

July 25, 2023

Hon. Atty. Reynaldo A. Regalado
Insurance Commissioner
Insurance Commission
United Nation Ave.
Ermita, Manila



Dear Atty. Regalado,

We are pleased to submit the **ANNUAL CORPORATE GOVERNANCE REPORT (AGCR)** for the year 2022 of Eastwest Healthcare Inc.

Sincerely yours,

Eastwest Healthcare Inc.


GINALYN V. LURO
VP- Internal Audit/Compliance Officer



ANNUAL CORPORATE GOVERNANCE REPORT OF
EASTWEST HEALTHCARE, INC.



**ANNUAL CORPORATE GOVERNANCE REPORT OF
EASTWEST HEALTHCARE, INC.**

1. For fiscal year ended **December 31, 2022**
2. Certificate Authority Number **HMO-2023-14-R**
3. **Makati City, Metro Manila, Philippines**
Province, Country or other jurisdiction of incorporation of organization.
4. **6F Makati Executive Center V.A. Rufino cor. Leviste St., Makati City** 1209
Address of the Principal Office Postal Code
5. **(632) 8-8173333**
Company's telephone number including area code.
6. www.eastwesthealthcare.com.ph
Company's official website.
7. **NOT APPLICABLE**
Former name, former address and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

RECOMMENDED CORPORATE GOVERNANCE PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Provide information or link/reference to a document containing information on the following:	
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 them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance Links/References: <ul style="list-style-type: none"> • https://eastwesthealthcare.com.ph/corporate-governance 	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	NON-COMPLIANT	Identify or provide link/reference to a document identifying the directors and the type of their directorships Links/References: https://sites.google.com/admin-ewhc.com/acgr/home	

Recommendation 1.3			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>COMPLIANT</p>	<p>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</p> <p>Links/References:</p> <ul style="list-style-type: none"> Corporate Governance Policy Section IV, J. Orientation for New Directors and Enhancement of Business Knowledge <p>https://sites.google.com/admin-ewhc.com/acgr/home</p>	
<p>2. Company provides in its Board Charter or Manual on Corporate Governance and orientation program for first time directors.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.</p>	
<p>3. Company has relevant annual continuing training for all directors.</p>	<p>COMPLIANT</p>	<p>For the year 2022, Board of Directors, Executive Officers including the Corporate Secretary and Compliance Officer attended the webinar ICD Masterclass: Disruptive Strategy by the Institute of Corporate Directors (ICD) held last November 25, 2022.</p>	
Recommendation 1.4			
<p>1. Board has a policy on board diversity.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p>Indicate gender composition of the board.</p>	

Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	COMPLIANT	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions. Links/References: <ul style="list-style-type: none"> Executive Officers and Management team https://sites.google.com/admin-ewhc.com/acgr/home	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	NON-COMPLIANT		The Board appoint the Corporate Secretary and Compliance Officer, which positions may or may not be held by the same person.
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered For the year 2022, Board of Directors, Executive Officers including the Corporate Secretary and Compliance Officer attended the webinar ICD Masterclass: Disruptive Strategy by the Institute of Corporate Directors (ICD) held last November 25, 2022.	
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/her name, position, qualifications, duties and functions. Links/References: <ul style="list-style-type: none"> Corporate Governance Policy Section IV. F. Compliance Officer 	
2. Compliance Officer has a rank of Senior 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		

		https://eastwesthealthcare.com.ph/wp-content/uploads/2022/05/CORPORATE-GOVERNANCE-POLICY_EHCI.pdf <ul style="list-style-type: none"> Executive Officers and Management team https://eastwesthealthcare.com.ph/about-us/	
		The position Compliance Officer is currently occupied by Ms. Ginalyn V. Luro, VP-Internal Audit	
4. Compliance Officer attends training/s on corporate governance annually.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p>For the year 2022, Board of Directors, Executive Officers including the Corporate Secretary and Compliance Officer attended the webinar ICD Masterclass: Disruptive Strategy by the Institute of Corporate Directors (ICD) held last November 25, 2022.</p>	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p> <p>Links/References:</p>	

		<ul style="list-style-type: none"> Corporate Governance Policy Section IV. Functions, Duties and Responsibilities of the Board of Directors <p>https://sites.google.com/admin-ewhc.com/acgr/home</p>	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	
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	<p>Indicate frequency of review of business objectives and strategy</p> <p>Links/References:</p> <p>https://sites.google.com/admin-ewhc.com/acgr/home</p>	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <p>Links/References:</p> <p>https://sites.google.com/admin-ewhc.com/acgr/home</p> <p>The current Chairwoman and President is Mrs. Rustie Angeles C. Porciuncula</p>	

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 policies and programs and its implementation	The company intends to adopt a policy on succession planning and remuneration
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	Links/References: <ul style="list-style-type: none"> • Eastwest Healthcare, Inc • 	
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 relationship between remuneration and performance. https://sites.google.com/admin-ewhc.com/acgr/home	
2. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepts nomination from minority shareholders.	COMPLIANT		

4. Board nomination and election policy includes how the board reviews nominated candidates	COMPLIANT		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	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 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.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT		
Recommendation 2.8			

1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
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).	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
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	https://sites.google.com/admin-ewhc.com/acgr/home	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		

3. Board approves the Internal Audit Charter.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
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	https://sites.google.com/admin-ewhc.com/acgr/home	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT		
Recommendation 2.12			
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. Links/References:	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	<ul style="list-style-type: none"> Corporate Governance Policy Section IV. Function, Duties and Responsibilities of the Board of Directors https://sites.google.com/admin-ewhc.com/acgr/home	
3. Board Charter is publicly available and posted on the company's website.	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.	

		https://sites.google.com/admin-ewhc.com/acgr/home	
Recommendation 3.2			
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.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
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 the members of the Audit Committee, including their qualifications and type of directorship. https://sites.google.com/admin-ewhc.com/acgr/home	
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 of the members of the Audit Committee. https://sites.google.com/admin-ewhc.com/acgr/home	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee https://sites.google.com/admin-ewhc.com/acgr/home	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	

responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.			
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
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	https://sites.google.com/admin-ewhc.com/acgr/home	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
Recommendation 3.6			
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	https://sites.google.com/admin-ewhc.com/acgr/home	

2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	

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 attend and actively participate 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>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p> <p>Links/References:</p> <p>www.Eastwesthc.com/acgr</p> <ul style="list-style-type: none"> Corporate Governance Policy Section IV. Functions, Duties and Responsibilities of the Board of Directors <p>https://sites.google.com/admin-ewhc.com/acgr/home</p>	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	<p>Links/References:</p> <ul style="list-style-type: none"> Corporate Governance Policy Section IV. Functions, Duties and 	

		<p>Responsibilities of the Board of Directors</p> <p>https://eastwesthealthcare.com.ph/wp-content/uploads/2022/05/CORPORATE-GOVERNANCE-POLICY_EHCI.pdf</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p> <p>Links/References:</p> <ul style="list-style-type: none"> Corporate Governance Policy Section IV. Functions, Duties and Responsibilities of the Board of Directors <p>https://eastwesthealthcare.com.ph/wp-content/uploads/2022/05/CORPORATE-GOVERNANCE-POLICY_EHCI.pdf</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>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p> <p>Links/Referenes:</p>	

		Non-executive directors of the Company do not hold directorship in another company	
Recommendation 4.3			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	COMPLIANT	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed. Directors of the Company do not hold directorship in another company	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board is composed of at least twenty (20%) independent directors.	COMPLIANT	Provide information or link/reference to a document containing information on the number of independent directors in the board Links/References: <ul style="list-style-type: none"> Board Directors Profile https://sites.google.com/admin-ewhc.com/acgr/home 	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	Provide information or link/reference to a document containing information on the qualifications of the independent directors. Links/References: https://sites.google.com/admin-ewhc.com/acgr/home	
Recommendation 5.3			

<p>1. The independent directors serve for a maximum cumulative term of nine years.</p> <p>As far as Insurance companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for 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>	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home .	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
<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>	COMPLIANT	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <p>The Company elected its independent directors in year 2019. As of 2022, they are independent directors for only 3 years.</p>	
Recommendation 5.4			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	

Recommendation 5.5			
1. If the Chairman of the Board is not an independent director or where the roles of the Chairman and CEO are being held by one person, the Board should designate a lead director among the independent directors.	COMPLIANT	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p> <p>The current Chairwoman and President is Mrs. Rustie C. Porciuncula</p>	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
2. The meetings are chaired by the lead independent director.	COMPLIANT		
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. The Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
2. The performance of the Chairman is assessed annually by the board	COMPLIANT		

3. The performance of the individual member of the Board is assessed annually by the Board.	COMPLIANT		
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	https://sites.google.com/admin-ewhc.com/acgr/home	
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	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	Provide information on or link/reference to the company's Code of Business Conduct and Ethics. Links/References: <ul style="list-style-type: none"> Code of Ethics and Business Conduct 	
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 employees.	
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.	

		https://eastwesthealthcare.com.ph/wp-content/uploads/2022/05/08-CODE-OF-ETHICS-AND-BUSINESS-CONDUCT_EHCl.pdf	
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.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance. https://eastwesthealthcare.com.ph/wp-content/uploads/2022/05/08-CODE-OF-ETHICS-AND-BUSINESS-CONDUCT_EHCl.pdf	

Disclosure and Transparency

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

Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders Links/References: <ul style="list-style-type: none"> Corporate Governance Policy Section II. D. Policy on information disclosure, transparency, Financial and Operational Reporting https://eastwesthealthcare.com.ph/wp-content/uploads/2022/05/CORPORATE-GOVERNANCE-POLICY_EHCl.pdf 	
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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>COMPLIANT</p>	<p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p>Links/References:</p> <ul style="list-style-type: none"> • Board of Directors Profile https://eastwesthealthcare.com.ph/wp-content/uploads/2022/05/Board-of-Directors-Profile_EHCI.pdf • Executive and Management Team https://eastwesthealthcare.com.ph/about-us/ 	
<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>COMPLIANT</p>	<p>Provide link or 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.</p> <p>https://sites.google.com/admin-ewhc.com/acgr/home</p>	
<p>Recommendation 8.4</p>			
<p>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</p>	<p>COMPLIANT</p>	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p> <p>https://sites.google.com/admin-ewhc.com/acgr/home</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	https://sites.google.com/admin-ewhc.com/acgr/home	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	NON-COMPLIANT	Policy is pending for BOD approval	
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	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions <p>Links/References:</p>	

Note 9. Related Party Transactions and Balances in the Independent Auditor's Report for the CY 2022.

9.02 Related Party Transactions and Balances

The Company entered into the following related party transactions and balances:

Category	2022		2021		Terms	Conditions
	Amount Yosmer	Outstanding Balance	Amount Yosmer	Outstanding Balance		
Dispositions:						
John C. Pharamacutic						
• Debit for asset purchase	6,000,000	6,000,000	-	-	-	To be applied as part of payments upon execution of asset disposition. Unsecured. No requirement.
Pharic Angles C. Pharamacutic						
• Debit for asset purchase	10,000,000	10,000,000	-	-	-	To be applied as part of payments upon execution of asset disposition. Unsecured. No requirement.
Advances under various credit facilities:						
Custom Business Solutions, Inc.						
• Advances from	1,000,736	1,000,736	-	-	Pay as able. Non-recourse loaning.	To be settled in cash. Unsecured. Unsecured.
One Pacific Press Solutions, Inc.						
• Advances from	-	2,037,250	2,037,250	2,037,250	Pay as able. Non-recourse loaning.	To be settled in cash. Unsecured. Unsecured.
Total advances to related parties	16,000,000	16,000,000	-	-	-	-
Total advances from related parties	1,000,736	3,038,006	2,037,250	2,037,250	-	-

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 the company's website where the Manual on Corporate Governance is posted.	
2. Company's MCG is posted on its company website.	COMPLIANT	Links/References: <ul style="list-style-type: none"> • https://eastwesthealthcare.com.ph/wp-content/uploads/2022/05/CORPORATE-GOVERNANCE-POLICY_EHCI.pdf 	

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	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.	The Company on its Corporate Governance Policy has sub-committees of the Board of Directors. One of which is Audit Committee.
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		Audit Committee is not yet established; thus, the function is carried out by the whole board. This includes the appointment, reappointment, removal and fees of the external auditor.	The Company is in the process to fully implement its Corporate Governance Policy.
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. In the annual stockholder's meeting held last June 30, 2022, it was stated that the Company's external auditor for 2022 cannot be appointed since the accreditation of the current external auditor was already expired. Alas, Oplas, & Co was unanimously appointed by the board as the new external auditor on January 05, 2023.	
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	https://sites.google.com/admin-ewhc.com/acgr/home	As per SRC RULE 68 in the Rotation of External Auditors, the independent auditor shall be rotated after every five (5) years of engagement.
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on:	COMPLIANT	Provide link/reference to the company's Audit Committee Charter	

<ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 			
<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>	COMPLIANT	<p>Provide link/reference to the company's Audit Committee Charter</p> <p>https://sites.google.com/admin-ewhc.com/acgr/home</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>	COMPLIANT	<p>https://sites.google.com/admin-ewhc.com/acgr/home</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>	COMPLIANT	<p>Provide link or reference to guidelines or policies on non-audit services</p> <p>https://sites.google.com/admin-ewhc.com/acgr/home</p>	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
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)</p>	COMPLIANT	<p>https://sites.google.com/admin-ewhc.com/acgr/home</p>	

issues of its business, which underpin sustainability.			
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	

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	<p>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.</p> <p>Links/References: www.eastwesthealthcare.com.ph</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

1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p> <p>https://sites.google.com/admin-ewhc.com/acgr/home</p>	
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2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <p>Links/References:</p> <ul style="list-style-type: none"> • https://sites.google.com/admin-ewhc.com/acgr/home 	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
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	https://sites.google.com/admin-ewhc.com/acgr/home	
3. In case of a fully outsourced internal audit activity, qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
Recommendation 12.4			
1. The Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	Incorporated to our Incident, Problem and Change.
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	https://sites.google.com/admin-ewhc.com/acgr/home	Incorporated to our Incident, Problem and Change.

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	Incorporated to our Incident, Problem and Change.
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	https://sites.google.com/admin-ewhc.com/acgr/home	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
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	https://sites.google.com/admin-ewhc.com/acgr/home	
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	https://sites.google.com/admin-ewhc.com/acgr/home	
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	https://sites.google.com/admin-ewhc.com/acgr/home	
Recommendation 13.4			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
Duties to Stakeholders			
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.			
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	https://sites.google.com/admin-ewhc.com/acgr/home	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
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	https://sites.google.com/admin-ewhc.com/acgr/home	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
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	https://sites.google.com/admin-ewhc.com/acgr/home	

2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
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	https://sites.google.com/admin-ewhc.com/acgr/home	
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	https://sites.google.com/admin-ewhc.com/acgr/home	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	
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 that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	https://sites.google.com/admin-ewhc.com/acgr/home	

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.

Sign in the City of _____ in the _____ of _____, 2023.


RUSTIE ANGELES C. PORCIUNCULA
 CHAIRMAN OF THE BOARD


ORBIVITANOS R. DIAZ
 PRESIDENT / CHIEF EXECUTIVE OFFICER


NICO C. ORTEGA
 CORPORATE SECRETARY


GINALYN V. LURO
 CORPORATE GOVERNANCE COMPLIANCE OFFICER


SONIA HERMOSISIMA-BATUCAN
 INDEPENDENT DIRECTOR


DR. HOWELL JAVONILLO
 INDEPENDENT DIRECTOR

Subscribed and sworn to before me this JUL 25 2023 day of _____, 2023, by the following who are all personally known to me (or whom I have identified through competent evidence of identify) and who exhibited to me their respective identification documents as follows

	NAME	I.D. NO.	DATE/PLACE ISSUED
1.	RUSTIE ANGELES C. PORCIUNCULA		
2.	ORBIVITANO R. DIAZ		
3.	NICO C. ORTEGA		
4.	GINALYN V. LURO		
5.	SONIA HERMOSISIMA-BATUCAN	<i>Senior I-D # R-08284</i>	<i>2/24/2012 Las Pinas City</i>
6.	DR. HOWELL JAVONILLO		

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 Page No. 19
 Book No. 27
 Series of 2023



ATTY. SHERLUCK JUN C. VILLEGAS
 Notary Public for Makati City
 Appt. No. M-274 until Dec. 31/2024
 Unit 3C LTA Building, 118 Perez St.
 Legaspi Village, Makati City
 Roll No. 70942
 IBP No. 180225/ 11-22-2022/ Pasig City
 PTR No. 9583991 / 01-17-2023/ Makati City
 MCLE Compliance No. VII-0020869/April 14, 2025