

**From:** ICTD Submission ictdsubmission+canned.response@sec.gov.ph  
**Subject:** Re: CGFD\_Asia Pacific Medical Center (APMC) - Aklan Inc.\_Annual Corporate Governance Report\_June 30, 2023  
**Date:** July 1, 2023 at 1:24 AM  
**To:** apmcaklaninc@icloud.com



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1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

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2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC\_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

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# COVER SHEET

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S.E.C. Registration Number

A S I A P A C I F I C M E D I C A L C E N T E R

( A P M C ) - A K L A N I N C .

(Company's Full Name)

J U D G E M A R T E L I N O R O A D A N D A G A O

K A L I B O A K L A N

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

DR. MARSHA LOURDES P. CONANAN-MORATO

Contact Person

(036) 268-2320

Company Telephone Number

1 2 3 1

Month Day

Fiscal Year

ACGR

FORM TYPE

0 4 0 3

Month Day

Annual Meeting

Secondary License Tyoe, if Applicable

S E C

Dept. Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

X

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

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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, 2022
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 (036) 2682320
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
<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	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").
2	The Board has an appropriate mix of competence and expertise.	Compliant	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 2022 ("SEC Form 17-A") and also published in the Company website.
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	<p><b>Reference documents/links:</b></p> <p>Manual on Corporate Governance page 6 : <a href="#">MANUAL-ON-CORPORATE-GOVERNANCE.pdf</a></p> <p>2022 SEC Form 17-A Annual Report pages 35 to 39 : <a href="#">SEC-FORM-17-A-2022.pdf</a></p> <p>APMC Aklan Website ( About Us): <a href="#">bod-2022-2023/</a></p>
<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 2021 17 A Report and in the Company website.</p> <p><b>Reference documents/links:</b></p> <p>2022 SEC Form 17-A Annual Report pages 35: <a href="#">SEC-FORM-17-A-2022.pdf</a></p> <p>APMC Aklan Website ( About Us): <a href="#">bod-2022-2023/</a></p>	
<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 kept abreast of the developments in the business and regulatory landscapes of the industry.</p> <p><b>Reference documents/links:</b></p> <p>Policy on Training of Directors: <a href="#">Policy-on-the-Orientation-and-Training-of-Directors-and-Officers.pdf</a></p>	
2	The company has an orientation program for first-time directors.	Compliant		

3	The company has relevant annual continuing training for all directors.	Compliant	<p>The Company has an Orientation Program for first time directors but for year 2022, no Orientation was conducted because of the re-election of the 2021 Board of Directors.</p> <p><b>Reference documents/links:</b></p> <p>Policy on the Orientation and Training of Directors and Officers: <a href="#">Policy-on-the-Orientation-and-Training-of-Directors-and-Officers.pdf</a></p> <p><b>Reference documents/links:</b></p> <p>Policy on the Orientation and Training of Directors and Officers: <a href="#">Policy-on-the-Orientation-and-Training-of-Directors-and-Officers.pdf</a></p> <p>APMC Aklan Website: <a href="#">events-news/events/meetings/</a></p>	
<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.</p> <p>The 2022 APMC Aklan Board of Directors are composed of eight (8) female and seven (7) male. Two (2) of them are between the ages of 31-40, seven (7) 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 medical specialists in</p>	

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 will facilitate the formulation of experience-based policies and procedures that secure the efficient operation of the various Departments of the Hospitals.

**Reference documents/links:**

Policy on Board Diversity: [Policy-on-Board-Diversity-.pdf](#)

APMC Aklan Website ( About Us): [bod-2022-2023/](#)

**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><b>Reference documents/links:</b></p> <p>APMC Aklan Website ( About Us): <a href="#">bod-2022-2023/</a></p> <p>Manual on Corporate Governance page 27-28: <a href="#">MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</a></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 Manual provides that the Board shall appoint the Corporate Secretary who may not be a member of the Board of Directors. As the Company is just about to commence commercial operations, the Board appoints the current Secretary who has been performing the role since the Company was incorporated in 2017 and has proven to be the most efficient person</p>

				for the job. Given her familiarity with the operational policies of the corporation, the Board deems that the foregoing arrangement is effective , efficient and maximizes the resources of the company. Her desire to give the optimum for this role prompted her to study law at Aklan Catholic College, College of Law.
4	The Corporate Secretary attends annual training/s on corporate governance.	Compliant	<b>Reference documents/links:</b> APMC Aklan Website: <a href="#">events-news/events/meetings/</a>	
<b>Recommendation 1.6</b>				
1	The Board is assisted by a Compliance Officer.	Compliant	The Compliance Officer of the Company is Atty. Maylene B. Villanueva. As CO, she occupies a VP position and her legal expertise and experience in corporate governance establish her 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.	
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		<b>Reference documents/links:</b> Manual on Corporate Governance pages 28-29: <a href="#">MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</a> APMC Aklan Website ( About Us): <a href="#">bod-2022-2023/</a>
4	The Compliance Officer attends annual training/s on corporate governance.	Compliant	Being a corporate governance advocate, the CO had attended the following corporate governance trainings in 2022 accredited by the Securities and Exchange Commission:	



1. Family Business and Governance conducted by the Institute of Corporate Directors on March 17 -18, 2022.
2. Corporate Secretary as a Corporate Governance Professional on June 16-17,2022 conducted by the Institute of Corporate Directors.
3. Distinguished Corporate Governance Speaker Series on June 24 2022 conducted by the Institute of Corporate Directors
4. Sustainability Strategy and Training ( a GRI-accredited training) on August 10-12 2022 conducted by the Institute of Corporate Directors.
5. Sustainability Strategy and Training and Reporting on Human Rights ( a GRI Accredited Training) conducted by the Institute of Corporate Directors on October 4, 2023.

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.

**Reference documents/links:**

Institute of Corporate Directors Facebook Page :  
<https://www.facebook.com/100064068154399/posts/pfbid0CWEGNtVoZDQXAD7Vez2WqNKqGCnLQZB3udknv3wswDykzs6bFqDKVGSCpEQboJAl/?mibextid=afzh1R>

**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	Recommendation 2.1 is set forth in the Manual on Corporate Governance.  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.  In 2022, the Board has approved 55 resolutions after discussion and deliberations.  <b>Reference documents/links:</b>  Manual on Corporate Governance page 17: <a href="#">MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf</a>	
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**Recommendation 2.2**

1 The Board oversees the development and approval of the company’s business objectives and strategy.	Compliant	Every year, the Company assigns a Director to attend a strategy training to help the Board navigate the development and approval of the company’s business objectives and strategies. This year, Vice Chairperson Eileen Debuque was made to attend the Strategy Execution Pathway (StEP) conducted by the Institute of Corporate Directors on September 13-14, 2022.	
2 The Board oversees and monitors the implementation of the company’s business objectives and strategy.	Compliant	The Board also meets regularly and allots time to discuss strategic issues with the Construction Committee as the Completion of the Hospital Project is its core activity this year. In this manner, the Board is also able to oversee and monitor	

the implementation of the company's business objectives and strategy.

**Reference documents/links:**

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

[Attendance-of-Board-of-Directors-2022.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 Succession Planning Policy is also discussed in the Remuneration and Performance Policy.

2 The Board adopts a policy for the retirement of directors and key officers.

Compliant

The retirement policy is attached as Annex E of the aforementioned Manual.

**Reference documents/links:**

Manual on Corporate Governance page 17: [MANUAL-ON-CORPORATE-GOVERNANCE-1.pdf](#)

Board Charter page 22: [Board-Charter-.pdf](#)

Remuneration and Performance Policy: [Remuneration-and-Performance-Policy-.pdf](#)

Retirement Policy - [Retirement-Policy.pdf](#)

**Recommendation 2.4**

1 The Board aligns the remuneration of key officers

Compliant

The Remuneration and Performance Policy of the Company is published in the website. Such policy specifies that the

	and board members with the long-term interests of the company.		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. Remuneration 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> <p>Remuneration and Performance Policy: <a href="#">Remuneration-and-Performance-Policy-.pdf</a></p> <p>Board Charter page 21 : <a href="#">Board-Charter-.pdf</a></p>	
<b>Recommendation 2.5</b>				
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 to encourage nominations from shareholders.	
3	The Board nomination and election policy includes how the company accepted nominations from shareholders/members.	Compliant	<p><b>Reference documents/links:</b></p> <p>Board and Nomination Policy : <a href="#">Board-Nomination-and-Election-Policy-.pdf</a></p>	
4	The Board nomination and election policy includes how the board reviews the qualifications of nominated candidates.	Compliant	Call for Nomination for 2022 Board of Directors : <a href="#">CALL-FOR-NOMINATIONS-1-1.pdf</a>	

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	The Board's Related Party Transaction is a part of the Manual on Corporate Governance and published in the website.  <b>Reference documents/links:</b>	
2	The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Related Party Transactions: <a href="#">Related-Party-Transaction-Policy-.pdf</a>	
<b>Recommendation 2.7</b>				
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	Compliant	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.	To streamline its activities prior to operations and expedite the completion of the hospital, the Board has deferred the appointment of a Risk Officer and Audit Executive. The positions will be filled up a few months before the Opening of the Hospital.

<p>Executive, as may be applicable).</p>		<p>The Board appoints the Chief Executive Officer and Compliance Officer as shown in the 17C Report dated 15 September 2022.</p> <p>The Management Team of the Company is as follows:</p> <p>President - Dr. Simeon A. Arce, Jr.</p> <p>Vice President – Dr. Claire B. Perez</p> <p>Treasurer/Chief Finance Officer -Dr. Joanne B. Abril</p> <p>Chief Accounting Officer – Mr. Bonnie Vee S. dela Torre</p> <p>Administrative Officer – Dr. Maribel J. Arce</p> <p><b>Reference documents/links:</b></p> <p>Board Charter page 12: <a href="#">Board-Charter-.pdf</a></p> <p>17 C Report dated September 15, 2022 on the Election of BOD: <a href="#">17-C-Report-of-Election-and-Appointment-of-Officers.pdf</a></p>	
<p>2 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><b>Reference documents/links:</b></p> <p>Attached is the assessment questionnaire on the evaluation of the CEO.</p> <p><a href="https://docs.google.com/forms/d/1BpxG_QZxPI7oMpEojV3j5GLTOQJBpDuSoinoQwM-CQk/edit">https://docs.google.com/forms/d/1BpxG_QZxPI7oMpEojV3j5GLTOQJBpDuSoinoQwM-CQk/edit</a></p>	
<p><b>Recommendation 2.8</b></p>			

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.	Non-Compliant		The Board has been focusing its attention on the completion of the Hospital since last year. It is scheduled to commence commercial operations on August 2023 and the 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 will be approved in July 2023.
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.	Non-Compliant		Please see above explanation.
<b>Recommendation 2.9</b>				
1	The Board ensures that an appropriate internal control system is in place.	Compliant	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.	
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		
3	The Board adopts an Internal Audit Charter.	Non - Compliant		While the Company has not adopted an Internal Audit Charter yet due to the

				deferment of the appointment of the Chief Audit Executive, the Manual on Corporate Governance adequately discuss the specific duties and responsibilities of the Internal Audit Group and qualifications of the Chief Audit Executive.
<b>Recommendation 2.10</b>				
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> <p><a href="#">Enterprise-Risk-Management-Framework-.pdf</a></p>	
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		
<b>Recommendation 2.11</b>				
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> <p><a href="#">Board-Charter-.pdf</a></p>	
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. The composition of the Board is published in the website and reported to the SEC.</p> <p><b>Reference documents/links:</b></p> <p>Manual On Corporate Governance page 22: <a href="#">manual-on-corporate-governance/</a></p> <p>Board Committees: <a href="#">board-committees</a></p> <p>17-C Report dated 15 September 2022 : <a href="#">17-C-Report-of-Election-and-Appointment-of-Officers.pdf</a></p>	
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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> <p>Manual on Corporate Governance pages 22: <a href="#">manual-on-corporate-governance/</a></p> <p>Audit Committee Charter : <a href="#">Audit-Committee-Charter.pdf</a></p>	
2	The Audit Committee is composed of at least three (3) qualified non-executive directors, the majority of	Compliant	<p>The following directors compose the Audit Committee:</p> <p>Dr. Delphine Joanne Quintana- Bartolome- Chairperson (Independent Director)</p>	

	whom, including the Chairperson, are independent directors.		<p>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 the two being independent directors including the Chairperson.</p> <p><b>Reference documents/links:</b></p> <p>Board Committees: <a href="#">board-committees</a>  17-C Report dated 15 September 2022 : <a href="#">17-C-Report-of-Election-and-Appointment-of-Officers.pdf</a></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		There were no nominees with the relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance . Dr. Bartolome, the Chairperson is scheduled to attend the training on Finance for Directors to be conducted by the Institute of Corporate Directors on July 18-19 2023.
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><b>Reference documents/links:</b></p> <p>Audit Committee: <a href="#">audit-committee/</a></p> <p>17-C Report dated 15 September 2022: <a href="#">17-C-Report-of-Election-and-Appointment-of-Officers.pdf</a></p>	

**Recommendation 3.3**

1	<p>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.</p>	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> <p>Manual on Corporate Governance pages 22: <a href="#">manual-on-corporate-governance/</a></p> <p>Corporate Governance Charter: <a href="#">Coporate-Governance-Committee.pdf</a></p> <p>Nominations and Election Committee Charter: <a href="#">Nominations-and-Election-Committee-Charter.pdf</a></p> <p>Remuneration and Compensation Committee Charter: <a href="#">Compensation-and-Remuneration-Committee-Charter.pdf</a></p>	
2	<p>The Corporate Governance Committee is composed of at least three (3) members, majority of whom, including the Chairperson, should be independent directors.</p>	Compliant	<p>The following directors compose the Corporate Governance Committee:</p> <p>Dr. Mary Karen Veronica R. Icamina - Chairperson (Independent Director)</p> <p>Dr. Delphine Joanne Quintana-Bartolome - Member (Independent Director)</p> <p>Dr. Claire B. Perez - Member (Regular Director)</p>	

#### 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 to save on costs. Once the Company commences commercial operation, it will review the necessity for the creation of such committee considering the risks involve in its operations and the financial requirements of the undertaking.
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		No BROC has been constituted yet.
<b>Recommendation 3.5</b>				
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	<b>Reference documents/links:</b> Audit Committee Charter: <a href="#">Audit-Committee-Charter.pdf</a> Corporate Governance Committee Charter: <a href="#">Coporate-Governance-Committee.pdf</a> Compensation and Remuneration Committee: <a href="#">Compensation-and-Remuneration-Committee-Charter.pdf</a>	
2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	Compliant	Nomination and Election Committee: <a href="#">Nominations-and-Election-Committee-Charter.pdf</a>	
<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.

**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	<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>	
2	The Directors review meeting materials for all Board and Committee meetings.	Compliant	<p><b>Reference documents/links:</b></p> <p>SEC Report on Attendance: <a href="#">/Attendance-of-Board-of-Directors-2022.pdf</a></p> <p><a href="#">Internal-Procedures-for-Board-and-Committee-Meetings-Through-Remote-Communication.pdf</a></p>	
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**

<p>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.</p>	<p>Compliant</p>	<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><b>Reference documents/links:</b></p> <p>Manual on Corporate Governance pages 20: <a href="#">manual-on-corporate-governance/</a></p> <p>APMC Aklan Website ( About Us): <a href="#">bod-2022-2023/</a></p>	
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#### Recommendation 4.3

<p>1 The Directors notify the company's board before accepting a directorship in another company.</p>	<p>Compliant</p>	<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><b>Reference documents/links:</b></p> <p>Manual on Corporate Governance page 21: <a href="#">manual-on-corporate-governance/</a>.</p>	
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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

<p>1 The Board is composed of a majority of non-executive directors who possess the necessary qualifications.</p>	<p>Compliant</p>	<p>Of the fifteen (15) Directors, only seven (7) are executive officers.</p> <p><b>Reference documents/links:</b></p> <p>APMC Aklan Website (BOD Profile): <a href="#">about-us/bod-2022-2023/</a></p>	
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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 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.
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.  <b>Reference documents/links:</b> APMC Aklan Website (BOD Profile): <a href="#">about-us/bod-2022-2023/</a>
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	<p>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> <p><b>Reference documents/links:</b></p> <p>Manual on Corporate Governance page 7: <a href="#">manual-on-corporate-governance/</a></p>	
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.	
<b>Recommendation 5.5</b>				
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 15 September 2022 , the Board elected Ferjenel G. Biron as Chairman and Simeon A. Arce, Jr. as President/Chief Executive Officer.</p> <p><b>Reference documents/links: Update link</b></p> <p>APMC Aklan Website (BOD Profile): <a href="#">about-us/bod-2022-2023/</a></p>	
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><b>Reference documents/links:</b></p> <p>Board Charter pages 13 to 16 - <a href="#">Board-Charter-.pdf</a></p>	



<b>Recommendation 5.6</b>			
1	The Board designates a lead director among the independent directors if the Chairperson of the Board is not an independent director.	Compliant	<b>Reference documents/links:</b>  17-C Report dated 15 September 2022: <a href="#">17-C-Report-of-Election-and-Appointment-of-Officers.pdf</a>
<b>Recommendation 5.7</b>			
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 voting on the approval of transaction.	Compliant	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 2022.  <b>Reference documents/links:</b>  Manual on Corporate Governance pages 7-8: <a href="#">manual-on-corporate-governance/</a>
<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	The Company is not yet operational. However, such policy is contained in the Manual on Corporate Governance and will be implemented as soon as practicable.  <b>Reference documents/links:</b>  Manual on Corporate Governance page 8: <a href="#">manual-on-corporate-governance/</a>
2	The meetings are chaired by the lead independent director, if applicable.	Non- Compliant	

## 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><u>Reference documents/links:</u></p> <p>Annex A (Board Self-Assessment)  <a href="https://docs.google.com/forms/d/1Hlt2HdYl_RhtbbzaQZ_OE_pvQGMqNdUggnpE15p4KRgA/edit">https://docs.google.com/forms/d/1Hlt2HdYl_RhtbbzaQZ_OE_pvQGMqNdUggnpE15p4KRgA/edit</a></p> <p>Annex B (Directors Self-Assessment)  <a href="https://docs.google.com/forms/d/1Rsf3-izZtNmftM6hErY7lAECBrs5N0sfVy1Tra_2HCI/edit">https://docs.google.com/forms/d/1Rsf3-izZtNmftM6hErY7lAECBrs5N0sfVy1Tra_2HCI/edit</a></p> <p>Annex C.1 (Audit Committee Self-Assessment)  <a href="https://docs.google.com/forms/d/1LivSNa8itkQbe8lKwXLjCq_F9MOusl576XDi3GbiDZzk/edit">https://docs.google.com/forms/d/1LivSNa8itkQbe8lKwXLjCq_F9MOusl576XDi3GbiDZzk/edit</a></p> <p>Annex C.2 (Nominations Committee Self-Assessment)  <a href="https://docs.google.com/forms/d/1XUvpvtB9zMUcog9Vulx3_EkNmOJJ1r4C-yvu3_GipWPM/edit">https://docs.google.com/forms/d/1XUvpvtB9zMUcog9Vulx3_EkNmOJJ1r4C-yvu3_GipWPM/edit</a></p> <p>Annex C.3 (Remuneration/ Compensation Committee Self-Assessment)  <a href="https://docs.google.com/forms/d/1mE2locNjesnqcaShLxMrq-pmhWKBwFQz5zOZ1qgumZA/edit">https://docs.google.com/forms/d/1mE2locNjesnqcaShLxMrq-pmhWKBwFQz5zOZ1qgumZA/edit</a></p> <p>Annex C.4 (Corporate Governance Committee Self-Assessment)  <a href="https://docs.google.com/forms/d/1TieTD7RMLBqFj_c3YaQG_a3HwHm19aWgbgPz_Qxr_FsY/edit">https://docs.google.com/forms/d/1TieTD7RMLBqFj_c3YaQG_a3HwHm19aWgbgPz_Qxr_FsY/edit</a></p> <p>Annex D (Board of Directors' Performance Evaluation of the President/CEO)</p>	<p>Assessment will be done prior to election in 2023.</p>
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		

		<a href="https://docs.google.com/forms/d/1BpxG_QZxPl7oMpEojV3j5GLTOQJBpDuSoinoQwM-CQk/edit">https://docs.google.com/forms/d/1BpxG_QZxPl7oMpEojV3j5GLTOQJBpDuSoinoQwM-CQk/edit</a>  SELF-ASSESSMENT QUESTIONNAIRE (INDIVIDUAL DIRECTOR) <a href="https://docs.google.com/forms/d/1H0ugeH0MTbHUZYn95jFCBxFpt_H4e_adqebd8rAnUdA/edit">https://docs.google.com/forms/d/1H0ugeH0MTbHUZYn95jFCBxFpt_H4e_adqebd8rAnUdA/edit</a>  Self-Assessment (Chairman) <a href="https://docs.google.com/forms/d/1smUZ6pgcxfGvCnAO6o56HChuwN_LnIOOVWXaDl1g1exk/edit">https://docs.google.com/forms/d/1smUZ6pgcxfGvCnAO6o56HChuwN_LnIOOVWXaDl1g1exk/edit</a>
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**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	Please see above links  <b>Reference documents/links:</b>  Stockholders are given the opportunity to give feedback on all matters disclosed in Annual Stockholders' Meeting which include Board Performance. Stockholders are allowed to send questions that are responded to in the Open Forum during the Annual Stockholders Meeting or answered via email.
2	The system allows for a feedback mechanism from the shareholders/members.	Compliant	

**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	The Company's Code of Business Conduct and Ethics (CBCE) is published in the website  <b>Reference documents/links:</b>  <a href="#">The-Code-of-Business-Conduct-and-Ethics.pdf</a>	
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	<b>Reference documents/links:</b>  <a href="#">The-Code-of-Business-Conduct-and-Ethics.pdf</a>	
<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**

<p>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.</p>	<p align="center">Compliant</p>	<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> <p>Manual on Corporate Governance pages 35-36: <a href="#">manual-on-corporate-governance/</a></p> <p>Company Disclosures: <a href="#">company-disclosures/notice-of-annual-or-special-stockholders-meetings/</a>  <a href="#">company-disclosures/sec-filing/</a></p>	
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**Recommendation 8.2**

<p>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.</p>	<p align="center">Compliant</p>	<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.</p> <p><b>Reference documents/links:</b></p>	
<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.</p>	<p align="center">Compliant</p>	<p>Manual on Corporate Governance pages 35-36: <a href="#">manual-on-corporate-governance/</a></p> <p>APMC Aklan Website: <a href="#">company-disclosures/sec-filing/</a></p>	

**Recommendation 8.3**

1	The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<b>Reference documents/links:</b> Manual on Corporate Governance: <a href="#">manual-on-corporate-governance/</a>	
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	<b>Reference documents/links:</b> <a href="#">Annual-Corporate-Governance-December-31-2021.pdf</a>	
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	Compliant	During the 2022 Annual Stockholders Meeting held on 15 September 2022 , 93.69 % of shareholders ratified the appointment of Mendoza Querido & Co. as External Auditor for 2022-2023.	

	Committee, approved by the Board and the shareholders/members.		<b>Reference documents/links:</b> 2022 Minutes of ASM - <a href="#">2022-minutes-of-the-annual-stockholders-meeting/</a>	
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: 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	Please see the Audit Committee Charter. <b>Reference documents/links: reference documents/links:</b> Audit Committee Charter - <a href="#">Audit-Committee-Charter.pdf</a>	
2	The Audit Committee Charter contains the Committee's responsibility on reviewing	Compliant		

	and monitoring the external auditor's suitability and effectiveness on an annual basis.		
<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> <p><a href="#">SEC-FORM-17-A-2022.pdf</a></p>
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><b>Reference documents/links:</b></p> <p>Manual on Corporate Governance page 35: <a href="#">manual-on-corporate-governance/</a></p>
<b>Principle 10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING</b>			
The Board should ensure that the company discloses material and reportable non-financial and sustainability issues.			
<b>Recommendation 10.1</b>			
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>In preparation for this, the President, Dr. Simeon Arce attended the training on Getting the Right Tool for ESG Compliance and Reporting conducted by the Institute of Corporate Directors on June 24, 2022,</p>



		<p>Also, the Compliance Officer, Maylene B. Villanueva 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 on disclosure of non-financial disclosure will be formulated when the hospital is completed and operational.</p> <p><b>Reference documents/links:</b></p> <p>Manual on Corporate Governance page 37: <a href="#">manual-on-corporate-governance/</a></p>	
2	<p>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.</p>	<p>The general policy is contained in the Manual on Corporate Governance.</p> <p>The specific policies will be formulated when the hospital is completed and operational.</p> <p><b>Reference documents/links:</b></p> <p>Manual on Corporate Governance page 37: <a href="#">manual-on-corporate-governance/</a></p>	Compliant

**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	<b>Reference documents/links:</b>  <a href="https://www.asiapacificmedicalcenter-aklan.com/">https://www.asiapacificmedicalcenter-aklan.com/</a>
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**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	<p>The Company's internal control system is provided in the Manual on Corporate Governance.</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> <p>Manual on Corporate Governance page 32-34: <a href="#">manual-on-corporate-governance/</a></p>
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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><b>Reference documents/links:</b></p> <p><a href="#">Enterprise-Risk-Management-Framework-.pdf</a></p>
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**Recommendation 12.2**

<p>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.</p>	<p>Compliant</p>	<p>The Internal Audit Function is found on the Manual on Corporate Governance.</p> <p><b>Reference documents/links:</b></p> <p>Manual on Corporate Governance page 33: <a href="#">manual-on-corporate-governance/</a></p>	
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**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**

<p>1 The Board ensures that basic shareholder/member rights are disclosed in the Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>The Basic Shareholder rights are disclosed in the Manual on Corporate Governance.</p> <p><b>Reference documents/links:</b></p> <p>Manual on Corporate Governance page 38-40: <a href="#">manual-on-corporate-governance/</a></p>	
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**Recommendation 13.2**

<p>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.</p>	<p>Compliant</p>	<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 to the stockholders, published in at least two newspapers of general circulation, and posting in the website.</p> <p><a href="https://drive.google.com/drive/folders/1_qigpoYTQxdgluYK2eHe1bddiKHZ_anZ?usp=drive_link">https://drive.google.com/drive/folders/1_qigpoYTQxdgluYK2eHe1bddiKHZ_anZ?usp=drive_link</a></p> <p><a href="https://drive.google.com/drive/u/1/folders/1EDtly4AUOhgYxup8AxV9N_AP56ficv87">https://drive.google.com/drive/u/1/folders/1EDtly4AUOhgYxup8AxV9N_AP56ficv87</a></p> <p><b>Reference documents/links:</b></p>	
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[DEFINITIVE-INFORMATION-STATEMENT-2.pdf](#)

Company Disclosures: [company-disclosures/notice-of-annual-or-special-stockholders-meetings/](#)  
[company-disclosures/sec-filing/](#)

### 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	<b>Reference documents/links:</b>  Minutes of the 2022 Annual Stockholders Meeting: <a href="#">2022-minutes-of-the-annual-stockholders-meeting/</a>	
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	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.  <b>Reference documents/links:</b>  Minutes of the 2022 Annual Stockholders Meeting: <a href="#">2022-minutes-of-the-annual-stockholders-meeting/</a>	

### Recommendation 13.4

1	The Board makes available, at the option of a shareholder/member, an alternative dispute mechanism to resolve intra-corporate	Non- Compliant		The Corporate Governance Committee is currently studying the amendment of its AOI to include an arbitration clause for the resolution of Intracorporate Dispute
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disputes in an amicable and effective manner.			
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**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><b>DR. JOHNNA G. DE JOSE</b></p> <p><b>DR. ESTER F. PALMA</b></p> <p>Telephone Number: 036 268 2320/09178146042/09190963082</p> <p>Fax Number: N/A</p> <p>Email address: asiapacificmedicalcenter.aklan@yahoo.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><b>Reference documents/links:</b></p> <p>Minutes of the 2022 Annual Stockholders Meeting: <a href="#">2022-minutes-of-the-annual-stockholders-meeting/</a></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	Compliant	The Company's Stakeholders are identified in the Manual on Corporate Governance.
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the company in creating wealth, growth and sustainability.		<b>Reference documents/links:</b> Manual on Corporate Governance page 40: <a href="#">manual-on-corporate-governance/</a>	
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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	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.  The specific policies will be approved and implemented when the Company starts to operate.  <b>Reference documents/links:</b> Manual on Corporate Governance page 40: <a href="#">manual-on-corporate-governance/</a>	
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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 participate in the realization of the company’s goals and in its governance.	Compliant	The Company is not yet operational.  <b>Reference documents/links :</b> <a href="#">tree-planting/</a>	Trainings will be done in 2023.
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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><b>Reference documents/links:</b></p> <p>Code of Business Conduct and Ethics page 4 - <a href="#">The-Code-of-Business-Conduct-and-Ethics.pdf</a></p>
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 Code of Business Conduct and Ethics is furnished to all directors, officers and employees and published in the website.</p> <p><b>Reference documents/links:</b></p> <p><a href="#">The-Code-of-Business-Conduct-and-Ethics.pdf</a></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>
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	<p><b>Reference documents/links:</b></p> <p>Related Party Transaction page 10 - <a href="#">Related-Party-Transaction-Policy-.pdf</a></p>

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 Tree Planting Activities from time to time. More programs will be implemented when it starts to operate the Hospital.</p> <p><b>Reference documents/links :</b></p> <p><a href="#">tree-planting/</a></p>	
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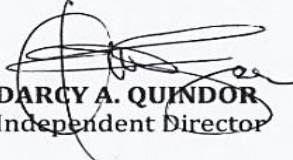
Pursuant to SEC Memorandum No. 13 Series of 2021 mandating all Public Companies and Registered Issuers to submit an Annual Corporate Governance Report for the year 2022, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Kalibo, Aklan on 9 JUN 2023.


**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 9 JUN 2023 day of JUN 20\_\_ affiant(s) exhibiting to me their Valid IDS, as follows:

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

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Page No. 18  
Book No. 25  
Series of 2023

**ROMEO P. INOCENCIO**  
Notary Public for the Province of Aklan  
Appointment No. 1 (2023-2024)  
Until December 31, 2024  
Roll No. 35274  
XIX Martyrs St., Kalibo, Aklan  
IBP No. 297464/02/02/2023/ Pasig City  
PTR No. 8213400/01-03-23/ Kalibo Aklan  
MGLI 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 2022, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Pasig on June 21, 2023.

**SIGNATURE PAGES FOLLOWS:**

  
**FERJENEL G. BIRON**  
Chairman

  
**MAYLENE B. VILLANUEVA**  
Compliance Officer

SUBSCRIBED AND SWORN to before me this JUN 21 2023 day of JUN 21 2023 20\_\_ affiant(s) exhibiting to me their Valid IDs, as follows:

NAMES	VALID ID#	DATE OF ISSUE	PLACE OF ISSUE
<b>FERJENEL G. BIRON</b>	<b>PASSPORT / P8912997B</b>	<b>02/10/2022</b>	<b>DFA MANILA</b>
<b>MAYLENE B. VILLANUEVA</b>	<b>PASSPORT / P1972096C</b>	<b>10/10/2022</b>	<b>DFA NCR</b>

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Book No. 30  
Series of 2023

**ATTY. JAMES K. ABUGAN**  
Notary Public  
APPT. NO. 0442-23 Until 12-31, 2024  
IBP No. 180334 Nov. 23, 2017 Rizal Chapter  
Roll No. 26890 Lalambe  
MCLE No. VII-0020194 until 4/14/2023  
TIN No. 116-110-298  
PTR No. 5105063 01/09/2023  
Rm. 314 J&B Bldg., 251 EDSA,  
Mandaluyong City Tel. No. (02)654-523-23