



SEC FORM-ACGR (FOR PC/RI)

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

1. For the fiscal year ended 31 December 2022
2. SEC Registration Number CS201721758
3. BIR Tax Identification Number 009-725-628-000
4. Exact Name of the Issuer as specified in its charter **ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC. (Formerly: ALLIED CARE EXPERTS MEDICAL CENTER –BACOLOD INC.).**
5. Province, Country or other jurisdiction of incorporation or organization **NEGROS OCCIDENTAL, PHILIPPINES**
6. Address of Principal Office**Room 4, Ground Floor, MC Metroplex Building, BS Aquino Drive, Bacolod City**
7. Postal Code **6100**
8. Issuer's telephone number, including area code 0917 523 4802 / 0917 188 4699
9. Former name, former address, and former fiscal year, if changed since last report
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10. Industry Classification Code (For SEC's use only)

ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

RECOMMENDATION	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	<p>In compliance with the requirements of the SEC, the Company's Annual Reports contain comprehensive profiles of the Board of Directors which discloses their age, qualifications, date of appointment, professional experience, and expertise. Directors comply with all the qualifications and requirements of the SEC and remain qualified throughout their term. These include required working knowledge, experience or expertise and competence relevant to the healthcare industry.</p> <p>All members of the Board are doctors and/or businessmen who are hardwired to understand what matters in the business and are driven to craft strategies that would maximize the value of the business.</p> <p>Aside from being a doctor, the Chairman is also a pharmaceutical tycoon and a legislator who has been a Vice Chairman of the Committee on Health and Chairman of the Committee on Trade of the House of Representatives who authored health-related and business laws including the Revised Corporation Code. He brings with him business acumen and a healthy dose of constructive legal perspective in the Board.</p> <p>Reference document:</p> <ul style="list-style-type: none"> 2022 SEC Form 17-A Annual Report (p. 27-32) - https://www.apmbacolod.com/wp-content/uploads/2023/04/SEC-Form-17-A-APMC-Bacolod-Inc.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	

Recommendation 1.2			
1	The Board is headed by a competent and qualified Chairperson.	Compliant	<p>The Chairman of the Board is Dr. Ferjanel G. Biron. His profile which establishes his competence and qualification is set forth in the 2022 SEC Form 17-A Annual Report.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> 2022 SEC Form 17-A Annual Report (p. 27) - https://www.apmbacolod.com/wp-content/uploads/2023/04/SEC-Form-17-A-APMC-Bacolod-Inc.pdf Ferjanel G. Biron's Profile (apmbacolod.com) - https://www.apmbacolod.com/cg-board-governance/ferjanel-biron/
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> <ul style="list-style-type: none"> Policy on the Trainings of Directors: https://www.apmbacolod.com/cg-bp-policy-on-the-training-of-directors/
2	The company has an orientation program for first-time directors.	Compliant	The Company held an orientation program for first time directors on 11 October 2022.
3	The company has relevant annual continuing training for all directors.	Compliant	<p>The members of the Board also attend relevant trainings given by the Center for Global Best Practices and the Institute of Corporate Directors.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> Summary of seminars and trainings of the 2022-2023 Board of Directors

		<p>https://drive.google.com/file/d/15gXP5wa3govRWg8y1-gzuqD1fvibhY6v/view?usp=sharing</p> <ul style="list-style-type: none"> • Screenshots during the Orientation for new Directors - https://drive.google.com/file/d/1XVcf9fXUfUArGldnzq1bw6Yp0HZWSrfp/view?usp=sharing <p><i>Provide information or link/reference to a document containing information of the orientation program and trainings of directors for the covered year, including the number of hours attended and topics covered.</i></p>
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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 and is published in the website.</p> <p>The Board of Directors consists of seven (7) women and eight (8) men. The age of the Board members ranges from 31 to 40 - 1, 41 to 50 - 1, 51 to 60 - 10 and 61 to 70 -3.</p> <p>The Chairman is a doctor and a prominent pharmaceutical tycoon. The President and thirteen other directors are practicing doctors and known specialists in surgery, internal medicine (obstetrics and gynecology, nephrology, pulmonary medicine, and cardiology) EENT, radiology, rheumatology and clinical immunology, pediatrics, anesthesiology, gastroenterology, and family medicine.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • 2022 SEC Form 17-A Annual Report (p. 27) - https://www.apmcbacolod.com/wp-content/uploads/2023/04/SEC-Form-17-A-APMC-Bacolod-Inc.pdf • Annex A. Policy on Board Diversity - https://www.apmcbacolod.com/cg-bp-policy-on-board-diversity/
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Recommendation 1.5

1	The Board is assisted by a Corporate Secretary.	Compliant	The Board is assisted by Ma. Ivy V. Malata as Corporate Secretary. Her academic qualifications and
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2	The Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	professional experience are posted in the Website of the Company. Her duties and functions are provided in the Manual on Corporate Governance. She is a member of the Board of Directors.	
3	The Corporate Secretary is not a member of the Board of Directors.	Non- Compliant	<p>Reference documents/links:</p> <ul style="list-style-type: none"> Ma. Ivy V. Malata's Profile (apmcbacolod.com) - https://www.apmcbacolod.com/cg-board-governance/maivy-malata/ <p><i>Provide information or link/reference to a document containing information of the Corporate Secretary, including his/her name, qualifications, duties and functions.</i></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 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 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.
4	The Corporate Secretary attends annual training/s on corporate governance.	Compliant	<p>In 2022, the Corporate Secretary had attended the following corporate governance trainings which was accredited by the Securities and Exchange Commission:</p> <ul style="list-style-type: none"> Corporate Secretary as Corporate Governance Professional – June 16-17, 2022 (4 hours) <p>Reference documents/links:</p> <ul style="list-style-type: none"> Summary of seminars and trainings of the 2022-2023 Board of Directors https://drive.google.com/file/d/15gXP5wa3govRWg8y1-gzuqD1fvibhY6v/view?usp=sharing 	
Recommendation 1.6				
1	The Board is assisted by a Compliance Officer.	Compliant	The Compliance Officer of the Company is Atty. Maylene B. Villanueva. She is not a member of the	

2	The Compliance Officer has a rank of Senior Vice-President or an equivalent position with adequate stature and authority in the corporation.	Compliant	Board. The qualifications, duties and functions of the CO is set forth in the Manual on Corporate Governance (pp 26 to 27). Her educational and professional background is posted in the website. She has a rank of Senior Vice-President.	
3	The Compliance Officer is not a member of the board.	Compliant	<p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>Manual on Corporate Governance (pp. 27-28) - https://www.apmcbacolod.com/manual-of-corporate-governance/</i> • <i>Atty. Maylene B. Villanueva profile (apmcbacolod.com) - https://www.apmcbacolod.com/cg-board-governance/maylene-villanueva/</i> 	
4	The Compliance Officer attends annual training/s on corporate governance.	Compliant	<p>Being a corporate governance advocate, the CO had attended the following corporate governance trainings in 2022 accredited by the Securities and Exchange Commission:</p> <ol style="list-style-type: none"> 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 on August 10-12 2022 conducted by the Institute of Corporate Directors 5. Sustainability Strategy and Training and Reporting on Human Rights 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:

- *List of trainings of the Compliance Officer:*
<https://www.facebook.com/100064068154399/posts/pfbid0CWEGNtVoZDQXAD7Vez2WqNKqGcnLQZB3udknv3wsw0Dykzs6bFqDKVGS CpEQboAl/?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	<p>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.</p>	Compliant	<p>Recommendation 2.1 is set forth in page 15 of the Manual on Corporate Governance.</p> <p>As stated in the Company's Manual on Corporate Governance (9.a.), one of the responsibilities of the Board members is to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and all shareholders/members and all other stakeholders.</p> <p>According to 11.d. of the Manual on Corporate Governance, the agenda of the meetings are given out to all parties involved five (5) days prior to the meeting date to ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.</p> <p>In 2022, the Board has approved sixty-four (64) resolutions after discussion and deliberations.</p>	
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			<p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>Manual on Corporate Governance (pp. 16; 18) - https://www.apmcbacolod.com/manual-of-corporate-governance/</i> <p><i>Provide information or reference to a document containing information on how the directors performed their duties (this can include board resolutions and minutes of meetings).</i></p>	
Recommendation 2.2				
1	The Board oversees the development and approval of the company's business objectives and strategy.	Compliant	<p>One of the motivations for the Board in allowing the attendance of the President in the Professional Directors Program Batch 75 conducted by the Institute of Corporate Directors is the Strategy Course which is one of the courses in the program.</p> <p>It also approved the attendance of the EVP/COO, Dr. Danilo Regozo, Treasurer on the Best Practices in Strategy Execution conducted by Center for Global Practices on October 28, 2021.</p> <p>The Board's decision to include Strategy Courses in the training of the key officers of the Company including Executive Directors is expected to jumpstart the development and approval of the company's business objectives and strategies. Due to limited resources, the Board has first resolved to focus on the completion of the construction of its hospital and to conduct a Strategic Planning a few months before its operation on the third quarter of 2022 After that, an Annual or Bi-Annual Business Review and Strategic Planning may be conducted as recommended by the President.</p> <p>Currently, the company practice is that the quarterly and the annual financial statements and operating results of the Company are presented and discussed to the Board of Directors for approval prior to filing to the relevant regulatory agencies.</p>	
2	The Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		
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 page 10 of 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	<p>The company's retirement policy discusses the director's retirement age, waiver of age requirement, director emeritus, and retirement benefits.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>Remuneration and Performance Policy</i> - https://www.apmcbacolod.com/cg-bp-remuneration-and-performance-policy/ • <i>Retirement Policy for APMCB I Board of Directors</i> - https://www.apmcbacolod.com/cg-bp-retirement-policy/ 	
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 Policy for Directors and Officers is discussed in the Company's Compensation and Remuneration Committee Charter. The policy specifies that the remuneration shall align with the long-term interests of the company.</p> <p>Furthermore, the policy recognizes the relationship between the remuneration and the performance of the directors.</p> <p>No director nor trustee should participate in the determination of his/her own per diem or compensation.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>Remuneration and Performance Policy</i> - https://www.apmcbacolod.com/cg-bp-remuneration-and-performance-policy/ 	
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 during the ASM is sent out to the Board and all shareholders of the company to encourage nominations since the policy dictates that all shareholders, regardless of their shareholdings, have the right to nominate, elect, remove and replace directors. The Nominations and Election Committee oversees the process for nomination of the Board of Directors.</p> <p>The policy does not include the assessment of the effectiveness of the Board's processes in the nomination, election or replacement of director.</p> <p>The Criteria for Nominations which includes qualifications and disqualifications of a director are also stated in the Nominations and Election Policy in the Manual on Corporate Governance.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>Manual on Corporate Governance (pp. 8 – 16) - https://www.apmcbacolod.com/manual-of-corporate-governance/</i> • <i>Nomination and Election Committee Charter - https://www.apmcbacolod.com/cg-cc-nominations-elections-committee-charter/</i> • <i>Call for Nomination for 2022 Board of Directors - https://drive.google.com/file/d/1nAtRwuGRV8YWcGej5UIK9deGA7WdkGza/view?usp=sharing</i>
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	APMCBI has a Related Party Transactions Policy to ensure that material RPTs are conducted in a manner that will protect the Company and all its stakeholders from conflict of interest which may arise from such

2	The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<p>transactions, that the RPTs are entered into arms-length or at terms at least comparable to those available to unrelated third parties, and that these transactions shall be disclosed, reviewed, approved in accordance with this Policy and consistent with the principles of transparency and fairness.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>Related Party Transaction Policy</i> - https://www.apmcbacolod.com/cg-bp-related-party-transaction-policy/ 	
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>	
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).	Compliant	<p>The Management Team are composed of the following:</p> <p>President/CEO – Dr. Ma. Leila M. Magbanua</p> <p>Vice President – Dr. Danilo C. Regozo</p> <p>Corporate Secretary – Ma. Ivy V. Malata</p> <p>Treasurer/Chief Financial Officer – Dr. Olga H. Pabicon</p> <p>Compliance Officer – Atty. Maylene B. Villanueva</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>SEC Form 17-C – 22 August 2022</i> - https://drive.google.com/file/d/1BEc4PgBo2smtFfYdHzDRaazGbX4C1IA-/view?usp=sharing 	

			<ul style="list-style-type: none"> • <i>Manual on Corporate Governance (pp. 18; 23-28)</i> - https://www.apmcbacolod.com/manual-of-corporate-governance/ • <i>Performance Evaluation of the President</i> - https://docs.google.com/forms/d/e/1FAIpQLSfcLMYMEGTqVzZbRrntK4y83oT22P1n47nX545ttNuG1Db4ew/vie/wform?usp=sharing 	
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	Reference documents/links: <ul style="list-style-type: none"> • <i>Annex K. of the 20-DIS. Board Appraisal Performance Report</i> - https://www.apmcbacolod.com/asm-22-annex-k-board-appraisal-performance-report/ • <i>Annex K1. Board Appraisal Performance Report (Supplemental)</i> - https://www.apmcbacolod.com/wp-content/uploads/2023/05/Annex-K1.-Board-Appraisal-and-Performance-Report-Supplemental.pdf 	
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	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. Reference documents/links: <ul style="list-style-type: none"> • <i>Manual on Corporate Governance (p.31)</i> - https://www.apmcbacolod.com/manual-of-corporate-governance/ 	
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	Reference documents/links: <ul style="list-style-type: none"> • <i>Manual on Corporate Governance (p.31)</i> - https://www.apmcbacolod.com/manual-of-corporate-governance/ 	While the Company has not adopted an Internal Audit Charter yet due to the deferment of the appointment of the Chief Audit Executive, the Revised

				Manual on Corporate Governance adequately discusses the specific duties and responsibilities of the Internal Audit Group and qualifications of the Chief Audit Executive.
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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	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. Reference documents/links: <ul style="list-style-type: none"> Enterprise Risk Management Framework - https://www.apmcbacolod.com/cg-enterprise-risk-management-framework/ 	
2	The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant		

Recommendation 2.11

1	The Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	The company's Board charter is comprised of the general and specific responsibilities of the Board for Good Governance. The Board charter is publicly available and posted on the company's website for transparency. Reference documents/links: <ul style="list-style-type: none"> Board Charter: https://www.apmcbacolod.com/cg-board-charter/ 	
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 Board has established committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities. The company has the following committees:</p> <ul style="list-style-type: none"> A. Audit Committee B. Corporate Governance Committee C. Remuneration and Compensations Committee D. Nominations and Election Committee <p>The Company has established Board Committees which are reflected in its Manual on Corporate Governance and also published in the website.</p> <p>Reference documents/links: <i>Manual on Corporate Governance (pp. 21-22)</i> - https://www.apmcbacolod.com/manual-of-corporate-governance/</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>The Audit Committee Charter is posted on the company's website. It discusses the objectives, membership, authority, duties and responsibilities of the committee.</p> <p>The charter also states that it is the duty and responsibility of the Audit Committee to appoint or remove the company's external auditor.</p> <p>Reference documents/links: <i>Audit Committee Charter</i> - https://www.apmcbacolod.com/cg-cc-audit-committee-charter/</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 Charter states that the audit committee shall be composed of a sufficient number of independent and non-executive board members. Executive directors such as the Chairman, President, Vice Chairman, Vice President, Treasurer, and Secretary shall not be appointed as members of the audit committee.</p> <p>The following directors compose the Audit Committee:</p>	

			<p>Dr. Joseline C. Encarnacion - Chairperson (Independent Director) Members Dr. John Clifton U. Martyr (Independent Director) Dr. Jimmy B. Pacete (Regular Director)</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • SEC Form 17-C - 22 August 2022 - https://drive.google.com/file/d/1BEc4PgBo2smtFfYdHzDRaazGbX4C1IA-/view?usp=sharing • Audit Committee Charter - https://www.apmcbacolod.com/cg-cc-audit-committee-charter/ 	
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		At the moment, there is no Director that has a relevant background, knowledge, skills and/or experience in the areas of accounting, auditing or finance. Joseline C. Encarnacion and John Clifton Martyr were able to attend the Board Director's Guide for Audit Committees conducted by the Center for Global Best Practices only on 14 June 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 Joseline C. Encarnacion and is not the Chairperson of any other Board Committees.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • SEC Form 17-C - 22 August 2022 - https://drive.google.com/file/d/1BEc4PgBo2smtFfYdHzDRaazGbX4C1IA-/view?usp=sharing • Audit Committee Charter - https://www.apmcbacolod.com/cg-cc-audit-committee-charter/ 	

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 undertakes the process of identifying the quality of directors aligned with the company's strategic direction.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>Manual on Corporate Governance</i> - https://www.apmcbacolod.com/manual-of-corporate-governance/ • <i>Corporate Governance Committee Charter</i> - https://www.apmcbacolod.com/cg-cc-corporate-governance-committee-charter-2/ • <i>Compensation and Remuneration Committee</i> - https://www.apmcbacolod.com/cg-cc-compensation-and-remuneration-committee-charter/ 	
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>	Non- Compliant	<p>The following directors compose the Corporate Governance Committee:</p> <p>Dr. John Clifton U. Martyr - Chairperson (Independent Director) Dr Alben Teodoro T. Abad - Member (Independent Director) Dr. Bel Manuel G. Magallanes –Member (Vice Chairman/Director) Dr. Ma. Ivy V. Malata – Member (Corporate Secretary/Director) Dr. Wendell Z. Espinosa – Member (Regular Director)</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>SEC Form 17-C – 22 August 2022</i> - https://drive.google.com/file/d/1BEc4PgBo2smtFfYdHzDRaazGbX4C1IA-/view?usp=sharing 	<p>In 2022, the Corporate Governance Committee had five (5) members with only two Independent Directors as the Board explores if it would be workable in the future to merge the functions of the Remuneration and Compensation Committee and Nominations and Election Committee with the Corporate Governance Committee.</p>
<p>Recommendation 3.4</p>				

1	The Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non- Compliant		As of 2022, the Board had not established the Board Risk Oversight Committee because the Company is not yet operational. Risk Management is currently being overseen by the Audit Committee considering that directors are focused on expediting the opening of the hospital. Once the Company starts to operate its hospital, it will review the necessity for the creation of a separate committee considering the risks involved 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.	Not Compliant		BROC has not yet been constituted.

Recommendation 3.5

1	All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Except for the Data Privacy Committee which Charter is being finalized, all Committees have Committee Charters. Reference documents/links:	
2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	Compliant	<ul style="list-style-type: none"> • <i>Audit Committee Charter</i> - https://www.apmcbacolod.com/cg-cc-audit-committee-charter/ • <i>Corporate Governance Committee Charter</i> - https://www.apmcbacolod.com/cg-cc-corporate-governance-committee-charter-2/ • <i>Compensation and Remuneration Committee</i> - https://www.apmcbacolod.com/cg-cc-compensation-and-remuneration-committee-charter/ 	

- *Nomination and Elections Committee* - <https://www.apmcbacolod.com/cg-cc-nominations-elections-committee-charter/>

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.	
2	The Directors review meeting materials for all Board and Committee meetings.	Compliant	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. Reference documents/links: <ul style="list-style-type: none"> • <i>Minutes of the 2022 ASM</i> - https://www.apmcbacolod.com/wp-content/uploads/2023/05/Annex-F.-Minutes-of-the-Annual-Stockholders-Meeting-on-14-August-2022-2.pdf • <i>Board Attendance Report</i> - https://drive.google.com/file/d/1WijheEEBsoKLpF_4w7_WkQLULmCe3UgNI/view?usp=sharing • <i>Rules for the Conduct of Remote Communication Meetings</i> - https://www.apmcbacolod.com/wp-content/uploads/2022/07/03_Highlights-of-the-Rules-of-Conduct-and-Procedure.docx.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 Updates on the Construction of the Hospital through inquiries and clarifications on various concerns involving the project as well as during the Treasurer's Report on financial matters that may have a material impact on the Company's fiscal standing.	

Recommendation 4.2

1	Non-executive directors concurrently serve in not more than ten (10) public companies and/or registered issuers. If concurrently sitting in at least three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.	Compliant	<p>The policy on multiple Board seats is set forth in 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:</p> <ul style="list-style-type: none"> • <i>Manual on Corporate Governance (p. 19)</i> - https://www.apmcbacolod.com/manual-of-corporate-governance/ • <i>2022 Definitive Information Statement (p. 13)</i> - https://www.apmcbacolod.com/wp-content/uploads/2022/07/01_APMC-Bacolod-Inc.-SEC-Form-20-IS.pdf 	
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Recommendation 4.3

1	The Directors notify the company's board before accepting a directorship in another company.	Compliant	<p>The Manual on Corporate Governance requires a director of the Company to notify the Board before accepting a directorship in another company. However, no member of the Board has been elected as a director in another company to date aside from those they have previously declared in their Nomination forms but the policy is contained in the link provided.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>Manual on Corporate Governance (p. 19)</i> - https://www.apmcbacolod.com/manual-of-corporate-governance/ 	
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Principle 5. REINFORCING BOARD INDEPENDENCE

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

Recommendation 5.1

1	The Board is composed of a majority of non-executive directors who possess the necessary qualifications.	Compliant	<p>Of the fifteen (15) Directors, only six (6) are executive officers.</p> <p>Reference documents/links:</p>	
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		<ul style="list-style-type: none"> 2022 SEC Form 17-A Annual Report - https://www.apmcbacolod.com/wp-content/uploads/2023/04/SEC-Form-17-A-APMC-Bacolod-Inc.pdf 	
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Recommendation 5.2

1	<p>The Board has at least two (2) independent directors or such number as to constitute one-third (1/3) of the board, whichever is higher.</p>	<p>Non-Compliant</p>	<p>Reference documents/links:</p> <ul style="list-style-type: none"> Board Governance Page (apmcbacolod.com) - https://www.apmcbacolod.com/cg-board-governance/ SEC Form 17-C dated 17 August 2022 - https://drive.google.com/file/d/1BEc4PgBo2smtFfYdHzDRaazGbX4C1IA-/view?usp=sharing <p><i>Provide information or link/reference to a document containing the number of independent directors in the board.</i></p>	<p>The Company's Manual on Corporate Governance provides that Board shall have at least three (3) independent directors. Due to the difficulty of finding qualified Independent Directors who would sacrifice their time for the corporation in its pre-operation stage with a meager per diem and delays in the construction of the hospital, the status quo suits the current need for resiliency of the company. Nonetheless, the effort of the Board to have an objective and independent judgment on all corporate affairs is not compromised as the three (3) Independent Directors are active in the Board Committees and are given fair opportunity to air their views on corporate matters. The company currently has three (3) independent directors. The names are as follows:</p> <ul style="list-style-type: none"> Dr. Joseline Encarnacion Dr. Alben Teodoro Abad
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- Dr. John Clifton Martyr

Recommendation 5.3

1	The independent directors possess all the qualifications and none of the disqualifications to hold the position.	Compliant	<p>The three Independent Directors, Dr. Joseline Encarnacion, Dr. Alben Teodoro Abad, and Dr. John Clifton Martyr possess all the qualifications and none of the disqualifications to become such. Their qualifications are published in the website.</p> <p>The Manual on Corporate Governance states the qualifications and disqualifications of being an Independent Director.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>Manual on Corporate Governance (p. 12-13)</i> - https://www.apmcbacolod.com/manual-of-corporate-governance/ • Board Governance Page (apmcbacolod.com) - https://www.apmcbacolod.com/cg-board-governance/ • SEC Form 17-C dated 17 August 2022 - https://drive.google.com/file/d/1BEc4PgBo2smtFfYdHzDRaazGbX4C1A-/view?usp=sharing 	
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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>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>Board Charter page 21</i> - https://www.apmcbacolod.com/cg-board-charter/ 	
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	Compliant	Not applicable because the event had not happened.	

	shareholders'/members' approval during the annual regular meeting.			
Recommendation 5.5				
1	The positions of Chairperson of the Board and Chief Executive Officer (or its equivalent) are held by separate individuals.	Compliant	<p>The current Chairman and CEO/President of the company are the following:</p> <ul style="list-style-type: none"> • Chairman – Ferjanel Biron • CEO/ President – Ma. Leila Magbanua <p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>Board Governance Page (apmcbacolod.com)</i> - https://www.apmcbacolod.com/cg-board-governance/ 	
2	The Chairperson of the Board and Chief Executive Officer (or its equivalent) have clearly defined responsibilities.		<p>The responsibilities of the Chairman and Chief Executive which are clearly defined are set forth in the Board Charter.</p> <p>The Chairperson and the CEO are not related by blood.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>Board Charter pages 3-6</i> - https://www.apmcbacolod.com/cg-board-charter/ 	
Recommendation 5.6				
1	The Board designates a lead director among the independent directors if the Chairperson of the Board is not an independent director.	Compliant	<p>The Chairperson of the Board is not an Independent Director hence Dr. John Clifton U. Martyr was designated as lead director.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>SEC Form 17-C dated 17 August 2022</i> - https://drive.google.com/file/d/1BEc4PgBo2smtFfydHzDRaazGbX4C11A-/view?usp=sharing 	
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,	Compliant	Not applicable at the moment as it had not occurred	

	and recuse from voting on the approval of transaction.			
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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.			Pursuant to page 6 of the Manual, the non-executive directors are empowered to have separate periodic meetings with the External Auditor and heads of the internal audit, compliance and risk functions, without any executive directors present and such meetings should be chaired by the Lead Independent Director. However, the non-executive directors determined that there was no need for such meeting in 2022.
		Non- Compliant		
2	The meetings are chaired by the lead independent director, if applicable.			See abovementioned explanation
		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	Reference documents/links: <ul style="list-style-type: none"> Annex K. of the 20-DIS. Board Appraisal Performance Report - https://www.apmcbacolod.com/asm-22-annex-k-board-appraisal-performance-report/ Annex K1. Board Appraisal Performance Report (Supplemental) - https://www.apmcbacolod.com/wp-content/uploads/2023/05/Annex-K1.-Board-Appraisal-and-Performance-Report-Supplemental.pdf 	
2	The Chairperson conducts an annual self-assessment of his performance.	Compliant		It is the judgment of the Board to commence he self-assessment of the Chairman in 2022.
3	The individual members conduct a self-assessment of their performance.	Compliant		It is the judgment of the Board to commence the self-

			<ul style="list-style-type: none"> • <i>Self-Assessment for Chairman -</i> https://docs.google.com/forms/d/e/1FAIpQLSchNW1FMvZ02z2ePH7Pw3pVwYV8ygkwlwULglNwcd-9HBK4w/viewform?usp=sharing • <i>Audit Committee Self-Assessment -</i> https://docs.google.com/forms/d/e/1FAIpQLSc2HJoQuWdGtbUMpWnhi-YxhBo-pFPusRce8AGaPqaxEi9hGA/viewform?usp=sharing • <i>Corporate Governance Committee Self-Assessment -</i> https://docs.google.com/forms/d/e/1FAIpQLSeuou_YQAIhSXIKMEFOToycu1M440wnfhSonWV_U0qymAm8v0/viewform?usp=sharing • <i>Nominations Committee Self – Assessment -</i> https://docs.google.com/forms/d/e/1FAIpQLSepSZUD10NbqcvSONjaCIUXnhpW-w0_sq8z1pBpbxOV27YTdA/viewform?usp=sharing • <i>Remuneration and Compensation Committee Self-Assessment -</i> https://docs.google.com/forms/d/e/1FAIpQLSfPpkKz8CUFHWiL94asK5Dno2hqnTjkRuT3jint-IECTnqaKA/viewform?usp=sharing 	assessment of the individual members of the Board in 2022.
4	Each committee conducts a self-assessment of its performance.	Compliant		It is the judgment of the Board to commence the self-assessment of all committees of the Board in 2022 prior to its operations.

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	The Board Performance Evaluation and Self-Assessment Criteria is disclosed in the company website and Information Statement for any concerns or feedback from shareholders, who may communicate through the Corporate Secretary.	
2	The system allows for a feedback mechanism from the shareholders/members.	Compliant	<p>Stockholders are also allowed to comment on any matter brought to their attention in the Information Statement</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> • <i>Annex K. of the 20-DIS. Board Appraisal Performance Report:</i> https://www.apmcbacolod.com/wp-content/uploads/2023/05/Annex-K.-Board-Appraisal-and-Performance-Report.pdf 	

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) are published in the website. Reference documents/links: <ul style="list-style-type: none"> APMCBI CBCE: https://www.apmcbacolod.com/cg-code-of-business-conduct-and-ethics/ 	
2	The Code is properly disseminated to the members of the Board.	Compliant	The Code was deliberated by the Board prior to approval and the approved draft was sent to them via email. New Directors are also furnished the CBCE along with other documents.	
3	The Code is disclosed and made available to the public through the company website.	Compliant	Reference documents/links: <ul style="list-style-type: none"> APMCBI CBCE: https://www.apmcbacolod.com/cg-code-of-business-conduct-and-ethics/ 	
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	The Company implements the following monitoring procedures: Pre-audit approvals, transaction reviews, such as travel expense reports, reviews of in-process quality checks and outcome data, review of completed staff work. Directors, officers and employees are required to comply with the Code of Business Conduct and Ethics	
DISCLOSURE AND TRANSPARENCY				
Principle 8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES				
The Board should establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.				
Recommendation 8.1				
1	The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders/members and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	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. Reference documents/links: <ul style="list-style-type: none"> Manual on Corporate Governance (p. 34) - https://www.apmcbacolod.com/manual-of-corporate-governance/ 	

			<ul style="list-style-type: none"> Asia-Pacific Medical Center Bacolod, Inc. – Facebook page: https://www.facebook.com/apmcbcdinc 	
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Recommendation 8.2

1	The company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within five (5) business days.	Compliant	The policy is set forth in the Manual on Corporate Governance.	
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	<p>Actual dealings of the directors and officers are disclosed in 18A/B and 23A/B Reports filed before the SEC and published in the company website.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> Manual on Corporate Governance: page 30 https://www.apmcbacolod.com/manual-of-corporate-governance/ APMCBI Website (See Company Disclosure 18A/B and 23-B reports): https://www.apmcbacolod.com/ih-com-disc/ 	

Recommendation 8.3

1	The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<p>Reference documents/links:</p> <ul style="list-style-type: none"> Manual on Corporate Governance: https://www.apmcbacolod.com/manual-of-corporate-governance/ 	
2	The company's MCG is submitted to the SEC.	Compliant		
3	The company's MCG is posted on the company website.	Compliant		

Recommendation 8.4

1	The company's corporate governance policies and practices and all relevant information are disclosed in its Annual Corporate Governance Report (ACGR).	Compliant	<p>The Company is submitting this year's Annual Corporate Governance Report to the SEC and will publish it in the company website after receipt.</p> <p>Reference documents/links: https://www.apmcbacolod.com/ih-com-disc/</p>	
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 release of the Information Statement for 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 2022 Annual Stockholders Meeting held on 14 August 2022, 100% of shareholders ratified the appointment of Mendoza Querido & Co. as Independent Auditor for current year in the amount of Four Hundred Forty-Eight Thousand Pesos (Php 448,000.00) inclusive of VAT.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> Minutes of the 2022 Annual Stockholders' Meeting - https://www.apmbacolod.com/wp-content/uploads/2023/05/Annex-F.-Minutes-of-the-Annual-Stockholders-Meeting-on-14-August-2022-2.pdf 	
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	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	<p>Please see the Audit Committee Charter.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> Audit Committee Charter - https://www.apmbacolod.com/cg-cc-audit-committee-charter/ 	
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2	The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant		
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Recommendation 9.3

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>Reference documents/links:</p> <ul style="list-style-type: none"> • 2022 SEC Form 17-A Annual Report page 25-26 - https://www.apmcbacolod.com/wp-content/uploads/2023/04/SEC-Form-17-A-APMC-Bacolod-Inc.pdf • Audit Committee Charter - https://www.apmcbacolod.com/cg-cc-audit-committee-charter/ 	
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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:</p> <ul style="list-style-type: none"> • Manual on Corporate Governance: page 33: https://www.apmcbacolod.com/manual-of-corporate-governance/ • Audit Committee Charter - https://www.apmcbacolod.com/cg-cc-audit-committee-charter/ 	
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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>In preparation for this, ID John Clifton U. Martyr attended the training on Getting the Right Tool for ESG</p>	
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			<p>Compliance and Reporting conducted by the Institute of Corporate Directors on June 24, 2022,</p> <p>Also, the Compliance Officer and attended the training on Sustainability Strategy and Training (GRI Accredited Training) on August 10-12 2022 and the Sustainability Strategy and Training and Reporting on Human Rights (GRI Accredited Training) on October 4 2022 conducted by the Institute of Corporate Directors.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> Manual on Corporate Governance: page 33: https://www.apmcbacolod.com/manual-of-corporate-governance/ 	
2	The company discloses to all shareholders/members and other stakeholders the company's strategic and operational objectives with emphasis on the management of environmental, economic, social and governance (EESG) issues of its business which underpin sustainability.	Compliant	<p>The general policy is contained in the Manual on Corporate Governance.</p> <p>Disclosures will be complied with when the hospital is completed and operational.</p> <ul style="list-style-type: none"> Manual on Corporate Governance: page 33: https://www.apmcbacolod.com/manual-of-corporate-governance/ 	

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	<p>Reference documents/links:</p> <p>APMCBI Website link: https://apmcbacolod.com</p>	
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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 on pages 30 to 32.</p> <p>Considering that the Company is not yet operational, the Compliance Office and External Audit is deemed adequate for internal control system of the company.</p> <ul style="list-style-type: none"> Manual on Corporate Governance: pages 31-33: https://www.apmcbacolod.com/manual-of-corporate-governance/ 	
2	The company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>The Enterprise Risk Management Framework of the Company is attached as Annex B of the Manual on Corporate Governance.</p> <p>The review of the framework will be done annually after the company becomes operational.</p> <p>Please see the following links:</p> <ul style="list-style-type: none"> Enterprise Risk Management Framework : https://www.apmcbacolod.com/cg-enterprise-risk-management-framework/ 	

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.	Partially Compliant	<p>The Internal Audit Function is set forth in the Manual on Corporate Governance.</p> <p>Reference/link:</p> <ul style="list-style-type: none"> Manual on Corporate Governance: page 31-32: https://www.apmcbacolod.com/manual-of-corporate-governance/ 	While the system is in place, it has not been implemented because the company is not yet operational but the Board intends to have an in-house internal audit function once it starts to operate in 2022.
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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

1	The Board ensures that basic shareholder/member rights are disclosed in the Manual on Corporate Governance.	Compliant	<p>The basic shareholder rights of are disclosed in pages 36-38 of the Manual on Corporate Governance.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> Manual on Corporate Governance: page 36-38: https://www.apmcbacolod.com/manual-of-corporate-governance/ 	
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 2021 with the Agenda and other relevant information was sent twenty-one (21) days before the meeting via email, posting in the website and publication in a newspaper of general circulation.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> 2022 Definitive Information Statement: https://www.apmcbacolod.com/ih-com-disc/#tab-2023 Affidavit of Publication for the 2022 ASM - https://drive.google.com/file/d/1DQQwu0Iaa_MhyeHED_7IEKDKXszCdb3/view?usp=sharing 	
Recommendation 13.3				
1	The Board encourages active shareholder/member participation by making the result of the votes taken during the most recent Annual or Special Shareholders'/Members' Meeting publicly available the next working day.	Compliant	<p>Please see Minutes of 2022 Annual Stockholders Meeting.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> Minutes of the 2022 Annual Stockholders' Meeting - https://www.apmcbacolod.com/wp-content/uploads/2023/05/Annex-F.-Minutes-of-the-Annual-Stockholders-Meeting-on-14-August-2022-2.pdf 	
2	The minutes of the Annual and Special Shareholders'/Members' Meetings were made available on the company website within five (5) business days from the date of the meeting.	Compliant	<p>The Minutes of the Meeting was published in the website. The said minutes reflect the voting results for all agenda items, including the approving, dissenting and abstaining votes. The voting on the resolutions was done by voting via Google form. During the meeting, the stockholders were given the opportunity to ask questions and answers were given.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> Minutes of the 2022 Annual Stockholders' Meeting - https://www.apmcbacolod.com/wp-content/uploads/2023/05/Annex-F.-Minutes-of-the-Annual-Stockholders-Meeting-on-14-August-2022-2.pdf 	

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.	Not Compliant		The Corporate Governance Committee is currently studying the amendment of its AOI to include an arbitration clause for the resolution of Intracorporate Disputes
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	The Company has an Investor Relations Officer in the person of Mr. Ariel S. Malata Telephone Number: 0917 709 5659 Fax Number: NONE Email address: iro.apmcbacolod@gmail.com	
2	The IRO or CRO or its equivalent is present at every shareholders'/members' meeting.	Compliant	The IRO attends the Annual Stockholders' Meeting. Reference documents/links: <ul style="list-style-type: none"> Minutes of the 2022 Annual Stockholders' Meeting - https://www.apmcbacolod.com/wp-content/uploads/2023/05/Annex-F.-Minutes-of-the-Annual-Stockholders-Meeting-on-14-August-2022-2.pdf 	
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	The Company's various stakeholders are identified in the Manual on Corporate Governance. Reference documents/links: <ul style="list-style-type: none"> Manual on Corporate Governance: page 38: https://www.apmcbacolod.com/manual-of-corporate-governance/ 	
Recommendation 14.2				
1	The Board establishes clear policies and programs to provide a mechanism on the fair treatment, protection and	Compliant	The general policy is established in the Manual on Corporate Governance.	

enforcement of the rights of stakeholders.		<p>The specific policies will be approved prior to the hospitals' operation.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> Manual on Corporate Governance: page 38: https://www.apmcbacolod.com/manual-of-corporate-governance/ 	
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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	<p>The company is not yet operational. Nonetheless, the Company had a Team Building Activity in Sipalay City on September 3-4, 2022.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> Team Building Activity - https://drive.google.com/file/d/1DkSR_Gs1M35LcbQzVa5Is6m7ff1N-KAS/view?usp=sharing 	
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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>As stated in page 4 the Code of Business Conduct and Ethics, the company strictly prohibits giving facilitating payments to any private or government officials or employees, their agents, intermediaries in order to expedite or secure performance of any government action, or to gain any perceived or actual favor or advantage from any private or government entities. The Company ensures that it and its directors, officers and employees fully comply with the laws governing bribes, unlawful payments and other corrupt practices.</p> <p>Reference documents/links:</p> <ul style="list-style-type: none"> APMCBI CBCE: https://www.apmcbacolod.com/cg-code-of-business-conduct-and-ethics/ 	
2	The Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.		The Company disseminates the policy and program to employees across the organization through the President and the Hospital Administrator through the issuance of memos and conduct of meetings.	

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	The Whistleblowing Policy of the Company is provided in page 10 of the Related Party Transaction Policy of the Company. It also has a provision against retaliatory acts.	
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	Contact details for whistleblowing: Maylene B. Villanueva Compliance Officer 09175234802 Email address: Attymbv.endure@gmail.com Reference documents/links: <ul style="list-style-type: none"> • <i>Related Party Transactions</i> - https://www.apmcbacolod.com/cg-bp-related-party-transaction-policy/ 	
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		
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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 Bacolod on 30 June 2023.


ASIA-PACIFIC MEDICAL CENTER BACOLOD, INC.
(Formerly Allied Care Experts Medical Center Bacolod, Inc.)


SIGNATURE PAGES FOLLOW:


MA. LEILA M. MAGBANUA
President and CEO


MA. IVY V. MALATA
Corporate Secretary


JOHN CLIFTON U. MARTYR
Independent Director


JOSELINE C. ENCARNACION
Independent Director


ALBEN TEODORO T. ABAD
Independent Director

SUBSCRIBED AND SWORN to before me this 30 JUN 2023 day of _____ 20__ affiant(s) exhibiting to me their Valid IDs, as follows:

NAMES	VALID ID#	DATE OF ISSUE	PLACE OF ISSUE
MA. LEILA M. MAGBANUA	TIN # 138-728-295-000	01/08/2008	BACOLOD CITY
MA. IVY V. MALATA	TIN # 168-842-058-000	07/16/1994	BACOLOD CITY
JOHN CLIFTON U. MARTYR	TIN # 175-546-478-000		
JOSELINE C. ENCARNACION	TIN # 944-029-813-000		
ALBEN TEODORO T. ABAD	TIN # 291-317-814-000		

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Book No. 588VI
Series of 2023


ERNIE E. MAGASPAG
NOTARY PUBLIC FOR THE CITY OF BACOLOD
MUNICIPALITIES OF MONTEVEDRA, LA CASTELLANA, ISABELA
AND MOINES PASIGUA
COMMISSION UNTIL DECEMBER 31, 2023
PTS No. 2016-17 - 12/18/2022
REP No. 2021-01 - 10/19/2022
MCLE No. 94 - 09/3421 - 04/14/2025
1-C JUAN DELA NA ST, BRGY. ROBLES LA CASTELLANA
NEGROS OCCIDENTAL
SPACE 101 LEVEL MC METROPLEX BUILDING
BACOLOD CITY

Pursuant to SEC Memorandum No. 13 Series of 2021 mandating all Public Companies and Registered Issuers to submit an Annual Corporate Governance Report for the year 2022, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on 16 June 2023.

SIGNATURE PAGES FOLLOW:



FERJENEL G. BIRON
Chairman



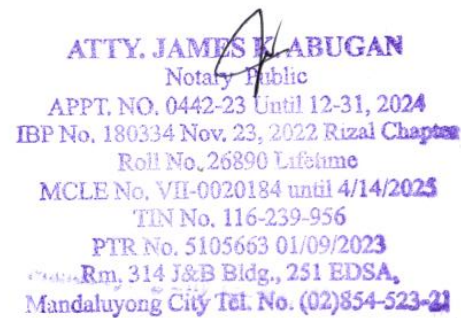
MAYLENE B. VILLANUEVA
Compliance Officer

JUN 16 2023

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

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

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Series of 2023



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