

**ANNUAL CORPORATE GOVERNANCE REPORT OF
MEDICARD PHILIPPINES, INC.**

1. For the fiscal year ended **December 31, 2023**
2. Certificate Authority Number HMO-2020-16-R
3. Makati City, Metro Manila, Philippines
Province, Country or other jurisdiction of incorporation of organization.
4. 8th Floor, The World Centre, # 330 Sen. Gil Puyat Avenue, Makati City 1200
Address of the Principal Office Postal Code
5. (632) 88849999
Company's telephone number including area code
6. www.medicardphils.com
Company's official website
7. (NOT APPLICABLE)
Former name, former address and former fiscal year, if changed since last report

	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			Additional Explanation/Information
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 10 ; and (2) 2023 Annual Report	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	The Board is made up of directors who possess a shared experience that represents an appropriate mix of competence and expertise in the areas of business, health, finance, operations, regulatory, and legal disciplines relevant to the company's industry, with each director capable of exercising independent judgment and maintaining the highest level of governance in the operation of Company's business.	
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	Links/References: See 2023 Annual Report The Board of Directors of the Company are well-qualified as shown in the Board of Director's Profile in the Annual Report 2023, thereby reflecting the qualifications outlined in the MEDiCard Corporate Governance Policy and Procedure Manual.	
RECOMMENDATION 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	Links/References: See (1) MEDiCard Corporate Governance Policy and Procedure Manual, page 6 ; and (2) 2023 Annual Report The MediCard Corporate Governance Policy and Procedure Manual requires that the Board be composed of a majority of non-executive directors. As disclosed in the Annual Report, the Board seat has a composition of four non-executive directors, two independent directors, and only one (1) executive director on its roster. The 2023 Board of Directors are: 1. Leo Michel Grepin – Non-executive director 2. Ang Chee Keong (Kelvin Ang) – Non-executive director 3. Julian Mengual – Executive director 4. Axel Fritz Baur – Non-executive director 5. Kelvin Loh Chi-Keon – Non-executive director 6. Kenneth Hartigan Go – Independent director 7. Melissa Limcaoco – Independent director	

RECOMMENDATION 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors.	COMPLIANT	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 14</p> <p>During the 28 February 2023 Board of Directors Meeting, the Board approved the new Corporate Governance Policy and Procedure Manual, which mandates (1) board orientation for new directors that focuses on topics required by the Insurance Commission on corporate governance, including an introduction to the company's business, articles of incorporation, by-laws, the code of conduct, and other relevant policies; and (2) an Annual Continuing Training Program for the Board pursuant to the Insurance Commission (IC) Circular Letter (CL) 2020-71 (Revised Corporate Governance Code).</p>	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	COMPLIANT		
3. Company has relevant annual continuing training for all directors.	COMPLIANT	<p>The members of the Board of Directors are constantly informed about changes in the business and regulatory settings, including any new risks that could impact the company.</p> <p>On October 26, 2023, the board of directors attended a Corporate Governance and ESG Training. On September 18, 2023, members of the Board attended an Anti-Money Laundering and Counter Terrorist and Proliferation on Financing training.</p>	
RECOMMENDATION 1.4			
1. Board has a policy on board diversity.	COMPLIANT	<p>Links/references: Policy on Board Diversity</p> <p>The Board of Directors of the Company believes in the benefits diversity brings and it recognizes why having a diverse board is essential. Having a board composed of men and women with diverse skills, experience, backgrounds and perspectives leads to a competitive advantage; robust understanding of opportunities, inclusion of different concepts, ideas, and relationships; enhanced decision-making and dialogue; and heightened capacity for oversight of the organization and its governance.</p> <p>Links/references: See 2023 Annual Report – Board of Directors' Profiles</p> <p>For 2023, the Board consists of 6 male directors and 1 female director. The Chairman of the Board is male. The profiles of each director would further show the diverse experience, expertise, and qualifications of the directors, making the current Board fully diverse in their background and competence.</p>	

RECOMMENDATION 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	COMPLIANT	Links/references: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 19 ; and (2) 2023 Annual Report	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	The Corporate Secretary, who shall be a Filipino citizen, will be appointed by the Board. The appointed corporate secretary of the Company is Atty. Carla J. Domingo. She is not a member of the Board and she is not the Compliance Officer. The Compliance Officer is Mr. Jose Roy Hipolito.	
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Links/references: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 19 ; and (2) 2023 Annual Report- (Atty. Domingo's Profile) The Corporate Secretary takes part in training sessions that focus on Corporate Governance.	
RECOMMENDATION 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 20 ; and (2) 2023 Annual Report	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	The Company will have a Compliance Officer appointed by the Board, who should be a senior officer with the necessary stature and authority in the Company. The Company appointed Mr. Jose Roy Hipolito as its Compliance Officer. Mr. Hipolito has a rank equivalent to Vice President. He is not a member of the Board of the Company.	
3. Compliance Officer is not a member of the board.	COMPLIANT		
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	Links/References: See Annual Report 2023 Mr. Jose Roy Hipolito, Compliance Officer, starting February 28, 2023, attended the AIA PH Group 2023 IC-Mandated Annual Continuing Training for the Board in compliance with IC CL 2020-71.	

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

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>COMPLIANT</p>	<p>The Board of Directors is guided by the MediCard Corporate Governance Policy and Procedure Manual in performing their duties in approving and reviewing the major projects, policy decisions, annual budgets, major investment funding, and major restructuring of core businesses on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p> <p>The roles and responsibilities of the Directors are fully articulated in the following documents.</p> <p>Links/References:</p> <ol style="list-style-type: none"> 1. MediCard Corporate Governance Policy and Procedure Manual, page 9 2. Board Charter 3. Audit and Related Party Transaction (RPT) Committee Charter, pages 8 to 13 4. Corporate Governance Committee Charter, pages 6 to 8 5. Board Risk Committee Charter, pages 7 to 8 	
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RECOMMENDATION 2.2

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, pages 7 to 8 (2) Board Charter, pages 6 to 11</p> <p>The Board oversees the business affairs of the company through regular meetings. It allocates time to discuss strategic issues with the Management to gain insights into each specific business area. It revisits and approves the group's corporate strategy and performance objectives at least quarterly, and monitors its implementation.</p>	
<p>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.</p>	<p>COMPLIANT</p>	<p>The roles and responsibilities of the Board are fully articulated in the following links/references, which provide for the regular review and Board approval, including board's oversight in the development of the Company's strategic direction.</p>	

RECOMMENDATION 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>Links/References: See (1) 2023 Annual Report- Profile of Mr. Grepin</p> <p>As of 28 February 2023, the Board is headed by Mr. Leo Michel Grepin, who is also the Regional Chief Executive and Group Chief Strategy Officer of AIA Group Limited.</p>	
RECOMMENDATION 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	<p>Link/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 7; and (2) Policy on Succession Planning and Remuneration</p> <p>Under the MediCard Corporate Governance Policy and Procedure Manual, the Board is assigned to ensure and adopt an effective succession planning program for directors, key officers, and management to ensure growth and a continued increase in the shareholder value. Such program is elucidated in the Policy on Succession Planning and Remuneration.</p>	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	<p>Link/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 7; and (2) Policy on Retirement of Directors</p> <p>Under the MediCard Corporate Governance Policy and Procedure Manual, the Board is also responsible for adopting a policy regarding the retirement age of directors and key officers as part of management succession to promote dynamism in the Company.</p>	
RECOMMENDATION 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	COMPLIANT	<p>Link/References: See MediCard Corporate Governance Policy and Procedure Manual, page 7, 25</p> <p>The Board recognizes the need for the Company to develop and disclose a remuneration policy statement covering board members and key executives. The level of remuneration shall be sufficient to attract and retain the quality of directors to run the Company successfully. The significant proportion of executive directors' remuneration, on the other hand, is structured so as to link rewards to corporate and individual performance.</p> <p>The performance-related elements of remuneration shall form a significant proportion of the total remuneration package of executive directors and key officers and, shall be designed to align their</p>	

2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	interests with those of shareholders and to give these directors/officers keen incentives to perform at the highest levels.	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	<p>Link/References: See (1) See MediCard Corporate Governance Policy and Procedure Manual, page 7;</p> <p>As reviewed and approved by the shareholders of the Company on an annual basis, the independent directors receive fixed directors' fees per Board and Committee meeting attended, and annual fees. The executive and other non-executive directors do not receive any remuneration for their directorship in MediCard.</p>	
RECOMMENDATION 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, pages 7 and 10 ; (2) 2023 Annual Report	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	The board is responsible for ensuring that established procedures for nomination are transparent. To effectuate this, the Board is mandated by the MediCard Corporate Governance Policy and Procedure Manual to conduct a formal and transparent board nomination and election policy that should include how it accepts nominations from minority shareholders, as may be applicable, and reviews nominated candidates.	
3. Board nomination and election policy includes how the company accepts nomination from minority shareholders.	COMPLIANT	Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 10-13	
4. Board nomination and election policy includes how the board reviews nominated candidates.	COMPLIANT	<p>The actual procedures for the nomination and election process are conducted by the Board and the shareholders. They shall review and evaluate the qualifications of all persons nominated in the Board, including whether the candidates:</p> <p>1) possess the knowledge, skills, competence and experience, in terms of management capabilities, preferably in the field of insurance or insurance related disciplines;</p> <p>2) in the case of non-executive independent directors, independence of mind given their responsibilities to the Board and in light of the Company's business and risk profile;</p> <p>3) have a record of integrity, credibility and good repute;</p> <p>4) have sufficient time to carry out their responsibilities; and 5) have the ability to promote a smooth interaction between board members.</p> <p>Professional search firms or external sources may be used by the Company in searching for qualified candidates.</p>	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT	<p>On a regular basis, the Board should assess the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director.</p> <p>See also Policy on Board Nomination and Election</p>	

<p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual; (2) MediCard Policy on Board Nomination and Election; and (3) 2023 Annual Report</p> <p>As provided in MPI Policy on Board Nomination and Election, each nominee shall be screened and his/her qualifications evaluated by the Committee, taking into consideration the qualifications required and the disqualifications of directors which are provided in the Corporation's Manual on Corporate Governance, by-laws, the Corporation Code, SEC issuances, other applicable regulations and laws. The Committee shall also take into consideration other factors such as academic attainment, the breadth of professional experience, professional affiliations, and other such factors which will be relevant in making a determination of whether the nominee has the qualities of a director which are aligned with the strategic direction, values and culture of the Corporation.</p> <p>A nominee for independent director shall further be evaluated taking into consideration the added qualifications required of independent directors which are provided in the Corporation's Manual on Corporate Governance, by-laws, SEC/IC issuances, and other applicable regulations and laws.</p>	
<p>RECOMMENDATION 2.7</p>			
<p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual , page 7; (2) Policy on Related Party Transactions</p> <p>To ensure that there is a group-wide policy and system governing related party transactions (RPTs), the Board framed a Policy on Related Party Transactions. This has been framed in order to establish an agreed protocol for identifying, assessing, approving and reporting Related Party Transactions and that the Related Party Transactions are carried out at arms' length basis after obtaining necessary approvals and are reported in accordance with the disclosure requirements and best corporate governance practices.</p>	
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) Policy on Related Party Transactions, page 2; and (2) MediCard Corporate Governance Policy and Procedure Manual, pages 7 and 22</p>	

<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>COMPLIANT</p>	<p>The Policy on Related Party Transactions provide a process for review and approval of Material Related Party Transactions. The review and approval will go through the appropriate Board Committees, which will consider the factors laid out in the Policy on Related Party Transactions. This is to ensure that related party transactions are within arm's length especially if the transaction is material.</p>	
<p>RECOMMENDATION 2.8</p>			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>COMPLIANT</p>	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 7</p> <p>Under the MediCard Corporate Governance Policy and Procedure Manual, the Board has the duty to approve the selection of Management which is comprised of the Chief Executive Officer (CEO) and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Head of Internal Audit).</p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>COMPLIANT</p>	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 7</p> <p>Under the MediCard Corporate Governance Policy and Procedure Manual, assessment of the performance of Management led by the Chief Executive Officer (CEO), and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Head of Internal Audit) is the responsibility of the board.</p>	
<p>RECOMMENDATION 2.9</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>Link/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 7; and (2) Annual Report 2023, page 13</p> <p>Establishing a framework that is effective in managing performance is the responsibility of the Board under the MediCard Corporate Governance Policy and Procedure Manual. This is to ensure that the</p>	

<p>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.</p>	<p>COMPLIANT</p>	<p>Management, including the CEO, and personnel performance are at par with the standards set by the Board and Senior Management.</p> <p>Several workshops were held in the last few months of 2023. One of these is the workshop on the leadership essentials focused on clarity, courage, and humanity to enhance the company's management committee and employees role model these leadership behaviors.</p>	
RECOMMENDATION 2.10			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>COMPLIANT</p>	<p>Link/References: See MediCard Corporate Governance Policy and Procedure Manual, page 8 and 21</p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>COMPLIANT</p>	<p>Internal control system is created to give a reasonable guarantee that the Company's goals will be achieved by ensuring the effectiveness and efficiency of its operations, as well as the reliability of its accounting and reporting systems and compliance with any applicable law. To effectuate this, the Board oversees that an appropriate internal control system is in place, and to enhance its oversight capability over the Company's financial reporting, internal control system, internal and external audit processes, related party transactions, and compliance with applicable laws and regulations, it constituted an Audit and RPT Committee.</p>	
<p>3. Board approves the Internal Audit Charter.</p>	<p>COMPLIANT</p>	<p>Link/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 8 and (2) Internal Audit Charter</p> <p>In the performance of the Board's oversight responsibility, an Internal Audit Charter was created. It aims to strengthen the organization's internal control structure, identify opportunities for process and control improvements, monitor compliance with standards, laws and regulations and share best practices throughout the company.</p>	
RECOMMENDATION 2.11			
<p>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.</p>	<p>COMPLIANT</p>	<p>Link/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, pages 8, 24 and 25; (2) Board Risk Committee Charter; and (3) Addendum Enterprise Risk Management Policy</p>	

<p>2. The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.</p>	<p>COMPLIANT</p>	<p>The responsibility for a company's risk management approach lies with the Board. The MediCard Corporate Governance Policy and Procedure Manual provides that the Board should oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risks of the Company, and to enable the Board to identify business units and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. To bring an effective sound risk management framework, the Board established a Board Risk Committee that reports to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.</p>	
<p>RECOMMENDATION 2.12</p>			
<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.</p>	<p>COMPLIANT</p>	<p>Link/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, pages 8; and (2) Board Charter</p> <p>In its 28 February 2023 Board meeting, the Company adopted a new Board Charter aligned with its parent company practices.</p> <p>The Board Charter is uploaded in the company's website: www.medicardphils.com/</p>	
<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	<p>COMPLIANT</p>		
<p>3. Board Charter is publicly available and posted on the company's website.</p>	<p>COMPLIANT</p>		
<p>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 key 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.</p>			
<p>RECOMMENDATION 3.1</p>			
<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>Link/References: See MediCard Corporate Governance Policy and Procedure Manual, pages 21 to 24</p> <p>Starting 2023, the Company established the following Committees:</p> <p>1) Audit and Related Party Transaction (RPT) Committee 2) Corporate Governance Committee 3) Board Risk Committee</p>	
<p>RECOMMENDATION 3.2</p>			

<p>1. 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>Link/References: See (1) MediCard Governance Policy and Procedure Manual, pages 21 and 22; and (2) Audit and RPT Committee Charter, page 8</p> <p>To ensure the effective functioning of the Board in overseeing the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations, it constituted an Audit and RPT Committee. The duties and responsibilities of the Audit and RPT Committee are laid out in the MediCard Governance Policy and Procedure Manual and supplemented by the Audit and RPT Committee Charter.</p> <p>The Audit Committee has the responsibility to recommend the appointment and removal of the company's external auditor.</p>	
<p>2. 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>Link/References: See (1) MediCard Governance Policy and Procedure Manual, pages 21; (2) Audit and RPT Committee Charter and (3) 2023 Corporate Annual Report</p> <p>The Audit and RPT Committee is composed of the following:</p> <p>1) Dr. Kenneth Hartigan Go-Chair/Independent Director 2) Ms. Melissa Limcaoco – Independent Director 3) Mr. Axel Baur – Non-executive Director</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>PARTIALLY COMPLIANT</p>	<p>Link/References: See 2023 Annual Report- profiles of Dr. Kenneth Go, Ms. Melissa Limcaoco and Mr. Axel Baur.</p>	<p>Members of our Audit Committee have extensive and broad experience which is very much relevant to the nature of the business.</p>
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>Link/References: See 2023 Annual Report</p> <p>Dr. Kenneth Hartigan Go is not the Board Chairperson. He is also not the Chairperson of any other committees except the Audit and RPT Committee.</p>	
<p>RECOMMENDATION 3.3</p>			
<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>COMPLIANT</p>	<p>Link/References: See (1) MediCard Governance Policy and Procedure Manual, pages 23-24; (2) Corporate Governance Committee Charter, pages 6-8; and (3) 2023 Annual Report</p> <p>To fulfill its corporate governance responsibilities and support its functions in terms of corporate governance concerns, the Board has established a Corporate Governance Committee, whose duties and functions can be found in the MediCard Governance Policy and Procedure Manual, including the duty to determine the nomination and election process for the Company's directors and the special duty of defining the general profile of board members that the Company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board. Furthermore, they act as the Nomination and Remuneration Committee.</p>	

2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	COMPLIANT	<p>Link/References: See (1) MediCard Governance Policy and Procedure Manual, pages 23-24; (2) Corporate Governance Committee Charter, page 5; and (3) 2023 Annual Report;</p> <p>Corporate Governance Committee is composed of the following:</p> <ol style="list-style-type: none"> 1) Ms. Melissa Limcaoco – Chair/Independent Director 2) Dr. Kenneth Hartigan Go- Independent Director 3) Kelvin Loh Chi-Keon – Non-executive Director 	
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	<p>Link/References: See (1) Corporate Governance Committee Charter, page 5; and (2) 2023 Annual Report</p> <p>Ms. Melissa Limcaoco is an independent director. She is not the Board Chairperson. She is also not the Chairperson of any other committees except the Corporate Governance Committee.</p>	
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	<p>Link/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 24 and 25; and (2) Board Risk Committee Charter, page 7</p> <p>The Board has established a separate Board Risk Committee responsible for the oversight of the Company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p> <p>The MediCard Corporate Governance Policy and Procedure Manual defines the committee's functions, which are supplemented by the Board Risk Committee Charter, which sets forth the committee's additional responsibilities.</p>	

<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>COMPLIANT</p>	<p>Link/References: See (1) 2023 Annual Report; (2) MediCard Corporate Governance Policy and Procedure Manual, page 24; and (3) Board Risk Committee Charter, page 6</p> <p>Board Risk Committee is composed of:</p> <ol style="list-style-type: none"> 1) Mr. Ang Chee Keong – Chair/Non-executive Director 2) Dr. Kenneth Hartigan Go-Independent Director 3) Ms. Melissa Limcaoco – Independent Director 	
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>Link/References: See 2023 Annual Report and MediCard Corporate Governance Policy and Procedure Manual, page 24</p> <p>Mr. Ang Chee Keong is not the Board Chairperson. He is also not the Chairperson of any other committees except the Board Risk Committee.</p>	
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>COMPLIANT</p>	<p>Link/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 24; and (2) 2023 Annual Report</p> <p>One of the committee's members, Dr. Kenneth Hartigan Go, has extensive knowledge, training, and experience on risk and risk management. The experiences he has had, including serving as the former Undersecretary for the Department of Health and President of the Corporate Network for Disaster Response (CNDR), indicate this.</p>	
<p>RECOMMENDATION 3.5</p>			
<p>1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>COMPLIANT</p>	<p>Link/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 21; and (2) Audit and RPT Committee Charter, page 12</p> <p>To align with the parent company's practices, the Board established the Audit and Related Party Transaction (RPT) Committee. Its Charter provides for the approval of material RPT transactions.</p>	
<p>2. RPT Committee is composed of at least three non-executive directors, majority of whom should be independent, including the Chairman.</p>	<p>COMPLIANT</p>	<p>Link/References: See (1) 2023 Annual Report; (2) MediCard Corporate Governance Policy and Procedure Manual, page 21; and (2) Audit and RPT Committee Charter, page 5</p> <p>Audit and RPT Committee is composed of:</p> <ol style="list-style-type: none"> 1) Dr. Kenneth Hartigan Go-Chair/Independent Director 2) Ms. Melissa Limcaoco – Independent Director 3) Mr. Axel Baur – Non-executive Director 	
<p>RECOMMENDATION 3.6</p>			

1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Link/References: See (1) Audit and RPT Committee Charter, page 14 ; (2) Corporate Governance Committee Charter, page 9 ; (3) Board Risk Committee Charter, page 3 ;	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	Annual assessment of the effectiveness of the performance of the Board Committees related to their duties is provided by their respective Charters. The policy and procedure for conducting the annual assessment are in the Board and Performance Assessment.	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	Link/References: See Board Committee Charters / https://www.medicardphils.com	
<p>Principle 4: 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.</p>			
<p>RECOMMENDATION 4.1</p>			
1. The Directors 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.	COMPLIANT	<p>Link/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, pages 9 and 13; (2) Board Charter, page 5; and (3) 2023 Annual Report</p> <p>In line with the rules and regulations of the Commission, the Directors participate actively in all meetings of the Board, Committees, and Shareholders, either in person or through videoconferencing. Information on the attendance and participation of directors to Board, Committees and shareholders' meetings can be seen through the Certificate of Attendance dated January 10, 2024.</p>	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 9</p> <p>In performing their fiduciary duty, directors are mandated to review meeting materials for all Board and committee meetings. The Notice of Meeting and Materials are sent in advance by the Corporate Secretary to ensure that they are able to review the documents even prior to the meeting itself.</p>	

<p>3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 9.; and 2) Board Charter, page 6</p> <p>One of the duties and responsibilities for a director to act in the best interest of the Company, its shareholders, and stakeholders is to act in a judicious manner. The directors under the MediCard Corporate Governance Policy and Procedure Manual are required, before deciding on any matter brought before the Board of Directors, to thoroughly evaluate the issues, ask questions, and seek clarification when necessary. The Board Charter likewise mandates that where a director requires more information than is provided by Management, the relevant Director should make additional necessary enquiries.</p> <p>All the directors have sought clarifications or addressed queries to the Company's Management during Board meetings relating to, among others, operational issues, regulatory risks, and future plans.</p>	
<p>RECOMMENDATION 4.2</p>			
<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>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 6</p> <p>To make certain that the non-executive directors are given enough time to carry out their tasks and responsibilities as members of the Company Board of Directors, they are only allowed to serve as directors of no more than five (5) publicly listed companies at the same time. The non-executive directors of the Company are not concurrently directors of more than five (5) ICREs and publicly listed companies.</p>	
<p>RECOMMENDATION 4.3</p>			
<p>1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.</p>	<p>COMPLIANT</p>	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 7</p> <p>All directors disclose their current directorships to either the Board or the Company, as well as their directorships in other companies.</p>	
<p>Principle 5: The board should endeavor to exercise an objective and independent judgement on all corporate affairs.</p>			
<p>RECOMMENDATION 5.1</p>			

<p>1. The Board is composed of at least twenty percent (20%) independent directors.</p>	<p>COMPLIANT</p>	<p>Links/references: See (1) 2023 Annual Report;</p> <p>The Company has the following board members:</p> <p>1) Leo Michel Grepin – Non-executive Director 2) Ang Chee Keong (Kelvin Ang) – Non-Executive Director 3) Julian Mengual – President and Chief Executive Officer 4) Axel Fritz Baur – Non-Executive Director 5) Kelvin Loh Chi-Keon - Non-Executive Director 6) Kenneth Hartigan Go – Independent Director 7) Melissa Limcaoco – Independent Director</p> <p>20% of the Board is comprised of independent directors.</p>	
<p>RECOMMENDATION 5.2</p>			
<p>1. The independent directors possess all the necessary qualifications and none of the disqualifications to hold the position.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 10; and (2) 2023 Corporate Annual Report</p> <p>The information about the two Independent Directors provided in the 2023 Corporate Annual Report-Board of Director Profile, indicates that they have all the required qualifications, such as working knowledge, experience, or expertise that is relevant to the Company’s business and industry, and none of the disqualifications to hold such a position.</p>	
<p>RECOMMENDATION 5.3</p>			
<p>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.</p> <p>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 item.</p>	<p>COMPLIANT</p>	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 17 and 2023 Annual Report</p> <p>The independent directors were only elected as such with MEDICARD in 2023, thus, they will not reach the term limit yet.</p>	<p>All independent directors for 2023 are newly-on-boarded. Not applicable</p>

<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>COMPLIANT</p>	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 17</p> <p>The term limit of each Independent Director under the MediCard Corporate Governance Policy and Procedure Manual is only a maximum cumulative term of nine years, after which he shall be perpetually barred from any re-election in the Company but may continue to qualify for nomination and election as a non-independent director.</p>	
<p>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.</p>	<p>COMPLIANT</p>	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 17</p> <p>The MediCard Corporate Governance Policy and Procedure Manual provides that if the Company desires to continue the services of an Independent Director who has already services the maximum term limit of nine (9) years, said Independent Director, as an exception, may still continue to act as such provided that the such re-appointment is approved by the shareholders of the Company during the annual shareholders meeting, and the Board submit a formal written justification of said re-appointment to the Insurance Commission.</p>	<p>Not applicable</p>
<p>RECOMMENDATION 5.4</p>			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 14. (3) Annual Report</p> <p>The board chairperson of the company is Leo Michel Grepin and the Chief Executive Officer of the company is Julian Mengual.</p> <p>The position of Chairman of the Board and Chief Executive Officer is not held by the same person.</p>	

<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>COMPLIANT</p>	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, pages 15 to 16</p> <p>The MediCard Corporate Governance Policy and Procedure Manual clearly outlines the roles and responsibilities of the chairman and the executive officer, which differ from each other.</p>	
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RECOMMENDATION 5.5

<p>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.</p>	<p>COMPLIANT</p>	<p>Links/References: See 2023 Annual Report</p> <p>Mr. Leo Michel Grepin, Chairman of the Board, is not an independent director.</p> <p>On February 28, 2023, Dr. Kenneth Hartigan Go, was designated as the Lead Independent Director and continues to be as such.</p>	
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RECOMMENDATION 5.6

<p>1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 9; and (2) Board Charter, page 14</p> <p>The Company's directors are obligated to observe the basic principle that a director shall not use his position to make profit or to acquire benefit or advantage for himself and/or related interests. He shall avoid situations that would compromise impartiality. If there is any, the Board of Director Charter, mandates that a director shall disclose to the Board whether they directly, indirectly or on behalf of third parties, have a financial interest in any transaction or matter affecting the Company. Any director who has personal interest in the transaction shall abstain from the discussion, approval, and management of such transaction or matter affecting the Company.</p> <p>There have been no such recent transactions.</p>	
<p>RECOMMENDATION 5.7</p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 14</p> <p>Non-executive directors are required to evaluate the performance of Management, especially its ability to meet the company's goals and objectives. Thus, the Corporate Governance policy encouraged the non-executive directors to meet separately at least once a year with external auditors and Head of Internal Audit, compliance and risk functions without the presence of any executives of the Company.</p> <p>The annual meeting with the external auditor was held this year for the year ending December 2023.</p> <p>A discussion about the audit results for the year ended December 2023 with the Audit Committee also took place.</p>	
<p>2. The meetings are chaired by the lead independent director.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 14; and (2) Secretary's Certificate dated March 13, 2024</p> <p>Dr. Go is the lead independent director and chairs the meetings.</p>	

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	Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 26 ; (2) Policy on Board Performance Assessment	
2. The performance of the Chairman is assessed annually by the Board.	COMPLIANT	The MediCard Corporate Governance Policy and Procedure Manual implement an annual assessment. The purpose of this is to measure annually the Board of Directors, the Board Committees, the Chairman of the Board, the CEO, and the individual directors' effectiveness.	
3. The performance of the individual member of the Board is assessed annually by the Board.	COMPLIANT	The Board will have the support of the Corporate Secretary in conducting the evaluation, but they may also consider hiring an external facilitator once every three (3) years.	
4. The performance of each committee is assessed annually by the Board.	COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT	The assessment for 2024 will be supported by an external facilitator. For 2023, the board conducted a self-assessment.	

RECOMMENDATION 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 26 ; (2) Policy on Board Performance Assessment with the Board of Directors Self-Assessment Questionnaire	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	The Board of Directors, the Board Committees, the Chairman of the Board, the CEO, and the individual directors' performance is appraised through the Company's self-assessment exercise using a self-assessment questionnaire. This questionnaire enables shareholders to provide feedback.	

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

<p>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.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) Code of Business Conduct and Ethics; (2) MediCard Code of Discipline; and (3) MediCard Corporate Governance Policy and Procedure Manual, page 8</p> <p>The company is committed to doing business in a manner that meets the highest standards of ethics. To fulfill this, all directors, the management and employees of the Company are obligated to adhere to its Code of Business Conduct and Ethics that has been uploaded on the website as well as the Code of Discipline.</p>	
<p>2. The code is properly disseminated to the Board, senior management and employees.</p>	<p>COMPLIANT</p>	<p>The Code of Business and Ethics is posted at the company website. The MediCard Code of Discipline is posted at the Company's Intranet and is part of the orientation of all new employees.</p>	
<p>3. The Code is disclosed and made available to the public through the company website</p>	<p>COMPLIANT</p>	<p>Links/References: https://www.medicardphils.com/corporate-governance/</p>	

RECOMMENDATION 7.2

<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	<p>COMPLIANT</p>	<p>Links/References: Code of Business Conduct and Ethics</p> <p>The Board, thru management, ensures the implementation of MediCard's Code of Business Conduct and Ethics so that everyone in the Company will comply.</p> <p>The Code of Discipline and Conduct is the basis in implementing employee discipline. The Code is also a part of the orientation of new employees.</p>	
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>COMPLIANT</p>	<p>Links/References: See MediCard Code of Discipline</p> <p>http://intranet.medicardphils.com/details.php?page=1</p> <p>All company policies are posted on the Company's intranet system.</p>	

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

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and time report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p align="center">COMPLIANT</p>	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 29; and (2) Code of Business Conduct and Ethics, page 3.</p> <p>The MediCard Corporate Governance Policy and Procedure Manual provides that, the Company shall establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations, to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that would give a fair and complete picture of the Company's financial conditions, results and business operations.</p> <p>Additionally, the Code of Business Conduct and Ethics also provides that, to the extent relevant to your area of responsibility, comply with Company's disclosure controls and procedures and internal controls to ensure that (i) financial and non- financial information is properly recorded, processed, summarized and reported and (ii) public reports and documents, including the reports that MPI files with the Insurance Commission and Securities and Exchange Commission.</p>	
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RECOMMENDATION 8.3

<p>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.</p>	<p align="center">COMPLIANT</p>	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 29; and (2) 2023 Annual Report</p> <p>The board of directors' profile, which can be viewed in the Corporate Annual Report, discloses relevant and material information about the board members, like their experience and qualifications, that can be used to evaluate if there are potential conflicts of interest that will affect their judgment.</p> <p>In addition, in compliance with the requirement of the Insurance Commission to assess the fitness and propriety of the elected company directors, the latter are required to submit biographical data within thirty (30) days after their election or appointment.</p>	
<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.</p>	<p align="center">COMPLIANT</p>		

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>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 25</p> <p>The Board recognizes the need for the Company to develop and disclose a remuneration policy statement covering board members and key executives. The level of remuneration shall be sufficient to attract and retain the quality of directors to run the Company successfully.</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 ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	COMPLIANT	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 25</p> <p>The Board recognizes the need for the Company to develop and disclose a remuneration policy statement covering board members and key executives. The level of remuneration shall be sufficient to attract and retain the quality of directors to run the Company successfully. The significant proportion of executive director's remuneration, on the other hand, is structured so as to link rewards to corporate and individual performance.</p>													
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	<p>Salaries and other remuneration paid to key management personnel</p> <table border="1" data-bbox="1080 721 1771 959"> <thead> <tr> <th colspan="2">2023</th> </tr> </thead> <tbody> <tr> <td>Salaries and wages</td> <td>Php 231,134,355.86</td> </tr> <tr> <td>Short Term Employee Benefits</td> <td>Php 6,395,250.00</td> </tr> <tr> <td>Post Employment Benefits</td> <td>Php 3,517,204.66</td> </tr> <tr> <td>Other Long-Term Benefits</td> <td>Php 206,460.00</td> </tr> <tr> <td>Total</td> <td>Php 241,253,270.52</td> </tr> </tbody> </table> <p>Please also refer to the Annual Report.</p>	2023		Salaries and wages	Php 231,134,355.86	Short Term Employee Benefits	Php 6,395,250.00	Post Employment Benefits	Php 3,517,204.66	Other Long-Term Benefits	Php 206,460.00	Total	Php 241,253,270.52	
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RECOMMENDATION 8.5															
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	<p>Links/References: See (1) 2023 Audited Financial Statement (Note 21); and (2) Policy on Related Party Transactions</p> <p>The company's Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions is disclosed through its Audited Financial Statement. The policies regarding the transactions are stated in company's Policy on Related Party Transactions.</p>													

2. Company discloses material or significant RPTs in its Annual Company Report of 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.	COMPLIANT	Links/References: Refer to the 2023 Audited Financial Statements (Note 21)	
RECOMMENDATION 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG)	COMPLIANT	Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual ; and (2) https://www.medicardphils.com/	
2. Company's MCG is posted on its company website.	COMPLIANT		
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	<p>Links/references: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 22; (2) Board Charter, page 9; and (3) Audit and RPT Committee Charter, page 8</p> <p>External auditors' appointments, reappointments, removals, and fees are all overseen by the Audit Committee through a robust recommendation process.</p> <p>Under the Audit and RPT Committee Charter, the appointment, reappointment and removal of the external auditors shall be based on fair and transparent criteria such as (i) core values, culture and high regard for excellence in audit quality; (ii) technical competence and expertise of auditing staff; (iii) technical competence and expertise of the auditing staff; (iv) effectiveness of the audit process; and (v) reliability and relevance of the external auditor's reports.</p>	
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>Links/references: See (1) Audit and RPT Committee Charter, page 8; and (2) MediCard Corporate Governance Policy and Procedure Manual, page 29</p> <p>In addition to what has already been provided for in the MediCard Corporate Governance Policy and Procedure Manual of the Company, the Audit and RPT Committee, shall perform recommendations to the Board on the appointment, reappointment and removal of the external auditor and on the remuneration and terms of engagement of the external auditor, xxx. This will be approved by the Board and ratified by the shareholders.</p>	

<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.</p>	<p>COMPLIANT</p>	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 29</p> <p>The company's website and other means of required disclosures should be used to disclose the reason for removal or change of the External Auditor to the regulators and public. The change in auditor for the periods of taxable year 2022 and 2023 is disclosed in the Audited Financial Statements.</p>	
<p>RECOMMENDATION 9.2</p>			
<p>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. iii Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>	<p>COMPLIANT</p>	<p>Links/References: See Audit and RPT Committee Charter, page 8</p> <p>The Audit and RPT Committee Charter mandates additional duties for the Audit and RPT Committee to perform. One of these is that the Committee is obligated to perform an oversight function over the external auditor and annually review and monitor the external auditor's technical competence, suitability, independence, objectivity, and overall effectiveness of the audit process in accordance with applicable standards, rules, regulations, and circulars issued by the regulators.</p>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>COMPLIANT</p>	<p>Links/References: See Audit and RPT Committee Charter, page 8</p> <p>The Audit and RPT Committee Charter mandates additional duties for the Audit and RPT Committee to perform. One of these is that the Committee is obligated to perform an oversight function over the external auditor and annually review and monitor the external auditor's technical competence, suitability, independence, objectivity, and overall effectiveness of the audit process in accordance with applicable standards, rules, regulations, and circulars issued by the regulators.</p>	

RECOMMENDATION 9.3			
<p>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.</p>	<p>COMPLIANT</p>	<p>Links/References: See Audit and RPT Committee Charter, page 9 and the 2023 Annual Report</p> <p>The Audit and RPT Committee Charter mandates additional duties for the Audit and RPT Committee to perform. One of these is that the Committee is obligated to develop and implement policy on the engagement of an external auditor to supply non-audit services; evaluate the non-audit work, if any; and report to the Board, identifying any matters in respect of which it considers action or improvement is needed and making recommendations as to the steps to be taken. The Committee shall disallow any non-audit work that will conflict with the external auditor's duty as such or may pose a threat to its independence. The non-audit work, if allowed, should be disclosed in the Company's Annual Report.</p> <p>The non audit services performed by the external auditors were mere routine consultations with management on accounting and tax related matters affecting the Company's business and performance of agreed-upon procedure for the increase in authorized capital stock.</p>	
<p>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.</p>	<p>COMPLIANT</p>	<p>Links/References: See Audit and RPT Committee Charter, page 9</p> <p>The Audit and RPT Committee stays alert for any potential conflict of interest situations through a discussion of problems and reservations arising from the interim and final audits and any matters the external auditor may wish to discuss (in the absence of management, where necessary).</p>	
<p>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</p>			
RECOMMENDATION 10.1			
<p>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.</p>	<p>COMPLIANT</p>	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 30</p> <p>See ESG Report 2023 of the comprehensive ESG Report for the AIA Group which includes https://www.medicardphils.com/wp-content/uploads/2024/06/MediCard-Audit-RPT-Committee-Charter_March2023.pdf#page=9MEDICARD.</p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>COMPLIANT</p>		
<p>Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed</p>			

users. decision-making by investors, stakeholders and other interested

RECOMMENDATION 11.1

<p>1. The company should have a website to ensure a comprehensive, cost efficient, transparent and timely manner of disseminating relevant information to the public.</p>	<p>COMPLIANT</p>	<p>The Company has its own website: www.medicardphils.com</p>	
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Internal Control System and Risk Management Framework

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

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 27; (2) Internal Audit Charter; and (3) Enterprise Risk Management Framework</p> <p>Aside from the annual audit being conducted by its internal audit, the Company will be audited by its internal auditors. The Company also adopted its Enterprise Risk Management Framework to have a control system to manage its risks.</p>	
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<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) Enterprise Risk Management Framework. (2) MediCard Corporate Governance Policy and Procedure Manual, page 28</p> <p>The Company assesses the key risks that it may face and establishes how it manages these risks. These risks include: Process and Execution Risk, Operational Resilience Risk, Third Party Risk, People Risk, Legal Risk, Regulatory Risk, Fraud Risk, Data Protection Risk, and Cyber Security Risk. Each risk should be managed with specific controls and measures to mitigate the potential impact on the organization.</p> <p>See also 2023 Audited Financial Statements – Risk Management Objectives and Policies, pages 60-65</p>	
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RECOMMENDATION 12.2

<p>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.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 27; and (2) Internal Audit Charter</p> <p>Internal audit's functions are outlined in the MediCard Corporate Governance Policy and Procedure Manual and in the Internal Audit Charter. Some of these functions are to provide an independent risk-based assurance service to the Board, Audit Committee and Management as well as perform consulting and advisory services related to governance and control as appropriate for the organization. The Internal Audit Group of the Company is in-house.</p>	
<p>RECOMMENDATION 12.3</p>			
<p>1. The Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>COMPLIANT</p>	<p>Links/References: See Annual Report, page 4</p> <p>For 2023, the Company has adopted the relevant practices of its parent company, AIA Philippines Life and General Insurance Company Inc. (AIA Philippines). The Board elected Ms. Rikka Peralta as the Head of Internal Audit.</p>	
<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.</p>	<p>COMPLIANT</p>	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 27; and (2) Internal Audit Charter</p> <p>The MediCard Corporate Governance Policy and Procedure Manual and the Internal Audit Charter outline the functions of the Head of Internal Audit (i.e., Chief Audit Executive), who oversees and is responsible for the internal audit activities of the company.</p>	
<p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>	<p>COMPLIANT</p>	<p>The internal audit activity of the Company has not been outsourced. The internal audit of the Company is in-house.</p>	

RECOMMENDATION 12.4			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 28; (2) Enterprise Risk Management Framework; and (3) 2023 Annual Report</p> <p>A separate risk management function is in place at the company that identifies, assesses, and monitors key risks according to the size, risk profile, and complexity of its operations. Mr. Jose Roy R. Hipolito is the Chief Risk Officer to manage the risk functions for the Company.</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).	COMPLIANT	<p>Links/References: See (1) Enterprise Risk Management Framework, page 2; (2) Annual Report and (3) MediCard Corporate Governance Policy and Procedure Manual, page 28</p> <p>In managing the company's Risk Management System, Mr. Jose Roy R. Hipolito the Chief Risk Officer (CRO), is the ultimate champion of Enterprise Risk Management (ERM). Mr. Hipolito has an adequate authority, stature, resources and support to fulfil his responsibilities.</p>	
2. CRO has adequate authority, stature, resources and support to fulfil his/her responsibilities.	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	COMPLIANT	<p>Link/References: See MediCard Corporate Governance Policy and Procedure, page 30-31</p> <p>The basic shareholders rights are disclosed under the MediCard Corporate Governance Policy and Procedure Manual where the Company undertakes to protect and facilitate the exercise of shareholder's rights and ensuring them that they are duly informed of their rights and allowed to reasonably exercise the same.</p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	<p>Links/References: See https://www.medicardphils.com</p> <p>MediCard Corporate Governance Policy and Procedure, page 30</p>	

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	<p>Links/References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 17;</p> <p>Under the MediCard Corporate Governance Policy and Procedure Manual, the annual shareholders meeting of the Company is held annually on the date fixed in the Company's By-Laws and notice of the annual meeting is sent to shareholders at least 21 days prior to the meeting.</p> <p>The Shareholders of the Company are its parent company, AIA Philippines, and the very same Board of Directors of the company for the year 2023.</p>	
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.	COMPLIANT	<p>References: See (1) MediCard Corporate Governance Policy and Procedure Manual, page 30; and (2) Annual Report</p> <p>Under the MediCard Corporate Governance Policy and Procedure Manual, to further encourage shareholder participation, the Company shall make the result of the votes taken during the most recent Annual or Special Shareholders' Meeting available to the shareholders the next working day after the conduct of such meeting, by emailing to them a copy of the minutes of the meeting. It should be noted, however, that the Company is a wholly owned subsidiary of AIA Philippines.</p> <p>Information on the attendance and participation of directors to Board, Committee and shareholders' meetings can be seen through the Annual Report.</p>	
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.	COMPLIANT	References: www.medicardphils.com	
RECOMMENDATION 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 30</p> <p>Under the MediCard Corporate Governance Policy and Procedure Manual, the Board should also make available, at the option of the shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	

<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 30</p> <p>Although the Company provides for a dispute mechanism, it should be noted that it is a wholly owned subsidiary of AIA Philippines.</p>	
<p>Duties to Stakeholders</p>			
<p>Principle 14: 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.</p>			
<p>RECOMMENDATION 14.1</p>			
<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>COMPLIANT</p>	<p>Link/references: See MediCard Corporate Governance Policy and Procedure Manual, page 31</p> <p>The following are the Company's stakeholders:</p> <ul style="list-style-type: none"> • Shareholders • Employees • Client Companies • Accredited Doctors and Dentists • Accredited Hospitals and Clinics • Subsidiary • Community • Other Stakeholders such as creditors and suppliers 	

RECOMMENDATION 14.2

<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>COMPLIANT</p>	<p>Under the MediCard Corporate Governance Policy and Procedure Manual, the Company adopts the policies and programs of its parent company, AIA Philippines, that provide the necessary framework, mechanism and processes to ensure the fair treatment and better protection of its stakeholders' rights.</p> <p>The Company implements policies and activities that protect the rights and promote the interest of its various stakeholders.</p> <p>It is the Company's policy to provide all customers with excellent service and fair treatment, and complete and accurate information.</p> <p>Standardizes policies and work processes related to customers in all departments and clinics and information on the services affecting them.</p> <p>Undertakes surveys on customers' level of satisfaction to improve the Company's service standards.</p> <p>Undertakes safety and health orientation programs to enhance safety consciousness and safe practice for all customers and stakeholders.</p> <p>Complying with all applicable safety, and environmental regulations and closely monitoring the state of well-being and safety of all customers.</p>	
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RECOMMENDATION 14.3

<p>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.</p>	<p>COMPLIANT</p>	<p>Under the MediCard Corporate Governance Policy and Procedure Manual, to obtain redress for the violation of their rights, the concerned stakeholders can directly communicate with the Customer Relations Office of the Company.</p> <p>Employees, suppliers, customers and other stakeholders send their concerns and/or complaints for possible violation of their rights, through the following contact information:</p> <p>Risk and Compliance Office Medicard Philippines, Inc. 9F The World Centre #330 Sen. Gil Puyat Ave. Makati City Tel. No. : 8-8849999 local 9947/09088864547</p> <p>Preventing and controlling fraud, corruption and other unethical or illegal conduct is a crucial aspect of the company's strategy. Thus, the Company creates a policy on whistleblowing. The purpose of this is to encourage the reporting in good faith of suspected Reportable Conduct (as defined below) by establishing clearly defined processes through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal. The whistleblowing policy created by the Company is supplemented by the Whistleblower Protection Policy of its parent company, AIA Philippines.</p>	
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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

<p>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.</p>	<p>COMPLIANT</p>	<p>Links/References: See MediCard Corporate Governance Policy and Procedure Manual, page 31</p> <p>The MediCard Corporate Governance Policy and Procedure Manual mandates the Board to establish policies, programs and procedures that would encourage the employees of the Company to actively participate in the realization of the Company's goals and in its governance. These policies and programs may include, among others: 1) health, safety and welfare; 2) trainings and developments; and 3) reward/compensation.</p> <p>Following the above, the Management decided to do strategies and plans for the next 5 to 7 years with identification of Key Result Areas and Objectives and Key Results for each proposed strategy. The activity started 1st quarter of 2023 and is being monitored.</p> <p>The Company ensures the implementation of its Annual Training Plan to enhance employee skills.</p>	
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		Employee engagement programs are also in place. Labor-Management meetings are also being done periodically thru the Human Resources department and the officers of the employee union.	
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	<p>Links/References: See (1) Anti-Corruption Policy; and (2) Code of Business Conduct and Ethics</p> <p>The Anti-Corruption Policy clearly mandates that the Company shall not participate in any activity which may be considered as bribery or corruption of any form related to the services, work or transactions arising from or in connection with the business of the Company. In the Code of Business Conduct and Ethics, the Company, its directors, officers and employees are committed to avoid the direct or indirect commission of bribery and corruption of representatives of governments or regulators to facilitate any transaction or gain any perceived or actual favour or advantage, excluding permissible additional payments for routine governmental actions allowed by all applicable laws and regulations.</p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	<p>Company policies and programs are cascaded by conducting trainings and/or workshops either online or face-to-face.</p> <p>All policies, programs and memos are announced thru the company's Intranet for easy access of all employees: http://intranet.medicardphils.com</p> <p>Policies and programs are being discussed during the orientation of all employees.</p>	
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	<p>Links/References: See Policy on Whistle Blowing</p> <p>To encourage the reporting in good faith of suspected Reportable Conduct, the Board adopted the Policy on Whistleblowing thereby establishing clearly defined processes through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and, to the extent possible, protected from reprisal.</p>	
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	<p>Employees, suppliers, customers and other stakeholders send their concerns and/or complaints for possible violation of their rights, through the Risk and Compliance Office, or as may be appropriate, through the Human Resources Office, with following contact information:</p> <p>MediCard Philippines, Inc. 9F The World Centre #330 Sen. Gil Puyat Ave. Makati City Tel. No. : 88849999 local 9947/0908-8864547</p>	

3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Material issues raised through the whistleblowing mechanism is reported to the Board.	
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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 interdependence between businesses and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates	COMPLIANT	<p>Links/References: See Environment, Social and Governance (ESG) Report 2023</p> <p>The strategy of the AIA Philippines Group is to deliver the ESG initiatives as a group, which includes MediCard. This ensures greater impact on the people and communities it engages with. The ESG Strategy is built around 5 pillars: Health and Wellness, Sustainable Investment, Sustainable Operations, People and Culture, and Effective Governance.</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 Makati on May 29, 2024.

(signed)
LEO MICHEL GREPIN
CHAIRMAN OF THE BOARD
Signature over printed name

(signed)
ATTY. CARLA J. DOMINGO
CORPORATE SECRETARY
Signature over printed name

(signed)
KENNETH Y. HARTIGAN-GO
INDEPENDENT DIRECTOR
Signature over printed name

(signed)
JULIAN C. MENGUAL
PRESIDENT
Signature over printed name

(signed)
JOSE ROY R. HIPOLITO
HEAD OF RISK AND COMPLIANCE
Signature over printed name

(signed)
MELISSA B. LIMCAOCO
INDEPENDENT DIRECTOR
Signature over printed name

Subscribed and sworn to before me this _____ day of _____, 2024, by the following who are all personally known to me (or whom I have identified through competent through competent evidence of identity) and who exhibited to me their respective identification document as follows:

	NAME	I.D. NO.	DATE/PLACE ISSUED
1.	LEO MICHEL GREPIN		
2.	JULIAN C. MENGUAL		
3.	ATTY. CARLA J. DOMINGO		
4.	KENNETH Y. HARTIGAN-GO		
5.	MELISSA B. LIMCAOCO		
6.	JOSE ROY HIPOLITO		

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Page No. 58;
Book No. 3;
Series of 2024.

(signed)
ATTY. AZANITH ANN B. PAYAD
Notary Public for Makati

(SIGNATURES AND OTHER DETAILS WERE NOT UPLOADED FOR THE PROTECTION OF THE SIGNATORIES HEREIN.)