



2018

**ANNUAL  
REPORT**

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## OUR VISION

*To be the number one managed care organization in the Philippines, globally competitive in providing holistic care with compassion to the Filipino people.*

## OUR MISSION

### **We commit:**

#### **To provide**

*affordable quality health care and promote the well-being of our plan members.*

#### **To determine**

*risks and rewards to foster harmonious alliances and keep our providers and intermediaries abreast with the latest tools and approaches in assessing quality in managed care.*

#### **To develop**

*opportunities for personal and professional growth of our employees to improve their quality of life.*

#### **To ensure**

*fair returns of investment to our shareholders.*

#### **To lead**

*in uplifting the industry's standard through innovative strategies, health reform efforts, research and technology.*

#### **To contribute**

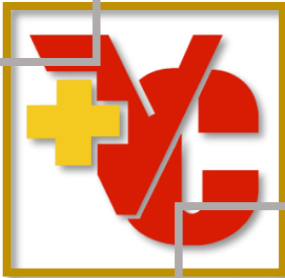
*to the socio-economic progress of the nation through a healthy citizenry.*



# ValuCare at Glance

1997

Established by group of doctors and took office at Tektite Towers in Ortigas



2015



Transferred its operation center to its new corporate headquarters

1,355

Total network of hospitals and clinics



1,011

Accredited dental facilities



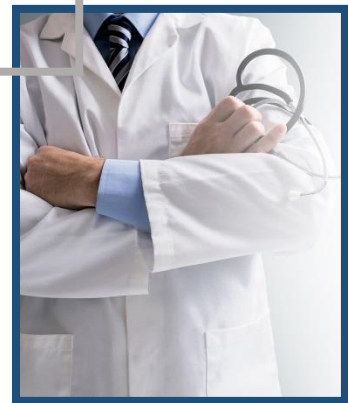
300

Initial work force started at 20 multitasking employees and now grown to 300 work- force



19,692

Medical specialist providing service to VCHSI members

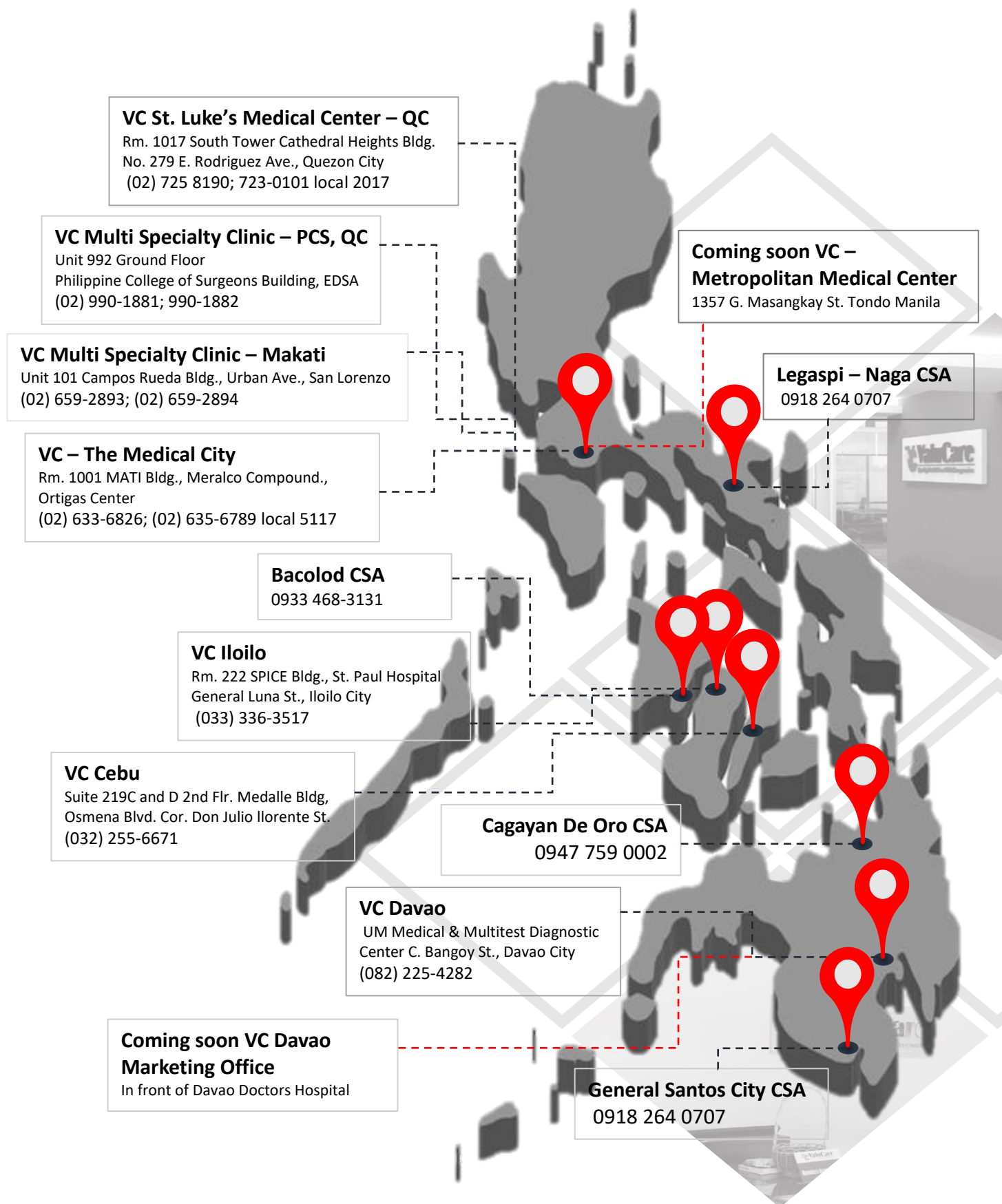


319,084

Enrolled members and some of them have been with us for the last 15-20 years



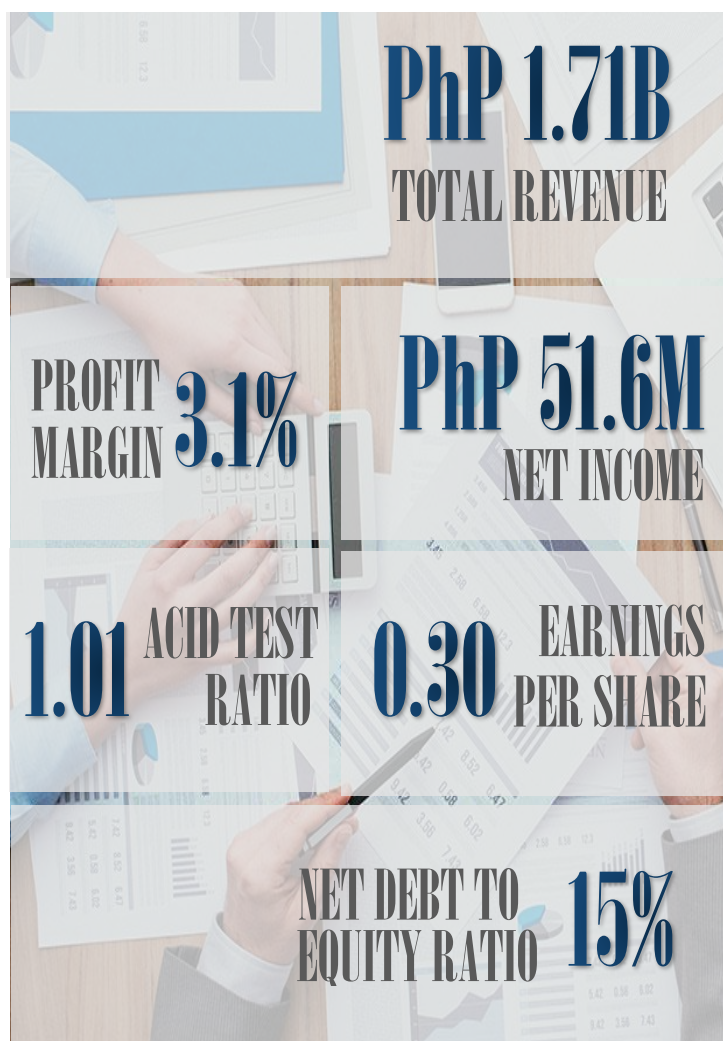
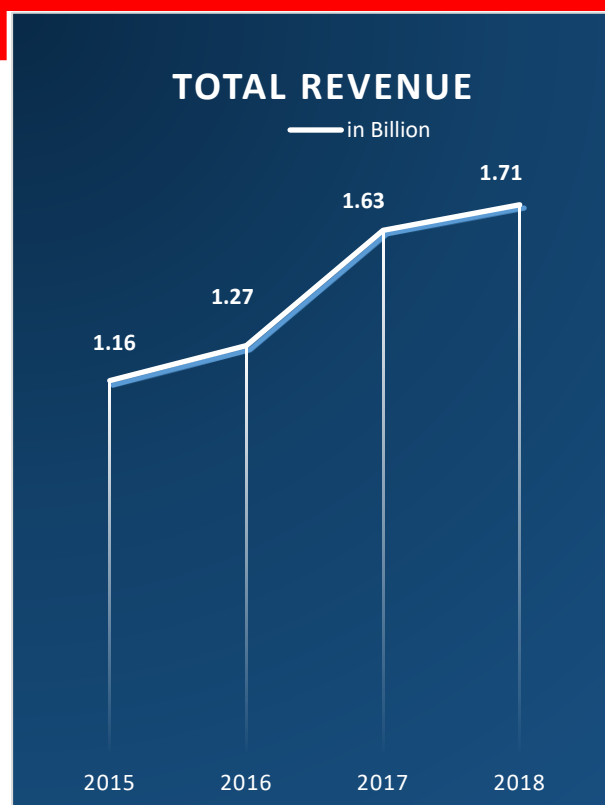
# VC Satellite Offices in the Philippines





## Financial highlights

FINANCIAL ITEMS (in millions)	2018	2017
REVENUES	1,678.3	1,620.8
COST OF SERVICES	1,430.1	1,316.4
GROSS PROFIT	248.2	304.4
OPERATING EXPENSES	206.8	210.0
INCOME FROM OPERATIONS	41.4	94.4
FINANCE INCOME	7.1	6.5
FINANCE COST	(0.4)	-
OTHER INCOME - NET	20.5	7.3
INCOME BEFORE INCOME TAX	68.6	108.2
INCOME TAX EXPENSE	18.9	34.6
NET INCOME	49.7	73.7
OTHER COMPREHENSIVE INCOME	1.9	(0.0)
NET INCOME	51.6	73.6
TOTAL ASSETS	1,816.06	1,372.92
TOTAL LIABILITIES	1,368.51	1,001.44
TOTAL EQUITY	447.55	371.48



## President's Report



To our fellow shareholders,

I am pleased to report ValuCare's advancements in terms of our service commitments in 2018. ValuCare, in its 22 years in the Health Maintenance Organization (HMO) business, remains to be one of the top five of the country's leading HMO.

Let me start with the high point of our financial performance.

### Financial Performance

ValuCare performed well and sustained its profitability in 2018, delivering excellent results particularly with a return on equity (RoE) of 29.74% and earnings per share (EPS) of PhP 0.30. Total revenue reached PhP 1.71 billion in 2018 surpassing the PhP 1.63 billion in 2017.

Our net income after taxes amounted to PhP 51.6 million and a profit margin ratio of 3.1%.

Reflecting the positive outcomes in operating and financial performance is our strong balance sheet. Cash and Cash equivalents as at year-end was PhP1.04 billion, excluding other financial assets and investments that are classified under other noncurrent assets and other current assets according to their maturities.

Liquidity ratio (i.e., acid test ratio) has been increased from 0.89 in 2017 to 1.01 in 2018.

Our membership base increased from 313,541 in 2017 to 319,084 as of December 2018.

The total membership fee derived by Sales in 2018 amounted to PhP 2.02 billion. As of June 30, 2019, total membership fee amounted to PhP 1.27 billion.

### Operational Thrusts

For our thrusts in operational transformation and increased sales growth, we have identified measures both complementary and supplementary.

1. We have acknowledged the need to upskill our talents in the age of automation and intense business enterprises. We initiated the Customer C.A.R.E and Sales Trainings in December 2018.
2. ValuCare has maintained its competitive edge with its expanded network of 1,363 accredited hospitals and clinics, 994 dental clinics, and 19,692 medical specialists.
3. In targeting client satisfaction, we recognized other marketing avenues for ValuCare.

One pathway is through our active participation during Wellness activities and related events of our accounts like PAL Express and SM Group of Companies.

Such was and is being accomplished by increasing our roster of partner sponsors including sponsored speakerships. Our sponsors include Fern, Betadine, Pocari Sweat, Sachie-Rocio Beaute & Health Inc., Eau Thermale Avene, Ace Water Spa, Dove Dermaserie, Jeanne & Jamie's RECIPES, Forever Healthy Products Inc., Trampoline Park, Aster DM, etc.

We also increased our roster of active speakers in Surgery, Psychiatry, Nutrition and Occupational Health including the only DOLE-accredited OSH Practitioner in Cebu.

We also undertook for the first time the bidding for BDO's clinic management at seven (7) different corporate sites nationwide in Makati, Ortigas, Greenhills, Binondo, Alabang and Davao. Further and as compliance to Occupational Safety and Health Standards Law, our deployed nurses underwent the Basic Occupational Safety and Health (BOSH) training.

One of our important preparations last year was the expansion of ValuCare Satellite Offices. Today, we have opened our new offices in Davao and Metropolitan Medical Center in Manila.

Our new Davao Marketing Office is strategically located across Davao Doctors Hospital. The office also boasts of a clinic set up with Specialist Physicians in Dermatology, Internal Medical, OB Gynecology and ENT. The structure is both an additional and cost controlling service by ValuCare.

### **A Commitment to Responsible Citizenship**

ValuCare constantly fulfills its social commitment through chosen charities. ValuCare was also classified by the Bureau of Internal Revenue as one of the large taxpayers in the country, making us one of the top contributors in achieving government's social and economic obligations.

### **Challenges**

Our highlights and initiatives in 2018 were not without challenges. With pride, most challenges we successfully hurdled and others we continuously maneuver to our advantage.

However hopeful we were for the launching of the e-Care App last year, we decided not to pursue the endeavor. The App was engineered by the Taiwan based company of Eureka. We envisioned it as the very first Mobile Medical Concierge in the country with less call and waiting times by members, hospital and clinic providers. A member anywhere in the Philippines may seek eligibility for outpatient consults via the App. Similarly, requests for outpatient laboratory and procedures may also be coursed through the e-Care. Our team met with our top providers like the Mount Grace Group, Chong Hua Hospital in Cebu and Davao Doctors Hospital for the pre-launch preparations. Eureka, unfortunately, failed to deliver on important particulars like the IOS App for Iphone use, Provider Report, integration of the Medical History via e-Care and our own HMS system. Our Operations, though, safeguarded our interests by ensuring that fee for service to Eureka is only after presentation of a comprehensive service App to ValuCare.



Accessibility is still our main concern in the core of our daily transactions. The frequent complaint is the difficulty of calling our Customer Care Department (CCD). The brain drain of the country for nurses and medical allied graduates, not only affects the hospitals, but our industry as well. Currently, we have half of the number of Customer Service Associates of what is required to fill the seats in CCD. The work comprises of a 10-hour schedule per day per Service Associate. We are encountering continuous attrition of our remaining nurses due to open employment in Japan. We are, thus, tasked to hire graduates from any field needing longer training and more vigilant supervision.

We are not without effort. With the use of the Medilink System for monitoring of nationwide availments, we initiated calling providers and members alike. This Call Out Program enhances our first day touch point and improves accessibility with a distinctive service towards our clients' convenience.

We also established a dedicated team for our non-voice platform, via website chat, to meet the volume of internet users.

We are presently in talks with PLDT for its Managed Unified Communications Solutions providing upgrade of our PABX and enhancement of our Contact Center platform. This includes call handling monitoring, data cloud storage as part of our Disaster Recovery Program. Cormant Technologies, as an understudy, provides solutions for automation of our manual workflows, task and mobile tracking of our Liaison Officers.

All things still are auspicious.

In the arena of fierce competition, we do not merely trudge on but thrive and prosper. We have much to be grateful for. More so, we still have much to work for.

Thank you to the Board of Directors for the vision to aspire. Our Management team and employees for the resilience to achieve and shareholders and customers for the bestowal of the unceasing trust.

***Dr. Patricia L. Tan***  
***President and CEO***



***Dr. Samuel D. Ang***

## ***The Chairman***

Dr. Samuel D. Ang practices Surgery and specializes in Oncology.

After graduating Magna Cum Laude at the University of Santo Tomas in 1975, Dr. Ang spent his internship at Santo Tomas University Hospital in 1976 and at St. Thomas Medical Center in Akron, Ohio in 1978. Dr. Ang also completed his General Surgery Residency at the Hospital of the University of Pennsylvania in 1982.

Currently holds the position as Chairman for the Department of Surgery and as Associate Medical Director at Chinese General Hospital and Medical Center. He also serves as Director Emeritus for Cancer Institute at St. Luke's Medical Center. He was the former Chairman of the Philippine Board of Surgery, Inc. He is also a member of various scientific societies here in the Philippines and abroad such as Philippine Medical Association, Philippine Society of General Surgeons, Surgical Oncology Society of the Philippines, Philippine Breast Cancer Society and Society of Surgical Oncology in Atlanta, USA.



***Dr. Patricia L. Tan***

## ***The President and CEO***

Dr. Patricia L. Tan is a graduate from Far Eastern University with a Bachelor of Science Degree in Preparatory Medicine in 1977. Dr. Tan spent her internship at AFP Medical Center from May 01, 1977 to April 30, 1978 and continued her residency training at Chinese General Hospital and Medical Center under the Department of Obstetrics and Gynecology from 1978 to 1981. She attended various fellowship and passed a number of

specialty board exam. Dr. Tan is also affiliated with various medical societies such as Philippine Obstetrical & Gynecological Society, Philippine Medical Association and Manila Medical Society. She further attended several advanced courses and medical workshops both here and abroad.

Dr. Tan is a Senior Consultant and a Member of the Admitting Committee of the Department of Obstetrics and Gynecology in Chinese General Hospital and Medical Center, a reputable hospital in the country. She is currently the President and Chief Executive Officer of Value Care Health Systems, Inc., one of the leading HMO in the Philippines.



► **Dr. Josefina C. Chua**  
Treasurer

Born in June 14, 1951, Dr. Josefina Chua graduated from Far Eastern University with a degree in Bachelor of Science in Nursing last 1972. Business-minded and driven, she immersed herself in hospital administration back in 1981. She is also very active in many healthcare-related businesses. She is a board member of ValuCare Health Systems, Inc., New World Diagnostics Laboratory and Mdpharma, Inc. During her free time, she travels and spends time with her family. She is currently a practicing pediatrician in the Chinese General Hospital and Medical Center.



► **Dr. Charles C. Chante, Sr.**  
Board Member

Dr. Charles C. Chante, Sr. is a graduate of University of Santo Tomas, College of Medicine in 1961 and specializes in Gastroenterology. He completed his residency at Vienna University Hospital in Vienna, Austria in 1966 and continued with his fellowship training in Liverpool School of Tropical Medicine in England in 1968. He was the Executive Vice-President of hospital Managers, Inc. in 1988, served as the President of the Filipino-Chinese Medical Society from 1987 to 1989. He was also the Vice-Chairman and Treasurer of Asia Brewery Medical Specialty Scholarship Foundation. Dr. Chante was also one of the top officers of two of the country's prestigious hospitals. He was an EVP and Chief Operating Officer of Cardinal Santos Medical Center in 1988 and was an Assistant Medical Director of Chinese General Hospital and Medical Center from 1988 to 1990. He headed the Gastroenterology, Hepatology Internship Training Program at Chinese General Hospital and Medical Center from 1975 to 1998. Dr. Chante remains to be an active consultant in Gastroenterology in Metropolitan Hospital Manila and Cardinal Santos Medical Center. Dr. Chante is a prominent member of the Federation of Filipino-Chinese Chamber of Commerce. Aside from his medical accomplishments, Dr. Chante also finds time to write as one of the columnists of the country's leading newspaper, The Philippine Star. Dr. Chante has proven his expertise in line of medicine through his numerous awards both here and abroad.



► **Dr. Lawrence O. Gotamco**  
Board Member

Dr. Lawrence O. Gotamco is a graduate with a Bachelor of Science Degree in Preparatory Medicine at University of Santo Tomas in 1978. He finished his medicine study at the same school in 1982 and completed his internship in 1983. Dr. Gotamco assumed his residency training in General Surgery from 1984 to 1988 at Chinese General Hospital and became Chief Resident. Dr. Gotamco was the former Vice Chairman of the Operating Room Committee of Chinese General Hospital and Medical Center and remains to be an active consultant of the hospital. He is also affiliated as a visiting consultant at Cardinal Santos Medical Center. Dr. Gotamco also attended various medical workshops both here and abroad.





► **Dr. Jose Y. Garcia, Jr.**  
Board Member

Dr. Jose Y. Garcia graduated with flying colors from medical school in the University of Santo Tomas. Dr. Garcia was ranked number one in three major exams—the Philippine Board of Medicine Licensure Exam, the Philippine College of Physician Licensure Exam and the Philippine Society of Nephrology Licensure Exam. Dr. Garcia went to the United States of America and pursued residency training in Internal Medicine in St. Luke's Hospital at Cleveland, Ohio. Afterwards, he sought fellowship training in Hypertension and Nephrology in the Cleveland Clinic Educational Foundation. A very passionate and dedicated teacher, Dr. Garcia has inspired many students to follow in his footsteps to become full-fledged nephrologists. Dr. Garcia is an active member of the American College of Physicians, Philippine College of Physicians, Philippine Medical Association and Philippine Society of Nephrology. Dr. Garcia currently practices in Chinese General Hospital, Cardinal Santos Medical Center and Tricity Medical Center.



► **Dr. Cesar S. Co**  
Board Member

Dr. Cesar S. Co is a Bachelor of Science Degree holder from the University of Santo Tomas. Dr. Co finished his Medical Degree in 1975 from the same school. Dr. Co completed his internship in various hospitals from 1975 to 1981 and continued his medical training abroad. Dr. Co held several key positions in Philippine Board of Radiology from 1990 to 1997. Dr. Co is currently the Chairman of Department of Radiology of two prestigious hospitals namely Chinese General Hospital and Cardinal Santos Medical Center. Dr. Co was frequently invited as a speaker in various seminars and attended numerous conventions both here and abroad.



► **Mr. Johnlu Koa**  
Independent Director

Mr. Johnlu Koa, founder of The French Baker, had an academic career before his bread business took off. He earned his MBA from the University of the Philippines (UP) after earning a degree in Business Administration from the same university. While earning his master's degree, Koa taught Business Administration in UP, and was later appointed Secretary of the College of Business Administration.

Mr. Koa was named one of The Outstanding Young Filipinos in 1996 for his commitment to his company and to the baking industry. He was also honored by the UP College of Business Administration with the Alumni Association Professional Award in the field of Entrepreneurship. He was also named one of the 500 Great Asians of the 21st Century by the Bibliotheque Worldwide Organization in the US.

Mr. Koa has not yet run out of business ideas for the future. His plans for expansion include standalone stores, as well as outlets in Hong Kong and China. He also plans to set up a flour mill that will cater to the specific needs of the local baking industry, and for The French Baker to be listed on the Philippine Stock Exchange.



► **Mr. Robertson K. Laurel**  
Independent Director

Mr. Robertson K. Laurel is a graduate from Ateneo de Manila University with a Bachelor of Arts degree in English. He took up his Masteral in Philosophy also at the same school in 2001. In 2005, Mr. Laurel finished his Doctorate course in Literature at the University of the Philippines. Mr. Robertson K. Laurel is a partner and currently the Chief Executive Officer of Sunfu Solutions, Inc., one of the leading companies in the field of medical equipment technology.



► **Mr. Owen Y. Lee**  
Independent Director

Mr. Owen Y. Lee graduated Cum Laude at the University of the East, Philippines in 1968. A holder of a Bachelor's Degree in Business Administration majoring in Accountancy, Mr. Owen Y. Lee passed the Philippine Government Examination Board exam and became Certified Public Accountant (CPA) in 1969. He also took Advance Management Program at Banff School of Advance Management in Canada. He started as Junior Auditor in SGV & Co and was assigned in Singapore office until promoted as Audit Partner of SGV Goh Tan & Co/Deloitte Haskins & Sells in 1982. Backed with years of experience in Public Accounting, Mr. Owen Lee served as the Financial Director and Consultant of various companies engaged from real estate developments, shopping malls, courier and freight forwarding and banking. He is the owner and Director of Franchise Retail Stores. Mr. Owen Lee is a member of the Audit Services Committee of the worldwide body of Deloitte Haskins & Sells International (DHSI). This committee is responsible for audit policies to be implemented by all member firms of DHSI.

## The Executive Committee



**DR. SAMUEL D. ANG**  
Chairman



**DR. PATRICIA L. TAN**  
President /  
Chief Executive Officer



**MR. ARMANDO S. MACALINO**  
Executive Vice President /  
Chief Operating Officer



**MS. SHIRLEY M. CATIBOG**  
Chief Finance Officer

# THE MANAGEMENT COMMITTEE



**ARMANDO S. MACALINO**

Executive Vice President / Chief Operating Officer



**RONALDO V. MENDOZA, MD**  
Medical Director  
Customer Care &  
Provider Relations



**ELMER M. PALOMATA, MD**  
Assistant Vice President  
Claims Administration



**MA. ELOISA TAN, MD**  
Executive Assistant for  
Operations



**JEFFERY B. COPIACO**  
Manager  
Information and  
Communication  
Technology / Data  
Protection Officer



**TITO PAUL DAREL BORBON**  
Manager  
Accounting



**GREGORIO V. MAGBALON**  
Manager  
Billing & Collection



**REYNALDO M. MAGDULOT**  
Manager  
Actuarial, Contract  
Admin & Util. Mgt. / IC  
Compliance Officer



**ROSEMARIE M. MAGBIRAY**  
OIC  
Sales & Marketing



**MHYRA B. BELLEZA**  
Assistant Manager  
Members Data  
Administration



## Corporate Governance

Last December 19, 2016, the Board of Directors of the Company had complied with the Insurance Commission Circular Letter 2016-51 to enhance customer and investor confidence. Such Circular also defines corporate accountability and aligns existing requirements with other IC-controlled entities.

Pursuant to this Circular, ValuCare submitted the following:

- a. List of Members of the Board of Directors identifying the independent directors and the list of officers indicating their respective position, accompanied by their respective Bio-Data and NBI Clearance.
- b. Affidavit under Oath that the independent director had no business dealings with ValuCare.

Under the principle of corporate governance, the board should lead and control the Company and ensure its success. The Board shall:

- a. Provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enable the risks to be assessed and managed;
- b. Set the company's strategic aims;
- c. Ensure that the necessary financial and human resources are in place in order for the company to meet its objectives and review management performance;
- d. Set the company's values and standards; and
- e. Ensure that the obligations to shareholders and other stakeholders are understood and met.

### Roles and Responsibilities of the Board

The Company believes that compliance with the principles of good corporate governance starts with the Board of Directors. The Board of Directors perform the crucial role of determining and reviewing Company's purpose, vision and mission, and strategies to carry out its objectives. They ensure that the strategic business directions are soundly established and are in line with the overall goals and strategy. They must also be mindful of their responsibility to foster long-term success and secure the Company's sustained growth and competitiveness across the industry.

The Board shall:

1. Review and adopt a strategic plan for the company;
2. Oversee the conduct of the company's business to ensure that the business is being properly managed and dealings with policyholders, claimants and creditors are fair and equitable;
3. Identify principal business risks and ensure the implementation of appropriate risk management systems to specifically manage the underwriting, reinsurance, investment, financial, and operational risks of the company;
4. Approve corporate policies in core areas of operations, specifically underwriting, investments, reinsurance and claims management;

5. Plan succession, including appointing, training, fixing the compensation of, and where appropriate, replacing senior management;
6. Develop and implement an investor relations program or adopt shareholder communications policy for the company;
7. Review the adequacy and the integrity of the company's internal control systems and management information systems including systems for compliance with the Insurance Code and other applicable laws, regulations, rules, directives and guidelines;
8. Select and appoint officers who are qualified to administer insurance affairs soundly and effectively and to establish an adequate selection process for all personnel;
9. Apply fit and proper standards on personnel. It must have integrity, technical expertise and experience in the institution's business, either current or planned, which should be the key considerations in the selection process;
10. Establish an appropriate compensation package for all personnel that are consistent with the interest of all its stakeholders;
11. Review and approve material transactions not in the company's ordinary course of business;
12. Establish a system of check and balance which applies to the Board and its members;
13. Have an appropriate reporting system so that the Board can monitor, assess and control the performance of management;
14. Present to all its shareholders a balanced and understandable assessment of the company's performance and financial condition;
15. Appoint a Compliance Officer who shall be responsible for coordinating, monitoring and facilitating compliance with existing laws, rules and regulations; and
16. Appoint a Corporate Secretary who must ensure that all appointments are properly made, that all necessary information are obtained from directors, both for the company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the requirements of the Insurance Commission and other regulatory agencies.

The Board of Directors exercise all powers defined under the Corporation Code, and the relevant rules and regulations of governmental bodies.

### **Rights of Stockholders**

The rights of shareholders are of paramount importance in the Company's By-laws. The goal is to ensure the protection of shareholders' interests and concerns through the free exercise of shareholder rights. ValuCare shareholders have the responsibility and power as stated in Corporation Code and Company's By-laws, regardless of the number of shares they own, and have the rights to, among others:

- a. Nominate candidates for directors' position;
- b. Participate in the election of Board of Directors and in the general shareholders' meeting;
- c. Participate in the amendment of Articles of Incorporation and By-Laws;
- d. Authorize the issuance of additional shares; and
- e. Authorize the sale of company asset/s.

### **Annual Shareholders' Meeting**

As stated in the By-laws, the shareholders' meeting must be held once a year. The Corporate Secretary ensures that notice of meeting have been sent 15 days prior to designated date of meeting and a Proxy letter is attached for them to send their representative.

The 2018 Annual Shareholders' Meeting was attended by majority of the shareholders, including the Chairman Emeritus, Dr. Charles C. Chante, Sr., the incumbent Chairman, Dr. Samuel D. Ang and President/CEO, Dr. Patricia Tan and other members of the Board.

### **Dividend Policy**

As stated in the By-Laws, dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law and applicable rules and regulations.

### **Remuneration of Board Members**

The Remuneration/Compensation Committee ensures that the remuneration for directors and executives is consistent with ValuCare's culture, strategy, and business policies. By resolution of the Board, each director, shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

### **Risk Management and Control**

ValuCare established its Internal Audit and Risk Management Department. The team ensures the existence of policies to mitigate the Company's risk, and also the adequacy of ValuCare's internal controls. Based on Management's representation and the reasonable assurance provided by the audits conducted by MVCo. and Internal Audit, the Committee has reviewed and evaluated the Company's internal control system. The Committee is satisfied with the overall system in place and found this to be adequate and effective.

### **External Audit**

The Company's external auditor, Maceda Valencia and Co. (MVCo.), was evaluated, nominated, and recommended for re-appointment by the Audit Committee, and such recommendation was approved by the Board. The reappointment of MVCo. was thereafter confirmed by the shareholders in the Annual Stockholders' Meeting last May 29, 2018. The external auditor's fee for the audit of financial statements for the year 2018 amounted to PhP 558,700, which increased from PhP 544,320 in 2017.

### **Related Party Transactions**

Directors, executives and officers of ValuCare are required to disclose any transaction of their interest that may consider as conflict of interest. It is disclosed in the Audited Financial Statements under Note 17 for transactions related to conflict of interest. In 2018, there were no self-dealings made by the directors.



## Attendance of the Board

The Company had five (5) meetings from the last Annual Stockholders' Meeting on 02 August 2018. Below is the attendance of the board in the aforesaid meetings:

BOARD MEMBERS		2 Aug 2018	21 Nov 2018	7 Feb 2019	27 Mar 2019	13 Apr 2019	Percentage
1	Dr. Charles C. Chante, Sr.	✓	✓	✓	✓	✓	100%
2	Dr. Patricia L. Tan	✓	✓	✓	✓	✓	100%
3	Dr. Samuel D. Ang	✓	✓	✓	✓	✓	100%
4	Dr. Jose Y. Garcia, Jr.	✓	✓	✓	✓	✓	100%
5	Dr. Lawrence O. Gotamco	✓	✓	✓	✓	✓	100%
6	Dr. Josefina C. Chua	✓	✓	✓	✓	✓	100%
7	Dr. Cesar S. Co	✓	✓	✓	✓	✓	100%
8	Robertson K. Laurel	✓	✓	✓	✓	✓	100%
9	Johnlu G. Koa	Absent	✓	✓	✓	✓	80%

All the minutes of these meetings are kept by the Corporate Secretary, and available upon the request of the directors and stockholders.

### ***Venue of the Meeting***

All the meetings were held at the ValuCare Head Office located at 33 Meralco Avenue, Barangay San Antonio, Pasig City.



## Performance Reports for the Board and Criteria for Assessment

The board of directors are evaluated based on the following criteria:

- a. Conduct fair business transactions with the Corporation to ensure that their personal interests do not affect the decisions of the Board of Directors;
- b. Directors, whenever possible, shall avoid situations that would give rise to a conflict of interest. If transactions with other institutions cannot be avoided, it should be done in the regular course of business and upon terms not less favorable to the Corporation than those offered to others. The basic principle to be observed is that a director shall not use his position to make profit or to acquire benefit or advantage for himself and/or his related interests;
- c. Act honestly, in good faith and with loyalty to the best interest of the Corporation, its shareholders, and other stakeholders such as its investors, clients and the general public. A director must always act in good faith and with care which an ordinary prudent man would exercise under similar circumstances and shall always strive to promote the interest of all shareholders.
- d. Give due regard to the rights and interests of other stakeholders;
- e. Devote time and attention necessary to properly discharge their duties and responsibilities. They must constantly be aware of the Corporation's condition and be knowledgeable enough to contribute meaningfully to the Board of Directors' work. They must attend and actively participate in board and committee meetings, request and review meeting materials, ask questions and request explanations;
- f. Act judiciously before deciding on any matter brought before the Board of Directors;
- g. Exercise independent judgment. Directors shall view each problem or situation objectively. They shall not be afraid to take a position even though it might be unpopular. Corollary, they shall support plans and ideas that they think will be beneficial to the Corporation;
- h. Have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Insurance Commission, and where applicable, the requirements of other government agencies. A director shall also keep himself informed of the industry developments and business trends in order to safeguard the Corporation's competitiveness; and
- i. Observe confidentiality. Directors must observe the confidentiality of non-public information acquired by reason of their position as directors. They may not disclose said information to any other person without the authority of the Board of Directors.

Substantial majority of the members of the Board has attended 5 out the five (5) meetings of the Board as discussed above.

Based on the appraisal of the Chairman of the Board, the members of the Board have satisfactorily performed their duties and responsibilities.

### The Company's Shareholders

VALUECARE'S SHAREHOLDERS				
	NAME	TOTAL SHARES HELD	% OF OWNERSHIP	NATIONALITY
1	DR. CHARLES C. CHANTE, SR.	29,909,024	17.19%	FILIPINO
2	DR. SAMUEL D. ANG	17,090,871	9.82%	FILIPINO
3	DR. PATRICIA L. TAN	17,090,871	9.82%	FILIPINO
4	DR. JOSE Y. GARCIA JR.	17,090,871	9.82%	FILIPINO
5	DR. WILSON TAN-DE GUZMAN	14,483,789	8.32%	FILIPINO
6	DR. RODY SY	14,483,789	8.32%	FILIPINO
7	DR. LAWRENCE O. GOTAMCO	8,545,434	4.91%	FILIPINO
8	DR. JOSEFINA C. CHUA	8,545,434	4.91%	FILIPINO
9	DR. CESAR S. CO	8,545,434	4.91%	FILIPINO
10	DR. MA. LUISA GOTAMCO	7,241,893	4.16%	FILIPINO
11	DR. GEORGE GO	7,241,893	4.16%	FILIPINO
12	CHARLOTTE D. CHANTE	5,431,420	3.12%	FILIPINO
13	CHARLES D. CHANTE, JR.	5,431,420	3.12%	FILIPINO
14	ANTHONY CHENG	3,620,946	2.08%	FILIPINO
15	DR. REMEDIOS ONG	3,620,946	2.08%	FILIPINO
16	DR. LIGAYA DY	3,091,286	1.78%	FILIPINO
17	DR. EDUARDO CO	2,534,662	1.46%	FILIPINO
18	ROBERTSON K. LAUREL	1	0.00%	FILIPINO
19	JOHNLU G. KOA	1	0.00%	FILIPINO
TOTAL		173,999,985	100.00%	

## Key Company Policies

### Data Privacy Act

ValuCare recognizes its responsibilities under the Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, with respect to the data it collects, records, organizes, updates, uses, consolidates, or destructs from its members. The Company ensures that the privacy of its members, patients, employees, and accredited individuals are protected and managed.

As such, the Company had established its own policy to protect personal and sensitive personal information in accordance with the Data Privacy Act of 2012. The policy can be accessed on the following link – <https://www.valucarehealth.com/privacy.html>.

### Anti-Money Laundering Act

ValuCare submitted its Anti-Money Laundering Manual to the Insurance Commission. It aims to prevent any terrorist-financing activities or any form of money laundering on the membership of ValuCare or purchase of any ValuCare products.

The Company is committed to acting fairly and with integrity in all of its business dealings and relationships, and shall only conduct business with partners involved in legitimate business activities with funds derived from legitimate sources. The Company shall take reasonable steps to prevent and detect any illegal form of payments, and prevent the Company's financial transactions from being used by others to launder money or finance an illegal activity.

This policy applies to the members of the Board of Directors, ValuCare's officers, managers, employees, whether regular or contractual, its agents and other representatives, including its subsidiaries and affiliates.



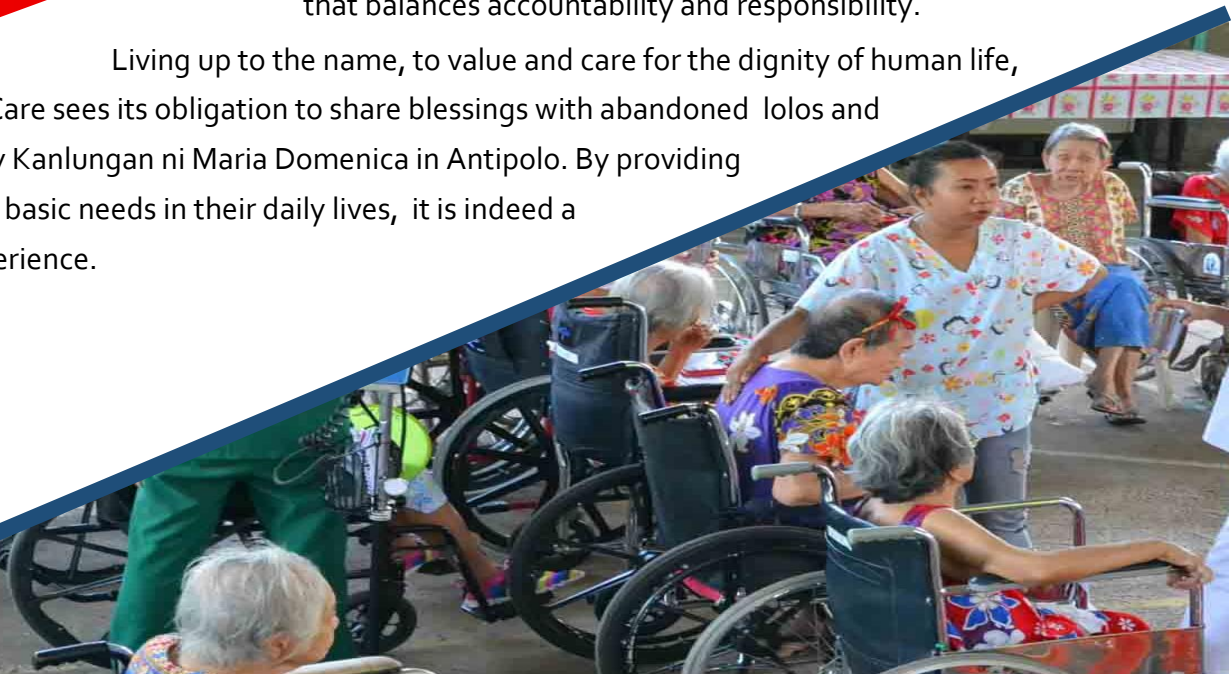
## *Corporate Social Responsibility*

## **Governance**

Guided by our Board of Directors, we continue to live up to being a

reputable and trustworthy corporate foundation that balances accountability and responsibility.

Living up to the name, to value and care for the dignity of human life, ValuCare sees its obligation to share blessings with abandoned lolos and lolas at Bahay Kanlungan ni Maria Domenica in Antipolo. By providing some of their basic needs in their daily lives, it is indeed a heartfelt experience.







## Talent Management

ValuCare's Human Resources (HR) team is at the forefront of building human capital through programs that are centered on attracting, optimizing, and retaining the right talent. We look for A-people who believe in our purpose and our brand promise, whose values are aligned with ours, and who will thrive in our culture. The HR team functions as the governance body that develops policies and standards and instills best practices across the Company, a business partner that provides value-added services to our business units, and a center of excellence for the Company.

The Management Committee conducts regular key performance reviews. Everyone is evaluated for succession and career aspirations and development options based on performance, competency, achievement, leadership capability, and potential.

### Total Rewards Philosophy

The Total Rewards Philosophy translates ValuCare's vision, strategy, and values into a framework that guides the design and decision making of base salary, short and long-term incentives, recognition, and benefits.

#### 2018 Objectives:

- To properly establish, maintain, and manage benefits for the employees of the Company.
- To provide accurate, competitive and equitable base pay to all employees, through the use of salary structures and standard policies and procedures.

For the year 2019, the Company's objective is to provide an effective compensation and benefits strategy that will motivate current employees and will be likewise used as a tool to attract new ones.

### **Learning & Development Philosophy**

Learning & Development needs to be performance related, designed with the intention to improve corporate, functional, team, and individual performance. All the individuals in the Company shall be provided equal opportunity to learn and develop.

2018 Objective:

- Create project plan for structured learning facility, which includes but not limited to: policies, processes, curriculum, and materials which are aligned with Company' goals and strategies.

In 2018, the Company conducted various trainings:

- PHP and My SQL Fundamentals (UPISSI) - March 24 - April 21, 2018 (5 Saturdays);
- 26th Creative and Effective Selling Techniques (CEST) (UPISSI) - May 19 - June 23, 2018;
- BIR - Computerized Accounting System Compliance for Medium and Large Taxpayers - June 21, 2018
- 31st Total Quality Management (TQM) Course (UPISSI) - August 11 - September 15, 2018;
- Customer C. A. R. E. (VC Head Office) - December 12-14, 2018



For the year 2019, the Company's objective is to create project plan for structured learning program, which includes but not limited to: trainings/ seminars, scholarship grant, in coordination with the department heads in identifying those that are applicable to their respective subordinates.