

ANNUAL CORPORATE GOVERNANCE REPORT OF

Value Care Health Systems, Inc.
(Name of Company)

1. For the fiscal year ended ..2020.....
2. Certificate Authority Number ..HMO-2020-01-R.....
3. ..Philippines.....
Province, Country or other jurisdiction of incorporation or organization
4. #33 Value Care Bldg., Meralco Avenue, Brgy. San Antonio, Pasig City 1600
Address of principal office Postal Code
5. (02) 8702-3388
Company's telephone number, including area code
6. <https://www.valucarehealth.com/>
Company's official website
7. N/A
Former name, former address, and former fiscal year, if changed since last report.

ANNUAL CORPORATE GOVERNANCE REPORT 2020

COMPLIANT/NON-COMPLIANT		ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibility			
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 long term best interest of its shareholders and stakeholders.			
Recommendation 1.1			
1. The Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following:	Please refer to Company website
2. Board has an appropriate mix of competence and expertise	Compliant	1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors.	
3. Directors remain qualified for their positions individually and collectively to enable to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	2. Qualification standard for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of performance.	Please refer to Board Skills Matrix in Corporate Good Governance Manual
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors	Compliant	Identify or provide link/reference to a document identifying the directors and the their directorship	Please refer to GIS filed for the list of directors
Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training of directors	Compliant	Provide link or reference to the company's Board Charter or Manual on Corporate Governance relating to its policy on training of directors.	Refer to Corporate Good Governance Manual
2. Compay provides in its Board of Charter or Manual on Corporate Governance an orientation program for first time directors	Compliant	Provide link/reference to a document containing information on the orientation program or trainings of directors for the previous year, including the number of hours attended and topics covered.	The training was done last December 1, 2016
3. Company has relevant annual continuing training for all directors	Non-Compliant		CGG training for 2020 was put on hold due to pandemic situation. Scheduled training will be on or before the last month of the 3rd quarter or on available online training whichever comes first.
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.	Refer to Corporate Good Governance Manual on Page 3
Recommendation 1.5			
1. Board is assisted in its duties by Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on Corproate Secretary, including his name, qualification, duties and functions.	Please refer to the By-Laws in Company Website
2. Corporate Secretary is a separate individual from the Compliance Officer	Compliant		
3. Corporate Secretary is not a member of the Board of Directors	Compliant		

4. Corporate Secretary attends training on corporate governance.	Non-Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended including number of hours and topic covered.	CGG training for 2020 was put on hold due to pandemic situation. Scheduled training will be on or before the last month of the 3rd quarter or on available online training whichever comes first.
Recommendation 1.6			
1. Board is assisted by a Compliance Officer	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his name, qualification, duties and functions.	Please refer to GIS in the Company Website
2. Compliance Officer has a rank of Vice-President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant		
4. Compliance Officer attends training/s on corporate governance annually.	Non-Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended including number of hours and topic covered.	CGG training for 2020 was put on hold due to pandemic situation. Scheduled training will be on last Quarter of 2021.
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and 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	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of the meeting)	Please refer to Minutes of the Meeting compilation.
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of the meeting)	Refer to signed and concurred 2020 Business Planning Summary Report.
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	Indicate frequency of review of business objective and strategy.	Refer to signed and concurred 2020 Business Planning Summary Report.
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications.	Please see Chairperson's Profile posted in ValuCare Website.
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning and retirement policies and programs, and its implementation.	For the Board - this being addressed through election process on a yearly basis. For the Key Officers and Management - placement of successors are ongoing practice. Key Officers identified are those with rank AVP and up.
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		Value Care Employee Retirement Program have been registered and approved by BIR - Jan 11, 2021 but for directors no existing retirement policy.
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the remuneration and performance.	Refer to Corporate Good Governance

2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant		Manual Item 2.7 of page 8
3. Directors do not participate in discussion or deliberation involving his/her own remuneration.	Compliant		
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and it encourages nominations from shareholders.	Refer to Corporate Good Governance Manual Section 1.5 of page 6
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Provide proof of minority shareholders have a right to nominate candidates to the board. Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of the director.	
3. Board nomination and election policy includes how the company accepts nomination from minority shareholders	Compliant		
4. Board nominatin 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 processes in the nomination, election or replacement of the directors	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company	Compliant		
Recommendation 2.7			
1. Board has the overall responsibility in ensuring that there is a group-wide policy system and governing related party transactions (RPTs) and other unusual or infrequently occuring transactions.	Compliant	Provide information on or reference to a document constaing the company's policy on related party transaction, including policy on review and approval of significant RPTs	Refer to CGGM part V, page 13
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompassess all entities within the group, taking into account their size, structure, risk, profile and complexity of the operations.	Compliant		
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Provide information on the reference to a document containing the Board's policy and responsibility for assessing the performance of management. Identify the Management Team appointed.	Refer to Board Level Committees established charter, pages 8 & 9.

2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the head of the other control functions (Chief Risk Officer, Chief Compliance Officer and Audit Executive).	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. Provide information on the assessment process and indicate frequency of assessment of performance	Refer to Board Level Committees established charter, pages 8 & 9.
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management including the Chief Executive Officer (CEO) performance is at par with the standards set by the Board and Senior Management.	Compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	Refer to CGGM on Part X Performance Evaluation pages 15 & 16.
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		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.	Internal Control Framework (Page 1, Mgmt. Oversight & Control Culture)
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest if the Management members and shareholders.	Compliant		Corporate Governance Manual (Page 13, Dealings with Related Party Transactions) and Internal Control Framework (Pages 1&2, Mgmt. Oversight & Control Culture)
	Compliant	Provide reference or link to the company's Internal Audit Charter	Approved Internal Audit Charter
3. Board approves the Internal Audit Charter			
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.	Compliant	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	Approved ERM Framework
2. The risk management framework guides the Board in identifying units/ business lines and enterprise level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	Provide proof of effectiveness of risk management strategies if any.	ERM Framework (Page 15, Risk Management Process)
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	Provide link to the company's website where the Board Charter is disclosed.	Refer to CGGM Item 2.6, page 8
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted in the company 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 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.			
Recommendation 3.1			

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Provide information or link/reference to a document containing information on all the board committees established by the company.	Please refer to the Board Level Committee Matrix in the Company Website
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capacity over the company's financial reporting, internal control system, internal and external audit processes and compliance with applicable laws and regulations.	Compliant	Provide information or link/reference to a document containing information on the Audit Committee including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.	Refer to CGGM on Board Level Audit Committee Charter, Annex 2 pages 21 & 22.
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Provide information or link/reference to a document containing information on members of the Audit Committee including their qualification and type of directorship.	Refer to company website for details of qualification and for the type of directorship refer to GIS.
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience if the members of the audit committee.	Refer to company website for details of qualification and for the type of directorship refer to GIS.
4. The Chairman of the Audit Committee is not the Chairman of the Board or any other committee	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.	Refer to CGGM on Board Level Audit Committee Charter, Annex 2 pages 21 & 22.
Recommendation 3.3			
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 Nominations and Remuneration Committee	Compliant	Provide information or reference to a document containing information on the corporate governance committee including its functions. Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction if applicable.	Refer to CGGM on Board Level Audit Committee Charter, Annex 1 pages 18 to 20.
2. Corporate Governance Committee is composed of at least three member, majority of whom should be independent directors	Compliant	Provide information or link/reference to a document containing information on the Corporate Governance Committee, including their qualifications and type of directorship.	Refer to company website for details of qualification and for the type of directorship refer to GIS.
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance.	Refer to CGGM on Board Level Audit Committee Charter, Annex 1 pages 18 to 20.
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of the company's Enterprise Risk Management system to ensure its functionality and effectiveness	Compliant	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including functions.	Refer to CGGM on Board Level Audit Committee Charter, Annex 3 pages 23 to 27.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship.	Refer to company website for details of qualification and for the type of directorship refer to GIS.

3. The Chairman of BROC is not the Chairman of the Board or of any Committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the BROC.	Refer to company website for details of qualification and for the type of directorship refer to GIS.
4. At least one member of the BROC has relevant through knowledge and experience on risk and risk management.	Compliant	Provide information or link/reference to a document containing information on the background, skills, and/or experience if the members of BROC.	Refer to company website for details of qualification and for the type of directorship refer to GIS.
Recommendation 3.5			
1. The Board establishes a Related Party Transaction (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Provide information or link/reference to a document containing information on the members of RPT Committee including their functions.	Refer to CGGM on Board Level Audit Committee Charter, Annex 4 pages 28 to 29.
2. RPT Committee is composed of atleast three non-executive directors, majority of whom should be independent, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of RPT Committee including their qualifications and type of directorship.	Refer to company website for details of qualification and for the type of directorship refer to GIS.
Recommendation 3.6			
1. All established committees have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations reporting process, resources and other relevant information.	Compliant	Provide information or link/reference to the company's committee charters, containing all the required information particularly the functions of the Committee that is necessary for performance evaluation purposes.	Refer to Annexes 1 to 4 of CGGM
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company website.	Compliant	Provide link to company's website where the Committee Charter are disclosed.	Please refer to Valucare website
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.			
Recommendation 4.1			
1. The Directors attends and actively participates in all meetings of the Board, Committee and shareholders in person or through tele/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Provide information on or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to document containing information on the attendance and participation of directors to Board, Committee and shareholders meeting.	Please refer to Annual Report in the Company Website
2. The directors review the meeting for all Board and Committee meetings.	Compliant		Reading of the minutes before agenda discussion
3. The directors asks the necessary questions or seek clarification and explanations during the Board and Committee meetings.	Compliant	Provide information or link/refrence to a document containing information on any questions raised or clarification/explanation sought by directors.	
Recommendation 4.2			
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.	Compliant	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.	No specific policy but the current directors has no concurrent directorship to a maximum of five ICREs and publicly listed companies.
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	Provide copy of written notification to the board or minutes of the board meeting wherein the matter was discussed.	No additional acceptance of directorship in another company for year 2020.
Principle 5: The board should endeavor to exercise an objective and independent judgement on all corporate affairs.			
Recommendation 5.1			
1. The Board is composed of at least twenty percent (20%) independent directors.	Compliant	Provide information or link/reference to a document containing information the number of independent directors in the board.	Refer to GIS and CGM Section 1.1 page 4
Recommendation 5.2			
1. The independent directors possess all the necessary qualification and none of the disqualification to the position.	Compliant	Provide information on link/reference to a document containing information on the qualifications of the independent directors.	Refer to Valucare website
Recommendation 5.3			
1. The independent director 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 item.	Compliant	Provide information or link/reference to a document showing the years IDs have served as such.	Please refer to GIS record determine start of service as independent director.
2. The company bars an independent director from service in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on terms limits for its Independent directors.	All Independent Directors have served the term limit of less than 9 years since the effectivity of the circular.
3. 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	Provide on proof of submission of a formal written justification to the Insurance Commission and proof of shareholders' approval during the annual shareholders' meeting.	All Independent Directors have served the term limit of less than 9 years since the effectivity of the circular.
Recommendation 5.4			
1. The position of the Chairman of the Board and Chief Executive Officers are held by separate individuals.	Compliant	Identify the company's Chairman of the Board and Chief Executive Officer.	Chairman of the Board - Samuel D. Ang, MD and the President and CEO is Patricia L. Tan, MD
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Provide information or link/reference to a document containing information on the role and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO	Refer to Company By-Laws and CGG Manual
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.	Compliant	Provide information or link/reference to a document containing information on lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.	Refer to GIS and CGG Manual
Recommendation 5.6			

1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberation the same.	Compliant	Provide proof of abstenation, if this was the case.	No existing transaction that would affect director's matrial interest.
Recommendation 5.7			
1. The non-executive directors (NEDs) have a separate periodic meetings with the external auditor and heads of 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	Provide proof of details of said meeting, if any. Provide information on the frequency and attendees of meetings.	For year 2020 only report submissions were done by Internal Auditor due to pandemic.
2. The meetings are chaired by the lead independednt director.	Compliant		For year 2020 only report submissions were done by Internal Auditor due to pandemic.
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluation to			
Recommendation 6.1			
1. The Board conducts an annual assessment of its performance as a whole.	Non-Compliant	Provide proof of annual assessments conducted for the whole board, the individual members, the Chairman and the Committee.	Policies and procedures (Committee Charter) are already in place in the Corporate Governance Manual. This is now in progress.
2. The performance of the Chairman is assessed annually by the Board.	Non-Compliant		
3. The performance of the individual member of the Board is assessed annually by the Board.	Non-Compliant		
4. The performance of each committee is assessed annually by the Board.	Non-Compliant		
5. Every three years, the assessment are supported by an external facilitator.	Non-Compliant	Identify the external facilitator and provide proof of use of an external facilitator.	
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 committee.	Compliant	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of board, individual directors and committees, including a feedback mechanism from shareholders.	Refer to CGGM on board assessment under pages 15 & 16 Part X.
2. The system allows for a feedback mechanism from the shareholders.	Non-Compliant		Policies and procedures (Committee Charter) are already in place in the Corporate Governance Manual. This is now in progress.
Principle 7: Members of the Baord are duty-bound to apply high ethical standards, taking into account in the interest of alll 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 artivulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	Refer to Policy and Procedure of HRD Code Business Conduct & Ethics.
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employee.	Refer to memo issued
3. The Code is disclosed and made available to the public through the company website.	Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	Refer to Valucare 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	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and Internal policies.	Please refer to Valucare website for the copy.
2. Board ensures the proper and efficient implementation and monitoring of company internal policies.	Compliant	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with the best practices and			
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 defines fair and complete picture of a company's financial condition, results and business operations.	Compliant	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.	Please refer to Annual Report and Annual Financial Statements in the Company Website
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 judgement.	Compliant	Provide link/refrence to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	Please refer to Corporate Good Governance Manual and GIS in the Company Website
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 judgement.	Compliant	Provide link/reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	
Recommendation 8.4			
1. Company provide a clear disclosure of its policies and procedure for settling Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and Revised Corporation Code.	Compliant	Disclose or provide link/reference to the company policy and practice for setting board remuneration.	Please refer to Corporate Good Governance Manual
2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code.	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration.	Please refer to Corporate Good Governance Manual
3. Company discloses the remuneration on an individual basis, including termination and retirement provision.	Compliant	Provide breakdown of director remuneration and executive compensation , particularly the remuneration of CEO.	The Chairman, the President/CEO, Treasurer and one BOD member are receiving allowance. The rest of the BOD members receive a per diem per meeting attendance.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occuring transactions.	Compliant	Disclose or provide link/reference to company's RPT policies Indicate if the director with conflict of interest abstained from the board discussion on the particular transaction.	Refer to Annex 4, RPT Board Level Committee Charter pages 28 to 29 of the CGGM

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.	Compliant	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: 1. Name of related counterparty; 2. Relationship with the party 3. Transaction date; 4. Type/nature of transaction; 5. Amount of contract price; 6. Terms of the transaction; 7. Rationale for entering into the transaction; 8. Required approval (i.e. names of the board of directors approving, names and percentage of the shareholders who approved) based on the company's policy, and 9. Other terms and conditions.	Refer to GIS disclosed RPT
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to a company's website where the Manual on Corporate Governance is posted.	Please refer to the uploaded CGGM in the Company Website
2. Company's MCG is posted in the company website.	Compliant		
Disclosure and Transparency			
Principle 9: The company should establish standards for the appropriate selection of 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	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	Refer to Annual Stockholders' Meeting /Special Meeting
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	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	Refer to Annual Stockholders' Meeting /Special Meeting
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	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	Refer to CGM
Recommendation 9.2			
1. The Audit Committee Charter includes the Audit Committee's responsibility on: I. Assessing the integrity and independence of external auditors; II. Exercising effective oversight to review and monitor the external auditor's independence and objectivity; and III. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine profession and regulatory requirement.	Compliant	Provide link/reference to the company's Audit Committee Charter.	Refer To Annex 2 of CGGM page 21-23
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	Provide link/reference to the company's Audit Committee Charter.	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with potential conflict of interest.	Compliant	Disclose the nature of non-audit services performed by the external auditor, if any.	There's no non-audit services to be disclosed.

2. Audit Committee stays alert for any potential conflict of interest situation given the guidelines or policies on non-audit services which could be viewed as impairing the external auditor's objectivity.	Compliant	Provide link or reference to guidelines or policies on non-audit services.	There's no non-audit services to be disclosed. If in case, there's any, External Facilitator will act upon any potential conflict of interest findings.
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 under sustainability.	Compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information including EESG issues.	Please refer to Annual Report in the Company Website
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	
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	Disclose and identify the communication channels used by the company(i.e. website, Analyst's briefing, Media briefings/press conferences, Quarterly reporting, Current reporting, etc.) Provide links, if any.	Refer to Valucare website
Principle 12: To ensure 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. The company has an adequate and effective internal control system in the conduct of its business.	Compliant	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system.	Operations, Financial, Compliance, IT, Branch and Investigative Audits as well as Process Review Annually
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Identify international framework used for Enterprise Risk Management. Provide information or reference to a document containing information on: 1. Company's risk management procedure and process 2. Key risks the company is currently facing 3. How the company manages the key risks Indicate frequency of review of the enterprise risk management framework	Please refer to the ERM Framework in the Company Website Annually
Recommendation 12.2			
The company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	Disclose if internal audit is in-house or outsourced. If outsourced, identify external firm.	Company has an established Organizational Chart
Recommendation 12.3			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board	Compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a	Please refer to Matrix of Committees

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	document containing his/her responsibilities.	
3. In case of 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.	Compliant	Identify qualifies independent executive or senior management personnel, if applicable.	The company has an existing employed Internal Audit Team.
Recommendation 12.4			
1. The company has a separate risk management function to identify, assess and monitor risk exposure.	Compliant	Provide information on the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	Refer to CGGM, Annex 3.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also reconizem 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	Provide link or reference to the company's Manual pn Corproate Governance where shareholders' rights are disclosed.	Refer to CGGM
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to the company's website.	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholder's Meeting with sufficient and relevant information at least 21 days before the meeting.	Compliant	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. Provide link to the Agenda included in the company's Information Sheet	Refer to Articles of Incorporation and CGGM
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	Provide information or referenc to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM.SSM.	refer to Annual Shareholders' Meeting Minutes
2. Minutes of the Annual and Special Shareholder's Meetings are available on the company website within five business days from the end of the meeting.	Compliant	Provide link to minutes of meeting in company website. Indicate voting results for all agenda itemsm including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any.	Please see Valucare website
Recommendation 13.4			


1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.	If in case, there will be dispute in the future, Company will refer to an Independent Legal Counsel and SEC accordingly.
2. The alternate dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance.	
Duties to Stockholders			
Principle 14: The right of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interest are at stake, stakeholders should have the opportunity to obtain prompt effective redress for 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	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for shareholders.	Refer to GIS or Articles of Incorporation
Recommendation 14.2			
1. Board establishes clear policies and programs to provide mechanism on the fair treatment and protection of stakeholders.	Compliant	Identify policies and programs for the protection and fair treatment of the company's stakeholders.	Refer to CGGM
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	Provide the contact details (i.e. name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders.	Refer Valucare website for details
Principle 15: A mechanism for employee participation should be developed to create a symbolic environment, realize the company goals and participate in its corporate governance process.			
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	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	Refer to 2020 Business Planning Summary Report
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	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.	Refer to Code of Conduct and Ethics
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Identify how the board disseminate the policy and program to employees across the organization.	The information is cascaded through Management Committee meetings.
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees freely communicate their concerns about illegal or unethical practices, without fear and retaliation.	Compliant	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.	Please refer to Valucare website on Whistle blowing policy
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	Indicate if the framework includes procedures to protect the employee from retaliation.	
	Compliant	Provide contact details to report any illegal or unethical behavior.	

3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	
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 business and society, and promotes a mutually beneficial relationship what allows the company to grow its business, while contributing to the advancement of the sciety where it operates.	Compliant	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	Refer to Valucare website for 2020 CSR activity

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 Quezon City on the 6th of AUGUST 2021


Samuel D. Ang

CHAIRMAN OF THE BOARD

Signature over printed name


Roberto L. Tan

CORPORATE SECRETARY

Signature over printed name


Owen Y. Lee

INDEPENDENT DIRECTOR

Signature over printed name


Patricia L. Tan

PRESIDENT/CEO

Signature over printed name


Reynaldo M. Magdulot

**CORPORATE GOVERNANCE
COMPLIANCE OFFICER**

Signature over printed name


Robertson K. Laurel

INDEPENDENT DIRECTOR

Signature over printed name

SUBSCRIBED AND SWORN to before me this 6th day of AUGUST, 2021, 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. SAMUEL D. ANG	DRI LIC: N08-70-009590	
2. PATRICIA L. TAN	RRC REG. NO. 0046558	
3. ROBERTO L. TAN	TIN NO: 124-978-852-000	
4. REYNALDO M. MAGDULOT	PASS. NO: P8456613A	
5. OWEN Y. LEE	PASS. NO: P6344890A	
6. ROBERTSON K. LAUREL	DRI LIC: N01-88-071311	

NOTARY PUBLIC

ATTY. EDWARD T. ONG

NOTARY PUBLIC

Roll No. 49706

IBP LRN 07814; 08-08-08; QC

117 E. Rodriguez, Sr. Avenue, QC

PTR No. 0730400; 01-05-21; CQ

MCLE Certificate No. VI-0026794; 04-14-2022

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