, and fees of external auditors.	Compliant	The Audit Committee evaluates the performance of the External Auditor and recommends to the Board its reappointment before the Annual Stockholders' Meeting.	
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 2023 Annual Stockholders Meeting held on 31 August 2023 , 93.29 % of shareholders ratified the appointment of Querido Diel and Company as External Auditor for 2023-2024.</p> <p>Reference documents/links:</p> <p>2023 Minutes of ASM - 2023 MINUTES OF THE ANNUAL STOCKHOLDERS MEETING.pdf</p>	
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.	
Recommendation 9.2				

1	<p>The Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	<p>Please see the Audit Committee Charter.</p> <p>Reference documents/links: reference documents/links:</p> <p>Audit Committee Charter - Audit-Committee-Charter.pdf</p>	
2	<p>The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant		
Recommendation 9.3				
1	<p>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.</p>	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 2023 17 A Report published in the website.</p>	

			Reference documents/links: 2023 Annual Report page 40 - SEC FORM 17-A 2023.pdf	
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>The policy is set forth in the Manual on Corporate Governance.</p> <p>Reference documents/links: Manual on Corporate Governance page 35: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</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>Reference documents/links: Manual on Corporate Governance page 37: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p>	
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	Compliant	<p>The general policy is contained in the Manual on Corporate Governance.</p> <p>Reference documents/links: Manual on Corporate Governance page 37: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p>	

	which underpin sustainability.			
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 disseminating relevant information to the public.	Compliant	Reference documents/links: https://apmcaklan.com/	
INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORKS				
Principle 12. STRENGTHENING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS				
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.				
Recommendation 12.1				
1	The company has an adequate and effective internal control system in the conduct of its business.	Compliant	The Company's internal control system is provided in the Manual on Corporate Governance. The Compliance Office, Internal Audit Office and External Audit is deemed adequate for internal control system of the company. Reference documents/links: Manual on Corporate Governance page 32-34: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf	

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>Reference documents/links:</p> <p>Enterprise Risk Management Policy: Enterprise-Risk-Management-Framework-.pdf</p>	
Recommendation 12.2				
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.	Compliant	<p>The Internal Audit Function is found on the Manual on Corporate Governance.</p> <p>In 30 June 2023 Mr. Bonnie Vee S. dela Torre was appointed Internal Audit Head.</p> <p>Reference documents/links:</p> <p>Manual on Corporate Governance page 33: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p> <p>17 C Report dated 04 September 2023: SEC FORM 17C JULY 5, 2023.pdf</p>	
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 are disclosed in the Manual on Corporate Governance.</p> <p>Reference documents/links:</p>	

Manual on Corporate Governance page 38-40: [MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf](#)

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 2023 with the Agenda and other relevant information was sent twenty-one (21) days before the meeting via email to the stockholders and posting in the website.</p> <p>Reference documents/links:</p> <p>Definitive Information Statement: APMC-Aklan-Inc.-DIS.docx.pdf</p> <p>ASM 2023 Affidavit of Publication - https://apmcaklan.com/about/sec-filing/data/2023/ASM%202023%20Affidavit%20Publication.pdf</p> <p>Notice And Agenda of the 2023 ASM: https://apmcaklan.com/about/sec-filing/data/2023/Annual%20Stockholders%20Meeting%202023.pdf</p> <p>Company Disclosures: https://apmcaklan.com/about/sec-filing/</p>	
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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	Compliant	<p>Reference documents/links:</p> <p>Minutes of the 2023 Annual Stockholders Meeting: 2023 MINUTES OF THE ANNUAL STOCKHOLDERS MEETING.pdf</p>	
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	Annual or Special Shareholders'/Members' Meeting publicly available the next working day.			
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 were done by voting via google form. During the meeting, the stockholders were given the opportunity to ask questions and answers were given.</p> <p>Reference documents/links:</p> <p>Minutes of the 2023 Annual Stockholders Meeting: 2023 MINUTES OF THE ANNUAL STOCKHOLDERS MEETING.pdf</p>	
Recommendation 13.4				
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 deliberating on whether it would be appropriate to include an arbitration clause for the resolution of Intracorporate Disputes in the Articles of Incorporation , By Laws or Agreement and intends to make a recommendation to the Board in 2024
Recommendation 13.5				

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 following are the Investor Relations Officers of the Company:</p> <p>DR. JOHNNA G. DE JOSE</p> <p>DR. ESTER F. PALMA</p> <p>Telephone Number: 036 268 2320/09178146042/09190963082</p> <p>Fax Number: N/A</p> <p>Email address: compliance@apmcaklan.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.</p> <p>Reference documents/links:</p> <p>Minutes of the 2023 Annual Stockholders Meeting: 2023 MINUTES OF THE ANNUAL STOCKHOLDERS MEETING.pdf</p>	
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 Stakeholders are identified in the Manual on Corporate Governance.</p> <p>Reference documents/links:</p> <p>Manual on Corporate Governance page 40: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p>	
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 Manual on Corporate Governance requires the Board to establish clear policies and programs to provide a mechanism on the fair treatment, protections and enforcement of the rights of the company's stockholders.</p> <p>The specific policies will be approved and implemented when the Company starts to operate.</p> <p>Reference documents/links: Manual on Corporate Governance page 40: MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</p>	
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 participate in the realization of the company's goals and in its governance.	Compliant	<p>The following are the employee engagement activities of the company:</p> <p>Reference documents/links :</p> <ul style="list-style-type: none"> Basic Life Support https://apmcaklan.com/articles/apmcai-nurses-and-doctors-participated-in-basic-life-support-and-advanced-cardiac-life-support-training-certification-for-healthcare-providers/ https://apmcaklan.com/articles/apmcai-batch-2-nurses-participated-in-basic-life-support-training-copy/ Preparing for the unforeseen: Seminar and Training on HOPE – Hospital Preparedness for Emergencies 	

<https://apmcaklan.com/articles/hope-hospital-preparedness-for-emergencies/>

- Lactation Management Training and Orientation
<https://apmcaklan.com/articles/lactation-management-training-essential-maternal-and-neonatal-care-mother-baby-friendly/>
- Standard First Aid Training
<https://apmcaklan.com/articles/safety-is-first-at-asia-pacific-medical-center-aklan/>
- MRI Testing and Staff Training
<https://apmcaklan.com/articles/mri-testing-and-staff-training-gearing-up-to-operate-new-machines/>
- Vertical Pressure Steam Sterilizer Machine Training
<https://apmcaklan.com/articles/vertical-pressure-steam-sterilizer-machine-training/>
- Empowering ICU Nurses: Specialized Training in Advanced Wound Care
- Equipping ER Nurses: Intensive Training in Accident and Emergency Trauma Care
- Mastering Ultrasound Excellence: Acuson NX3 Elite Training and Comprehensive Application Testing

- Celebrating Proficiency: Presentation of Training Certificates for PLD6000 Dynamic FPD Radiograph and Fluoroscopy System Usage
- Elevating Expertise: Empowering Training for Modern Eye Center Equipment”. Capturing Insight: In-Depth Testing of Optical Spectralis’ Coherence Tomography (OCT)
- Precision Unveiled: Testing and Inaugural Configuration of the uCT 550 80 Slice Computed Tomography (CT) Scan
<https://apmcaklan.com/articles/apmcai-healthcare-personnels-trainings/>

Recommendation 15.2

1	The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Conduct and Ethics.	Compliant	<p>The Company’s Anti-Corruption policy is set forth in the Code of Business and Ethics.</p> <p>Reference documents/links:</p> <p>Code of Business Conduct and Ethics page 4 - THE CODE OF BUSINESS CONDUCT AND ETHICS.pdf</p>
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2	The Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	<p>The Human Resource Department conducts a Corporate Orientation Training for new employees where general policies are communicated to them. Each Department conducts an Orientation Training where Department policies are cascaded to newly engaged employees .</p> <p>Reference documents/links:</p> <p>Please see information provided in the same column of Recommendation 15.1</p>	
Recommendation 15.3				
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 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 attymbv.endure@gmail.com</p> <p>Reference documents/links:</p> <p>Related Party Transaction page 10 - Related-Party-Transaction-Policy.pdf</p>	
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.	


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.	Non- Compliant		In 2023 , the Board had been focused on complying with the regulatory requirements of the Department of Health for the opening of the Hospital. The Company has a scheduled planting activity in 2024.


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 2023, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Kalibo, Aklan on 28 JUN 2024.

ASIA PACIFIC MEDICAL CENTER - AKLAN INC.
(Formerly Allied Care Experts (ACE) Medical Center- Aklan Inc.)

SIGNATURE PAGES FOLLOWS:


SIMEON A. ARCE, JR.
President


MARSHA LOURDES P. CONANAN-MORATO
Corporate Secretary


DARCY A. QUINDOR
Independent Director


DELPHINE JOANNE C. QUINTANA-BARTOLOME
Independent Director


MARY KAREN VERONICA R. ICAMINA
Independent Director

SUBSCRIBED AND SWORN to before me this 28 JUN 2024 day of JUN 2024 20 __affiant(s) exhibiting to me their Valid IDS, as follows:

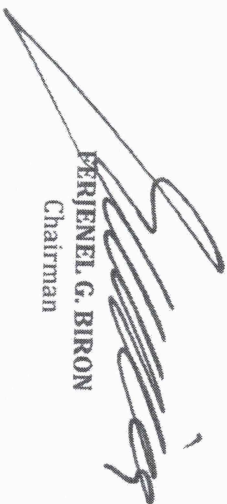
NAMES	VALID ID#	DATE OF ISSUE	PLACE OF ISSUE
SIMEON A. ARCE, JR.	0068829	03/06/1990	
MARSHA LOURDES P. CONANAN-MORATO	0114192	09/05/2008	
DARCY A. QUINDOR	0109299	02/27/2007	
DELPHINE JOANNE C. QUINTANA-BARTOLOME	0114241	09/05/2008	
MARY KAREN VERONICA R. ICAMINA	0100769	08/29/2003	

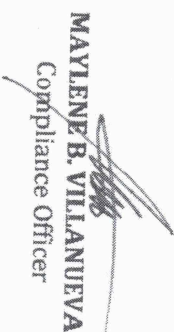
Doc. No. 367
Page No. 75
Book No. 29
Series of 2024

ROMEO A. INOCENCIO
Notary Public for the Province of Aklan
Appointment No. 1 (2023-2024)
Until December 31, 2024
Roll No. 35274
XIX Mativs St., Kalibo, Aklan
IRP No. 296644(MD2024/12/20/2023/Pasig City
PTR No. 67156420103/2024/Kalibo, Aklan
MCLE Compliance No. VII-0001782,
issued on December 02, 2019

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 2024, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of PASIG CITY on JUN 28 2024

SIGNATURE PAGES FOLLOW:


FERJANEL G. BIRON
Chairman


MAYLENE B. VILLANUEVA
Compliance Officer

SUBSCRIBED AND SWORN to before me this 28 day of JUN 2024 20__affiant(s) exhibiting to me their Valid IDs, as follows:

NAMES	VALID ID#	DATE OF ISSUE	VALID UNTIL
FERJANEL G. BIRON	PASSPORT # P8912997B	02/10/2022	02/09/2032
MAYLENE B. VILLANUEVA	PASSPORT # P1972096C	10/10/2022	10/09/2032

Doc. No. 259
Page No. 38
Book No. 19
Series of 2024.

GAUDENCIO A. BARBOZA, JR.
NOTARY PUBLIC
Cities of Pasig/San Juan and
in the Municipality of Pateros, Metro Manila
Until December 31, 2024
PTR No. 0112601 / 01/02/2024 Pasig City
JP No. 326534 / 1/2/11/2023 For Year 2024/RS
Roll No. 41969
MCLE Comp. VII-0028557/April 19, 2023
No. 11, Unit J Freemont Arcade Bldg.
Shaw Blvd. Brgy. San Antonio, Pasig City
Appointment No. 61 (2023-2024)