

ANNUAL CORPORATE GOVERNANCE REPORT OF
MAXICARE HEALTHCARE CORPORATION

1. For the fiscal year ended **December 31, 2022**
2. Certificate Authority Number **HMO-2023-07-R**
3. **Metro Manila, Philippines**
Province, Country or other jurisdiction of incorporation or organization
4. **Maxicare Tower 203 Salcedo St., Legaspi Village, Makati City** **1229**
Address of principal office Postal Code
5. **+(632) 7908-6900**
Company's telephone number, including area code
6. **<https://www.maxicare.com.ph>**
Company's official website
7. **Not applicable**
Former name, former address, and former fiscal year, if changed since last report

ANNUAL CORPORATE GOVERNANCE REPORT

RECOMMENDED CORPORATE GOVERNANCE PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Maxicare Healthcare Corporation's ("the Company's") Board is composed of directors with collective working knowledge, experience, and expertise relevant to the company's industry. Their respective qualifications and list of relevant work experience are submitted at the time of their respective nominations as a director. Also, the Board represents an appropriate mix of competence and expertise in the area of business, finance, operations, regulatory and legal disciplines relevant to the Company's industry, with each director capable of adding value and exercising independent judgment, ensuring that the directors remain qualified for their positions individually and collectively to enable them to fulfill their roles.	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	Recommendation 1.1 are embodied in the Corporate Governance Manual ("CG Manual") of the Company, specifically in Part III (A) (3) and also in the Profiles of the Board of Directors.	
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. Board is composed of a majority of non-executive directors.	COMPLIANT	The Board consists of fifteen directors, four (4) of whom are independent directors, six (6) are non-executive directors, and five (5) are executive directors. The composition of the Board clearly	

		delineates their responsibilities with those of Management.	
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	COMPLIANT	The policy on the training of directors is provided in Part III. (A) (7) (b) of the CG Manual.	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	COMPLIANT	The policy on the orientation program for first-time directors is provided in Part III. (A) (7) (b) of the CG Manual.	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	The relevant policy on annual continuous training of directors is provided in Part III. (A) (7) (b) of the CG Manual. Relevant training was conducted and attended by most of the directors virtually.	
Recommendation 1.4			
1. Board has a policy on board diversity	COMPLIANT	Part III (A) (2) of the CG Manual provides that careful attention must be given to ensure that there is diversity and independence. Board diversity is a move to avoid groupthink and ensure that optimal decision-making is achieved. Board diversity is not limited to gender diversity. It also includes diversity in age, ethnicity, culture, skills, competence, and knowledge. In 2022, the Company's Board has four (4) female directors, while the rest are male.	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	COMPLIANT	The Board is assisted by a Corporate Secretary and an Assistant Corporate Secretary who is a separate individual from the Chief Compliance Officer and is not a member of the Board.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	The Company's Corporate Secretary is Atty. Danny	

3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT	E. Bunyi, and the Assistant Corporate Secretary is Atty. Anna Katrina T. Singcol.	
4. Corporate Secretary attends training/s on corporate governance	COMPLIANT	In 2022, relevant training was conducted and attended by the Corporate Secretary.	
Recommendation 1.6			
1. Board is assisted in its duties by a Compliance Officer.	COMPLIANT	The Board is assisted by a Compliance Officer who has a rank of Vice President and is not a member of the Board.	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	The duties and responsibilities of the Compliance Officer are indicated in Part IV of the Company's CG Manual.	
3. Compliance Officer is not a member of the board.	COMPLIANT		
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	In 2022, the Compliance Officer was able to attend training conducted by an IC-accredited training provider for Corporate Governance.	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	The directors deliberate and discuss all matters for approval, during its regular/special meetings. They perform their duties and responsibilities pursuant to the policies set forth in the Company's Articles of Incorporation (AOI) and By-Laws, as well as in its CG Manual.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Pursuant to the Company's By-Laws, the Board, through the Executive Committee, oversees and reviews the Company's business objectives and strategies.	

		The Board reviews and approve the Company's annual budget/target, including its objectives and strategies for the ensuing year as well as the financial reports regarding the Company's financial position and results of operations for the period.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	COMPLIANT	The Executive Committee holds its meeting every other month, to be followed by the Board meeting.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	The duties and responsibilities of the Chairman of the Board are provided in Part III (E) (2) of the CG Manual. The Chairperson of the Board is Mr. Roberto M. Macasaet, Jr.	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Under Part III (C) (2) of the CG Manual, the Company's Nominations Committee leads the process of identifying and recommending to the Board of Directors the candidates for appointment as directors of the Company as well as other positions requiring the appointment by the Board of Directors, giving full consideration to succession planning and the leadership needs of the Corporation.	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	The Chief Human Resources (HR) and Administration Officer and with the participation of the Senior Management Team (SMT), drives the strategy for succession planning, leadership development, and talent management. The Company's by-laws specifically under Article IV (3), Article V (4) and Articles VI (10) prescribe the procedures for filling vacancies in various positions.	

Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	Part III (B) (4) of the CG Manual provides that the performance-related elements of remuneration shall form a significant portion of the total remuneration package of the Executive Directors and shall be designed to align their interests with the stakeholders and to give the directors keen incentives to perform at the highest levels while the level of remuneration for Non-Executive Directors shall reflect the time commitment and responsibilities of the position.	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	Part III (C) (4) of the CG Manual provides that the Remuneration Committee shall judge or make plans where to position the Company relative to other companies but such comparisons shall be used with caution in view of the risk of an upward ratchet of the level of remuneration with no corresponding improvement in performance.	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	Under Article IV (7) of the By-Laws, the compensation of directors is fixed by the stockholders.	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	The Company's nomination and election policy was issued to set forth the procedures in the director selection, including the acceptance of nominations from all shareholders and the evaluation and screening of nominees relative to the applicable qualifications and disqualifications set forth in its CG Manual, By-laws and other applicable law, policy or regulation, how the Nominations Committee screen and shortlist qualified individuals for election, and an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's	COMPLIANT		

processes in the nomination, election or replacement of a director.		The nomination and election process of the	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	Company are set out in Part III (A) (3) to (4) of the CG Manual and in Article III (6) of the By-laws.	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transaction (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	The Company's Board has overall responsibility for ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions pursuant to the Insurance Commission (IC) Circular Letter No. 29, Series of 2017. The Company's policies on RPTs are provided in its RPT Policy Manual approved by the Board on October 17, 2017, with amendments on February 5 and July 16, 2021.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	The Board has formally adopted its RPT Policy Manual and through it, the Board aims to regulate all RPT and ensure that such transactions are only undertaken on an Arm's Length basis for the financial, commercial, and economic benefits of the Company.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT	All material RPTs shall be reviewed and approved by the Board to ensure that they are on terms and conditions that are at arm's length. This RPT review and approval shall encompass potential and existing RPTs entered or to be entered by any group or business responsibility unit of the Company, taking into account its size, structure, risk profile, and complexity of operations.	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of other control functions (Chief Risk Officer, Chief	COMPLIANT	The Board is primarily responsible for selecting and appointing the officers of the Company led by the President and Chief Executive Officer (CEO) who are qualified to administer the Company's affairs	

Compliance Officer and Chief Audit Executive).

soundly and effectively. The appointment is conducted immediately after the annual meeting of the stockholders each year. These are provided under Article IV (6) of the By-laws and in Part III (A) (6) (i) of the CG Manual.

The Executive Committee reviews and endorses for Board ratification all promotions to the rank of Vice President up to Senior Vice President.

The following are the Officers of the Company as provided in the Amended General Information Sheet (GIS) for 2022:

Christian S. Argos	President and CEO
Danny E. Bunyi	Corporate Secretary
Anna Katrina T. Singcol	Assistant Corporate Secretary
Ma. Teresita A. Espallardo	Treasurer/Chief Finance & Treasury Officer
Riazal D. Bontia	Assistant Treasurer
Sylvia Cristina L. Stolk	Chief Digital and Transformation Officer
Rodelee V. Uy	Chief Consumer Officer
Horacio T. Templo	Chief Actuarial Officer
Dr. Erlina L. Tiuseco	Chief Medical Officer
Joseph L. Reyes	Chief Audit and Compliance Officer
Joe Meritto P. Buot	Chief Human Resources and Admin Officer
Artemio V. Rillo	Chief Marketing Officer

2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	The Executive Committee, which is composed of directors/shareholders, is responsible for assessing the performance of Management led by the CEO and Senior Management Team on an annual basis.	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	In connection with Explanation in 2.8.2, the Executive Committee is also responsible for establishing the performance measurement criteria in assessing the performance of Management against set parameters.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Management has established an Employee Performance and Development Program (EPaD) which measures the personnel performance against Key Result Areas, Key Performance Indicators and pre-determined Competency Rating Goals. The EPaD is aligned with the Board's expectations on the performance management of personnel.	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	The Board ensures that the Company maintains a sound and effective system of internal control that will ensure the integrity of the financial reports and safeguard the Company's assets for the benefit of all shareholders and other stakeholders which are set out in Part III (D) (2) of the CG Manual.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and stakeholders. 3.	COMPLIANT		
4. Board approves the Internal Audit Charter.	COMPLIANT	The Audit Committee Charter (ACC) was approved on April 6, 2022. The audit committee exercised oversight for the various assurance and consultancy engagements of the internal audit, as well as the audit of the financial statements by the external auditors. The duties and responsibilities of the audit committee are provided under Part III (C) (3) of the CG Manual which it upholds in the	

		absence of the ACC.	
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Recommendation 2.11

1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	NON-COMPLIANT		The Audit and Risk Management Committee (ARMC) is given the responsibility of overseeing the financial and risk management functions as set out in Part III (C) (3) of the CG Manual, while Part III (D) (2) of CG Manual requires that Management reports to the Board all major risks facing the Company which are likely to affect its performance and financial condition, as well as the approach taken by Management in dealing with these risks.
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.	NON-COMPLIANT		The Company shall endeavor to formalize its ERM Framework to guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of its risk management strategies.

Recommendation 2.12

1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	The duties and responsibilities of the Board in carrying out its fiduciary role are contained in Part III (B) (1) of the CG Manual.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	We believe that the provisions under the CG Manual are sufficient to achieve the purposes of the Board Charter.	
3. Board Charter is publicly available and posted on the company's websites.	COMPLIANT		

Principle 3: 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, related party transactions, and other corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>COMPLIANT</p>	<p>The Board had established board committees and the composition and the duties and responsibilities of each of the Committees which is embodied in Part III (C) of the CG Manual. Currently, there are five (5) board committees:</p> <ul style="list-style-type: none"> ● Executive Committee ● Nominations Committee ● Audit and Risk Management Committee ● Remuneration Committee ● Related Party Transactions Committee 	
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Recommendation 3.2

<p>2. 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.</p>	<p>COMPLIANT</p>	<p>As provided under Part III (C) of CG Manual, the ARMC is established to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the internal and external audit process, and compliance with laws and regulations. Also, the ARMC is responsible for recommending the external auditor to be selected and appointed by the shareholders during each annual shareholders' meeting.</p>	
<p>3. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman, is independent.</p>	<p>COMPLIANT</p>	<p>The ARMC is comprised of four (4) independent directors including the Chairperson Ms. Teresita M. Alegre. Her qualifications are set out in the Board of Directors Profiles.</p>	
<p>4. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>COMPLIANT</p>	<p>As provided under Part III (C) (3) (a) of CG Manual, the ARMC shall be comprised of at least three (3) members, all of whom shall be Independent Directors preferably with accounting and finance experience.</p>	

<p>5. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>NON-COMPLIANT</p>		<p>The Chairperson of the ARMC is also the concurrent Chairperson of the Related Party Transactions Committee. However, we believe that this neither pose any conflict of interest, nor will it affect the performance and objectivity of such functions.</p>
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Recommendation 3.3

<p>1. 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>	<p>NON-COMPLIANT</p>		<p>The Company has a Nominations and Remunerations Committee. As provided under Part III (C) (2) of the CG Manual, the Nominations Committee is responsible for screening qualified nominees for election as directors, assessing the independence of directors, introducing improvements on Board organization and procedures, setting-up of mechanisms for performance evaluation of the Board and Management, and providing programs for continuing education of the Board. The Remunerations Committee is responsible for recommending and monitoring the level and structure of salaries, including the remuneration for senior management, while the setting up of remunerations of Executive Directors and Chairman are delegated by the Remuneration Committee.</p> <p>The Company will endeavor to establish a Corporate Governance Committee.</p>
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2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	NON-COMPLIANT		The Nominations Committee shall be composed of the three (3) directors, one (1) of whom shall be an Independent Director while The Remunerations Committee shall be composed of at least three (3) members, one (1) of whom must be an Independent Director.
3. Chairman of the Corporate Governance Committee is an independent director.	NON-COMPLIANT		Please refer to the explanation in Recommendation 3.3.1 and 3.3.2. The Chairman of the Nominations and Remunerations Committees may not be an independent director as provided in the CG Manual.
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	The ARMC is given the responsibility of overseeing the financial and risk management functions as set out in Part III (C) (3) of the CG Manual while Part III (D) (2) of CG Manual requires that Management reports to the Board all major risks facing the Company which are likely to affect its performance and financial condition as well as the approach taken by Management in dealing with these risks.	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	The members of the ARMC are all independent directors.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	NON-COMPLIANT		The Chairperson of the ARMC is also the concurrent Chairperson of the Related Party Transactions Committee. However, we believe that this neither pose any conflict of interest, nor will it affect the performance and objectivity of such functions.

4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	Among the members of the ARMC, Mr. Enrico S. Cruz, Mr. Teodoro M. Panganiban and Rizalina G. Mantaring have knowledge and experience in Risk Management of Financial Institutions.	
Recommendation 3.5			
1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	In accordance with Part III (C) of the CG Manual, the Board had established an RPT Committee which assists the Board in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations.	
2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.	COMPLIANT	The members of the RPT Committee are all independent directors. <ul style="list-style-type: none"> • Teresita M. Alegre (Chairperson) • Enrico S. Cruz (Independent) • Teodoro M. Panganiban (Independent) • Rizalina G. Mantaring (Independent) 	
Recommendation 3.6			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting possess, resources and other relevant information.	NON-COMPLIANT		The overall objective, composition, and duties, and responsibilities of the various committees are provided under Part III (C) of the CG Manual.
2. Committee Charters provide standards for evaluating the performance of the Committees.	NON-COMPLIANT		The standards for evaluating the performance of the Committees are provided under Part III (A) (7) (e) of the CG Manual.
3. Committee Charters were fully disclosed on the company's website.	NON-COMPLIANT		The Company will endeavor to publish the Committee Charters on the official Company website.

Principle 4: To show full commitment to the company, the directors should devote 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

<p>1. The Director attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>COMPLIANT</p>	<p>Part III (B) (1) (d) of the CG Manual provides that Directors must attend and actively participate in board and committee meetings, request and review meeting materials, ask questions and request explanations. If they cannot give sufficient time and attention to the affairs of the Corporation, they should neither accept their nomination nor run for election as members of the Board of Directors.</p> <p>The Company complies with the requirements for Board meetings through teleconferencing or videoconferencing.</p>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>The undersigned Corporate Secretary hereby attests that the directors review the relevant materials for all Board and Committee meetings.</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>Part III (B) (1) (e) of the CG Manual provides that the Directors act judiciously; before deciding on any matter brought before the Board of Directors, every director shall thoroughly evaluate the issues, ask questions and seek clarifications when necessary.</p>	

Recommendation 4.2

<p>1. Non-executive directors concurrently serve as directors to a maximum of five Insurance Commission Regulated Entities (ICREs) and publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>COMPLIANT</p>	<p>Part III (B) (2) of the CG Manual provides the Policy on Multiple Board Seats where it is required that a director shall exercise due discretion in accepting and holding directorships other than that in the Corporation. He may hold any number of directorships outside of the Corporation, provided that, in holding such multiple directorships, such director shall ensure that his capacity to diligently</p>	
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		and efficiently perform his duties and responsibilities as a director of the Corporation is not compromised. A director should notify the Board of Directors before accepting a directorship in another company.	
Recommendation 4.3			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	COMPLIANT	Part III (B) (2) of the CG Manual provides that a director should notify the Board of Directors before accepting a directorship in another company.	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors.	COMPLIANT	Under Part III (A) (1) (b) of the CG Manual, the Company shall have such number of Independent Directors that constitute at least twenty percent (20%) of the total members of the Board of Directors, but in no case, be less than two (2); provided, that any fractional result after applying the required minimum portion, i.e., 20%, shall be rounded up to the nearest whole number. Four (4) out of the fifteen (15) directors of the Company are independent directors, which is more than the required 20%.	
Recommendation 5.2			
1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.	COMPLIANT	The independent directors possess all the qualifications and none of the disqualifications to hold the positions. The descriptions and qualifications of Independent Directors are provided in Part III (A) (3) (d) of the CG Manual.	

Recommendation 5.3

1. The independent directors serve for a maximum cumulative term of nine years.

As far as Insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the Pre-Need Companies and Health Maintenance Organizations shall be from 21 September 2016.

For other covered entities, all previous terms served by existing Independent Directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this term.

COMPLIANT

As at this date, no independent director has served for more than the maximum cumulative term of nine (9) years.

The existing policy on term limits of independent directors was aligned with CL 2016-51; however, the said limits were later amended under CL 2020-71. Part III (B) (3) (a) (i) of the CG Manual provides the below:

Independent Directors can serve for five (5) consecutive years, provided, that service for a period of at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the Independent Director position was relinquished or terminated.

After completion of the five (5)-year service period, an Independent Director shall be ineligible for election as such in the Corporation unless the Independent Director has undergone a "cooling off" period of two (2) years, provided, that during such period, the Independent Director concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as an Independent Director in the Corporation;

An Independent Director re-elected as such in the Corporation after the "cooling off" period can serve for another five (5) consecutive years under the conditions mentioned above;

After serving as Independent Director for ten (10) years, the Independent Director shall be perpetually barred from being elected as such in the Corporation, without prejudice to being elected as Independent Director in other companies;

		On May 16, 2023, the Company has aligned the term limits in its CG Manual with those provided under CL 2020-71.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	NON-COMPLIANT		Please refer to the explanation in 5.3.1
3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' meeting.	COMPLIANT	As at this date, no independent director has served for more than the maximum cumulative term of nine (9) years.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	The Chairman of the Board is Mr. Roberto Macasaet, Jr. and the President and CEO is Mr. Christian S. Argos.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	Part III (E) (2) (a and b) of the CG Manual provides the duties and responsibilities of the Chairman and President/CEO. Mr. Roberto Macasaet, Jr. and Mr. Christian S. Argos are not related by affinity or consanguinity.	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director or where the roles of Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	NON-COMPLIANT		Although the Chairman of the Board is not an independent director, the roles of the Chairman and CEO are not being held by one person and that four (4) of the total fifteen directors are independent. The Board shall endeavor to designate a lead director among the independent directors.
Recommendation 5.6			

1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	COMPLIANT	The Corporate Secretary hereby attests that director/s with a material interest in transactions affecting the Company have abstained from taking part in the deliberations for the same.	
Recommendation 5.7			
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 to ensure that proper checks and balances are in place within the corporation.	COMPLIANT	The Chairperson and the members of the ARMC are all independent directors. As necessary, the ARMC conducts separate periodic meetings (executive sessions) with the external auditor and Chief Audit and Compliance Officer and risk functions, without any executive directors present.	
2. The meetings are chaired by the lead independent director.	COMPLIANT		
Principle 6: 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 assessment of its performance as a whole.	COMPLIANT	Part III (A) (7) (e) of the CG Manual provides that the Board of Directors, committee, and director evaluations involve board members undertaking a constructive but critical review of their own performance, identifying strengths, and weaknesses and implementing plans for further professional development. The Board of Directors needs to assess its own achievement of goals and working style, i.e., actual operations and work of the Board of Directors with respect to the Company's business model and strategy. Directors will also review the Board of Directors' effectiveness with respect to current and future development challenges of the Company, the continuously evolving expectations of its stakeholders, and, if need be, existing communication on Corporate Governance	
2. The performance of the Chairman is assessed annually by the Board.	COMPLIANT		

		matters.	
3. The performance of the individual member of the Board is assessed annually by the Board.	COMPLIANT	<p>The assessment of the performance of the Chairman shall be made by Non-Executive Directors, led by the senior Independent Director, taking into account the views of Executive Directors.</p> <p>All board-level committees are to evaluate annually the performance of the committee as a body and report the results to the Board of Directors or to such committee that may be appointed by the Board of Directors for review.</p>	
4. The performance of each committee is assessed annually by the Board.	COMPLIANT	<p>The performance evaluation of the Board of Directors and that of its committees shall be undertaken annually and reported in the Corporation's annual report.</p> <p>The Corporate Secretary attests that self-assessments were conducted for the Board and individual members.</p>	
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT		We shall evaluate if there is a need to engage an external facilitator in the assessment.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determines the performance of the Board, individual directors and committees.	COMPLIANT	<p>Part III (A) (7) (e) of CG Manual provides:</p> <ul style="list-style-type: none"> the key evaluation factors of the assessments include: the functions of the Board of Directors, Board of Directors' strategy and effectiveness, structure of the Board of Directors and its committees, Board of Directors and Management relations, succession planning and training, and value creation. The results of these evaluations shall be presented to the Chairman of the Board of 	

		<p>Directors. The Chairman may develop recommendations and/or an action plan for the Board of Directors and, where determined necessary or desirable, address issues raised as a result of such assessments and monitor the progress of the Board of Directors in addressing issues identified in the assessment process.</p> <ul style="list-style-type: none"> • A key objective of the performance evaluation is to highlight the strengths of the Company's Corporate Governance system, where such improvement initiatives can be highlighted in targeted communications to strengthen shareholder and stakeholder confidence. 	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	The controlling shareholders and a number of minority shareholders are members of the Board who participate in the performance evaluation exercises.	
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. 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 the company.	COMPLIANT	<p>The standards for business conduct and ethics of the directors are embedded in their duties and responsibilities under Part III (B) (1) of the CG Manual. The directors and the senior management comply with standards generally acceptable for professional and ethical behavior.</p> <p>Standards of Conduct applicable for all employees are embedded in the Maxicare's Code of Conduct and Discipline. The said Code of Conduct provides principles on how they are to do business as a Maxicare employee.</p>	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	The Company has an existing Code of Conduct disseminated to its officers and employees on the	

		intranet.	
3. The Code is disclosed and made available to the public through the company website.	NON-COMPLIANT		The company shall endeavor to upload the standards of conduct in the Company website.

Recommendation 7.2

1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	The Company has in place a Code of Conduct, but shall endeavor in the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	The Company has an existing Code of Conduct disseminated to its officers and employees on the intranet. The Maxicare Code of Conduct provides principles on how they are to do business as a Maxicare employee. This strengthens Maxicare's commitment to integrity and morals in providing products and services to its customers. Furthermore, it is derived from its Corporate Core Values and Cultures, Corporate Policies and Division/Departmental and Business Unit Policies. These shall be part of Maxicare's Employee Handbook.	

Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders 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 policies are limited to those required under the relevant laws (i.e., Revised Corporation Code on the required approvals and disclosures to the shareholders). The Chief Finance and Treasury Office report to the Board the Company's financial condition, results	
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		<p>and business operations in every regular board meeting.</p> <p>Quarterly Interim financial statements are submitted to the IC as well as the audited financial statements and the corresponding supporting documents/analyses on a yearly basis.</p> <p>The Corporation's audited financial statements and other disclosures are made available and/or distributed to the shareholders prior to the Company's Annual Shareholders' meetings.</p>	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	<p>The Board discloses all relevant and material information on individual board members to evaluate their experience and qualification, and to assess any potential conflicts of interest that might affect their judgment.</p> <p>Please refer to the Profiles of the Board of Directors</p>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	The Company fully discloses to the IC all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	<p>Part III (B) (4) of the CG Manual, provides the rules in determining the level of remuneration of directors:</p> <ul style="list-style-type: none"> The members of the Board of Directors shall receive a fixed remuneration package that shall be sufficient to attract and retain the quality of directors who will successfully manage the Corporation; 	

		<ul style="list-style-type: none"> • A significant portion of the Executive Directors' remuneration is structured so as to link rewards to corporate and individual performance; • The performance-related elements of remuneration shall form a significant portion of the total remuneration package of the Executive Directors and shall be designed to align their interests with the stakeholders and to give the directors keen incentives to perform at the highest levels; • The level of remuneration for Non-Executive Directors shall reflect the time commitment and responsibilities of the office or position. Remuneration for Non-Executive Directors shall not include share options. If share options are granted, shareholders' approval shall be sought in advance and any share acquired by way of an exercise of an option shall be held until at least one (1) year after the Non-Executive Director leaves the Board of Directors. Holding of share options is relevant to determine the Non-Executive Director's independence; and • No director shall be involved in deciding his own remunerations 	
<p>2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with the ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.</p>	<p>COMPLIANT</p>	<p>The Company adopts a remuneration policy comprised of fixed and variable (for selected executives) components in the form of base salary and variable bonus linked to the individual's performance. Compensation packages and revisions of key Management's remuneration are subject to the review and approval of the Board's Remunerations Committee. All executives and employees receive annual salary increase linked to their individual performance against pre-determined KRAs and KPIs.</p>	

<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>NON-COMPLIANT</p>		<p>The Company complies with the requirement under the Securities Regulation Code and discloses in its <i>audited financial statements</i> the information on compensation for all directors and officers as a group shall be provided in the aggregate (without naming the individuals and irrespective of the amount of their individual compensation).</p> <p>The total remuneration of Key Management Personnel in 2022 amounted to ₱214.05 million comprised of short-term employee benefits of ₱205.25 million and post-employment pension benefits of ₱8.80 million.</p>
<p>Recommendation 8.5</p>			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>COMPLIANT</p>	<p>The Company's Related Party Transactions (RPT) Policy Manual ensures that transactions of the Company with its related parties are conducted in fair and at arms' length terms. It requires the review of material/significant RPTs by the RPT Committee to determine whether these RPTs are in the best interest of the Company.</p>	
<p>2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.</p>	<p>COMPLIANT</p>	<p>The Company's material RPTs and outstanding balances with related parties are disclosed in Note 30 of its Audited Financial Statements as of December 31, 2022. Note 30 was presented and disclosed in accordance with Philippine Accounting Standards.</p>	
<p>Recommendation 8.7</p>			

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	The Company's corporate governance policies, programs and procedures are contained in its CG Manual dated August 16, 2017.	
2. Company's MCG is posted on its company website.	NON-COMPLIANT		The Company shall endeavor to post its CG Manual in its website.

Principle 9: 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. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal and fees of the external auditors.	COMPLIANT	Part III (C) (3) of the CG Manual provides one of the primary responsibilities of the ARMC which is to recommend the appointment or replacement of the External Auditor based on the results of their review of their performance. It is also their responsibility to review and approve the fees of external auditors.	
2. The appointment, reappointment, removal and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	<p>The ARMC recommends to the Board for approval, the appointment, reappointment, removal of the external auditors, duly accredited by the IC, and ratified by the Shareholders.</p> <p>In 2022, the Company's external auditors, SyCip Gorres Velayo & Co. (SGV) were evaluated, nominated, and recommended for appointment including their audit fees by the ARMC and such recommendation was approved by the Board.</p> <p>The re-appointment of SGV was thereafter confirmed by the 8,951,205 shareholders vote in the Annual Stockholders' Meeting (ASM) held on May 17, 2022 or 89.51% of those who voted. The same is disclosed in the 2022 Annual Stockholders' Meeting (ASM) Voting Results per Resolution.</p>	

3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	The reasons for removal or change of the external auditor are to be disclosed to the IC and the public through the Company Website and required disclosures. There was no change in the external auditor.	
Recommendation 9.2			
1. 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	The Audit Committee Charter was approved by the Board in April 2022. The Audit Committee Charter includes the responsibilities recommended under the CG Code.	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT		
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	The ARMC ensures that non-audit services performed by its external auditor are reviewed and approved by them. In 2022, no non-audit service was performed by the Company's external auditor.	
2. 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	The ARMC reviews the external auditor's proposed scope and approach, all audit and non-audit services, if any, to be performed by the external auditors, and the disclosure of any non-audit services performed by the external auditor to ensure that any potential conflict of interest will be	

		immediately addressed. The ARMC shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence.	
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Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	NON-COMPLIANT		The Company will consider establishing policy on the disclosure of non-financial information with emphasis on the management of EESG which underpins sustainability
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	NON-COMPLIANT		

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	COMPLIANT	The Company's website can be found at https://www.maxicare.com.ph/	
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Internal Control System and Risk Management

Principle 12: 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 framework.

Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	The ARMC has reviewed the results of the audit, in particular, the audit findings and recommendations of the internal and external	
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		<p>auditors and their assessment of the Company's internal controls and the overall quality of the financial reporting process. They also monitor whether management is taking timely and appropriate corrective actions in addressing internal control and compliance issues.</p> <p>The ARMC has found adequate and effective the Company's internal controls to ensure the integrity, effectiveness and accuracy of the Company's accounting and financial reporting systems.</p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	NON-COMPLIANT		<p>The Company applies risk management practices in the conduct of its business; however, those are not yet formalized into an ERM framework.</p> <p>The Company shall endeavor to formalize its ERM Framework.</p>
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	The Company has its own internal audit function providing independent and objective assurance and consulting services.	
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	<p>Mr. Joseph Reyes is the Chief Audit and Compliance Officer of Maxicare. Mr. Reyes is a Certified Public Accountant and has more than twenty years' of experience in conducting audits both as an external and internal auditor.</p> <p>The internal audit function is not outsourced.</p>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the	COMPLIANT		

responsibility for managing the fully outsourced internal audit activity.			
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	NON-COMPLIANT		<p>The Company applies risk management practices in the conduct of its business; however, those are not yet formalized into an ERM framework and no separate risk management function has been created.</p> <p>The Company shall endeavor to formalize its ERM Framework.</p>
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO) who is the ultimate champion of Enterprise Risk Management (ERM).	NON-COMPLIANT		<p>The Company will consider appointing a CRO after we have formalized our ERM framework.</p> <p>Each department elects its own champion who leads in identifying, assessing and monitoring risks that are relevant to the department in achieving its objectives.</p>
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON-COMPLIANT		
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	NON-COMPLIANT		<p>The Company shall endeavor to formalize its practices towards protecting its shareholder rights and disclose the same in if the company's website.</p>
2. Board ensures that basic shareholder rights are disclosed on the company's website.	NON-COMPLIANT		
Recommendation 13.2			

1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 21 days before the meeting.	COMPLIANT	The written notice of the Company's 2022 ASM (dated 10 May 2022) was sent to each stockholder of record at seven (7) days before the May 17, 2022 scheduled date of the meeting in accordance with the provisions under the Corporation's Bylaws on sending notices.	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	NON-COMPLIANT		Pursuant to the Revised Corporation Code and in accordance with the rules of the Securities and Exchange Commission, the 2022 ASM Voting Results are made known to the public through the filing of the Company's General Information Sheet within thirty (30) days from the date of the Company's ASM.
2. Minutes of the Annual and Special Shareholders' Meetings are available on the company website within five business days from the end of the meeting.	NON-COMPLIANT		The Company shall endeavor to make available the minutes of Annual and Special Shareholders' Meetings on the company website.
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	NON-COMPLIANT		The Board can make available, at the option of the stockholder, an alternative dispute mechanism to resolve intra-corporate disputes.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance	NON-COMPLIANT		The Company shall endeavor to adopt an alternative dispute mechanism to resolve intra-corporate disputes in its CG Manual.
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relation 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 or the violation of their rights.			

Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	As provided in Part II of the CG Manual, Stakeholders refer to the group of owners, officers, employees, suppliers, and creditors of the Company.	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	As provided in Part I of the CG Manual, the Board of Directors, Management, and employees of the Company acknowledge that the CG Manual will be their guide to principled actions and responsible conduct in fulfilling their respective duties and responsibilities to the shareholders and other stakeholders of the Company, and thereby undertake to observe its provisions with the objective of promoting transparency, accountability, and fairness in the dealings /transactions of the Company.	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	<p>The Company has established and implemented a Whistleblower Policy. The policy aims to:</p> <ul style="list-style-type: none"> ● provide a facility for employees, business partners and other stakeholders to raise serious and sensitive concerns; ● ensure that such concerns are treated seriously and appropriately, and ● re-assure that any person raising a serious concern in good faith will be protected from reprisals or retaliation. <p>At the Company level, there is an Ethical Standards Committee which shall review All reported cases and shall recommends on the appropriate action to the Ethical Standards Board which shall be composed of the following:</p>	

		<ul style="list-style-type: none"> • President/CEO • Chief Human Resources and Administration Officer • Chief Audit and Compliance Officer • Company Legal Counsel • Authorized Contact Person <p>The whistleblower may report through the following reporting channels:</p> <ul style="list-style-type: none"> • Email: whistleblower@maxicare.com.ph • Telephone Hotline: 7908-6969 • Face to face meeting with the AVP for HR Operations, Chief of HRAD or any other Division Head 	
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Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

1. 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 has existing policies and programs for employees covering, among others, the following: <ul style="list-style-type: none"> a. health, safety and welfare; b. training and development; and c. reward/compensation for employees, to encourage employees to perform better and motivate them to take a more dynamic role in the Company. 	
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Recommendation 15.2

1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct	COMPLIANT	The undersigned Compliance Officer attests that the Company has existing policies against bribery and corruption which are part of the Employee Handbook.	
2. Board disseminates the policy and program to	COMPLIANT	The undersigned Compliance Officer attests that	

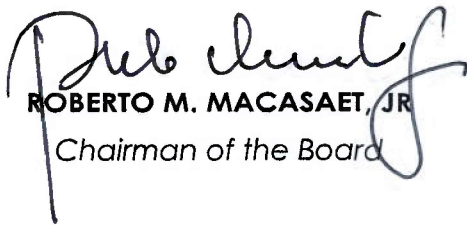
employees across the organization through trainings to embed them in the company's culture.		the policies against bribery and corruption in the Employee Handbook are made available through the Company's intranet portal all employees and officers have unrestricted access. This is part of the Company's New Employee Orientation program.	
Recommendation 15.3			
1. 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 Company has established and implemented a Whistleblower Policy. The policy aims to: <ul style="list-style-type: none"> • provide a facility for employees, business partners, and other stakeholders to raise serious and sensitive concerns; 	
2. 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	<ul style="list-style-type: none"> • ensure that such concerns are treated seriously and appropriately; and • reassure that any person raising serious concern in good faith will be protected from reprisals or retaliation. 	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	On the Company level, there is an Ethical Standards Committee which shall review All reported cases and shall recommend appropriate action to the Ethical Standards Board which shall be composed of the following: <ul style="list-style-type: none"> • President/CEO • Chief Human Resources and Administration Officer • Chief Audit and Compliance Officer • Company Legal Counsel • Authorized Contact Person 	
Principle 16: The company should be socially responsible in all its dealings with the communities where 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. Company recognizes and places importance on the independence between business and society, and promotes a mutually beneficial	COMPLIANT	The Company has remained passionate and dedicated to its mission of helping people achieve peace of mind and giving the finest healthcare	

<p>relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>		<p>service. In 2022, the Company continued to cover healthcare availments of its members related to COVID 19 even if the Company has no such obligations under existing terms and conditions of the contract. This is consistent with the Company's commitment to provide superior and quality healthcare maintenance services and ensure customer satisfaction. In 2022, the Company has paid COVID 19 related claims totaling ₱732 million.</p>	
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CERTIFICATION

The undersigned certify that the responses and explanations set forth in the above Company's Annual Corporate Governance Report are true, complete and correct of our own personal knowledge and/or based on authentic records.

Signed in the City of _____ in May of 2023.



ROBERTO M. MACASAET, JR
Chairman of the Board




CHRISTIAN S. ARGOS
President/CEO



DANNY E. BUNYI
Corporate Secretary



JOSEPH L. REYES
Compliance Officer



TERESITA M. ALEGRE
Independent Director



ENRICO S. CRUZ
Independent Director



TEODORO M. PANGANIBAN
Independent Director



RIZALINA G. MANTARING
Independent Director

MAY 30 2023

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2023, by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

NAME	ID NO.	DATE/PLACE ISSUED
1. ROBERTO M. MACASAET, JR.		
2. CHRISTIAN S. ARGOS		
3. DANNY E. BUNYI		
4. JOSEPH L. REYES		
5. TERESITA M. ALEGRE		
6. ENRICO S. CRUZ		
7. TEODORO M. PANGANIBAN		
8. RIZALINA G. MANTARING		

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Page No. 57 ;
Book No. 109 ;
Series of 2023.

ATTY. JOSHUA P. LAPUZ

Notary Public, Makati City
NOTARY PUBLIC
Until Dec. 31, 2023

Appointment No. M-019-(2022-2023)
PTR No. 9563523 Jan. 3, 2023 / Makati
IBP Lifetime No. 04897 Roll No. 45790
MCLE Compliance No. VII-0016370
Issued on April 26, 2022.
G/F Fedman Bldg., 199 Salcedo St.
Legaspi Village, Makati City