



## ANNUAL CORPORATE GOVERNANCE REPORT OF

### WELLCARE HEALTH MAINTENANCE INC.

(Name of the Company)

1. For the fiscal year ended 31 December 2021
2. Certificate of Authority CS202003188
3. Pasay City, Metro Manila, Philippines  
Province, Country or other jurisdiction of incorporation or organization
4. 551 Cabildo St., Intramuros, Manila 1002  
Address of principal office Postal Code
5. (632) 908-4944 to 48  
Company's telephone number, including area code
6. [www.wellcare.ph](http://www.wellcare.ph)  
Company's official website
7. Transnational Medical & Diagnostic Center, Inc. (doing business under the name of WellCare Health Maintenance, Inc.)  
Former Name, former address, and former fiscal year, if changed since last report



**ANNUAL CORPORATE GOVERNANCE REPORT**

COMPLIANT/NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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**The Board's Governance Responsibilities**

**Principle 1:** The company should be headed by a competent, working board to foster the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.

**Recommendation 1.1**

1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	<i>The Board represent an appropriate mix of competence in the area of business, finance operations, regulatory and legal relevant to the industry</i>	
2. Board has an appropriate mix of competence and expertise.	Compliant	<i>The profiles of the directors are disclosed in the company website</i>	
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	References:  Board of Directors' Profile  Corporate Governance Manual Section IV. Corporate Governance Structure. Item A. Board of Directors-Qualification of Directors	

**Recommendation 1.2**

1. Board is composed of a majority of non-executive directors.	Compliant	<i>The Board consist of 7 Directors. 4 Non-Executive and 3 Executive Directors</i>  Reference:  Board of Directors, Officers & Management Team	
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Recommendation 1.3			
1. Company provides in its Board Charter or Manual on Corporate Governance a policy on training directors.	Compliant	Corporate Governance Manual Section VIII. Information and Professional Development  Reference:  Corporate Governance. Board Charter. Responsibilities of the Board.	
2. Company provides in its Board Charter or Manual on Corporate Governance an orientation program for first time directors.	Compliant	Corporate Governance Manual Section VIII. Information and Professional Development	
3. Company has relevant annual continuing training for all directors.	Compliant	References:  Corporate Governance Manual.  Board Charter. Responsibilities of the Board.  Corporate Governance/Board Charter/Policy on Training of Directors  <i>All of the Board of Directors attended a webinar on Corporate Governance conducted by Risk, Opportunities, Assessment and Management Inc. (ROAM) on 03 December 2021</i>	



Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>Corporate Governance Manual Section IV. Corporate Governance Structure, Item F. Diversity in the Board.</p> <p>Reference:</p> <p>Corporate Governance/Policy on Diversity</p> <p><i>The Board of Directors consists of 3 male directors and 4 female directors. The Chairman of the Board is a female</i></p>	
Recommendation 1.5			
1. Board is assisted in its duties by a Corporate Secretary.	Compliant	<p>Corporate Governance Manual Section IV: Corporate Governance Structure, Item D. Corporate Secretary</p> <p><i>Corporate Secretary is Atty. Karla Grace Deles-Geli. She is not a member of the board.</i></p>	
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/s on corporate governance.	Compliant	<p><i>Board of Directors including the Corporate Secretary attended a 4-hour webinar on Corporate Governance conducted by Risk, Opportunities, Assessment and Management Inc. (ROAM) on 03 December 2021</i></p>	



Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Corporate Governance Manual Section IV: Corporate Governance Structure, Item E. Compliance Officer  Link: Corporate Governance Manual  Reference:  WHM Board of Directors, Officers and Management Team. Compliance Officer, Ms. Cecil R. Agbanglo – General Manager	
2. Compliance Officer has a rank of Vice President or an equivalent position with adequate stature and authority in the corporations.	Non-Compliant		
3. Compliance officer is not a member of the board.	Compliant		
4. Compliance officer attends training/s on corporate governance annually.	Compliant		attended a 4-hour webinar on Anti-Money Laundering/Counter-Terrorism Financing and AMLC Registration and Reporting Guidelines conducted by AMLC conducted on 24 May 2022 and 26 May 2022, respectively
<b>Principle 2:</b> 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	<i>The Board of Directors reviews and approves major projects, policy decisions, annual budgets, major investment funding, and major restructuring of core businesses on</i>	



		<p><i>a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</i></p> <p>Reference: Corporate Governance Manual Section IV. Corporate Governance Structure, Item A. Responsibilities of the Board of Directors</p> <p>Board Charter</p>	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	<p><i>The board oversees the business operation of the company. It conducts regular board meetings to discuss company's performance, opportunities and external factors that affects the business. KPIs are revisited quarterly.</i></p> <p>Reference: Corporate Governance Manual Section IV. Corporate Governance Structure, Item A. Responsibilities of the Board of Directors</p>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy in order to sustain the company's long-term viability and strength.	Compliant		
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Josephine J. Francisco Chairman/Director</p> <p>Reference: Board of Directors' Profile Board of Directors, Officers and Management Team</p>	



Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	References:  Corporate Governance Manual Section IX. Succession Planning  Policy on Succession Planning  Policy on Retirement	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
Recommendation 2.5			
1. Board formulates and adopts a policy specifying the relationship between remuneration and performance of key officers and board members.	Compliant	References:  Corporate Governance Manual Section IV. Corporate Structure, Item J. Board Remuneration  WHM Integrated Management System/Policy on Compensation, Rewards and Recognition	
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	References:  Corporate Governance Manual Section VII. Election/Re-election and Term  Policy on Board Nomination and Election.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepts nominations from minority shareholders.	Compliant		



4. Board nomination and election policy includes how the board reviews nominated candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's 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		
<b>Recommendation 2.7</b>			
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	References: Corporate Governance Manual Section X. Disclosure, Internal Control and Transparency.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Policy on Related Party Transactions  <i>No transactions above the threshold that will need the approval of the Board of Directors</i>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations	Compliant		
<b>Recommendation 2.8</b>			
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	References:  Corporate Governance Manual Board Charter. Responsibilities of the Board  Management Team and Officers	





<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control function (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>References:  Corporate Governance Manual Board Charter. Responsibilities of the Board  WHM Policy on Performance Management System</p>	
<b>Recommendation 2.9</b>			
<p>1. Board establishes an effective performance management framework that ensures that Management, including the Chief Executive Officer performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>References:  Corporate Governance Manual Section VI. Board Performance  WHM Policy on Performance Management System</p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>		
<b>Recommendation 2.10</b>			
<p>1. Board oversees that an appropriate internal control system is in place</p>	<p>Compliant</p>	<p>References:  Corporate Governance Manual Section X. Disclosure, Internal Control and Transparency, Item D. Internal Control and Risk Management  Code of Ethics</p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflicts of interest of the Management, members and shareholders.</p>	<p>Compliant</p>		



		TDG Group-Wide Policies/Conflict of Interest	
3. Board approves the Internal Audit Charter.	Compliant	Reference:  Internal Audit	
<b>Recommendation 2.11</b>			
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	References:  Corporate Governance Manual Section X. Disclosure, Internal Control and Transparency, Item D. Internal Control and Risk Management  Enterprise Risk Management	
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		
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	Compliant	Link/Reference:  Website Board Charter	
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 on the company's website.	Compliant		
<b>Principle 3:</b> 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 function to aid in the optimal performance of its roles and responsibilities.	Compliant	Reference:  Corporate Governance Manual Section V. Board Committees  Board Committee Charter	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability to over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	References:  Corporate Governance Manual Section V. Board Committees, A. Audit and Related Party Transactions Committee, Audit functions  Board Charter, Audit and Related Party Transactions	
2. Audit committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent	Compliant	Reference:  Board Charter, Audit and Related Party Transactions	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	References:  Board Committee Charter. Audit and Related Party Transaction  Board of Directors Profile	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	References:  Board Committee Charter. Audit and Related Party Transaction	



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 Nomination and Remuneration Committee.	Compliant	Reference:  Corporate Governance Manual Section V. Board Committees, B. Board Risk Oversight and Corporate Governance Committee	
2. Corporate Governance Committee is composed of at least three members, majority of whom should be independent directors.	Compliant	Reference:  Board Committee Charter. Board Risk Oversight and Corporate Governance Committee	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Reference:  Board Committee Charter. Board Risk Oversight and Corporate Governance Committee  Board of Directors, Officers and Management Team	
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	Reference:  Board Committee Charter. Board Risk Oversight and Corporate Governance Committee	



<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Compliant</p>	<p>Reference: Board Committee Charter. Board Risk Oversight and Corporate Governance Committee</p>	
<p>3. The Chairman of the BROC is not the Chairman of the Board or any other committee.</p>	<p>Compliant</p>	<p>Reference: Board Committee Charter. Board Risk Oversight and Corporate Governance Committee  Board of Directors Profile</p>	
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>Compliant</p>	<p>Reference: Board Committee Charter. Board Risk Oversight and Corporate Governance Committee</p>	
<p><b>Recommendation 3.5</b></p>			
<p>1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>Compliant</p>	<p>References: Corporate Governance Manual Section V. Board Committees. Audit and Related Party Transactions Committee. Related Party Transaction Functions  Board Committee Charter. Board Risk Oversight and Corporate Governance Committee</p>	
<p>2. RPT Committee is composed of at least three non-executive directors,</p>	<p>Compliant</p>	<p>Reference:</p>	



majority of whom should be independent, including the Chairman.		Board Committee Charter. Board Risk Oversight and Corporate Governance Committee	
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information	Compliant	References: Board Committee Charter Policy on Performance Management System	
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	Reference: WHM Website Board Committee Charter	
<b>Principle 4:</b> 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.			
<b>Recommendation 4.1</b>			
1. The Directors attends and actively participates in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	References: Corporate Governance Manual. Section IV. Corporate Governance Structure. Section A. Board of Directors, Responsibilities of the Board of Directors  Information on attendance and participation of directors in the Regular Board Meetings and Shareholders' Meeting were	



		indicated in the Minutes of the Meetings for 2021	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Advance materials for the meeting are provided to the board for review.	
3. The directors asks the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	References:  Board Charter. Responsibilities of the Board.	
<b>Recommendation 4.2</b>			
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	References:  Manual on Corporate Governance. Section IV. Corporate Governance Structure. Item I. Multiple Board Seats.  <i>The Non-executive directors are not concurrently directors in any ICRE or publicly listed companies</i>	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board where he/she is an incumbent director before accepting a directorship in another company.	Compliant	References:  Manual on Corporate Governance. Section IV. Corporate Governance Structure. Item I. Multiple Board Seats.  <i>Not applicable. There are no directors/s that are concurrently directors of any ICREs of PLCs</i>	



<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgement on all affairs.			
<b>Recommendation 5.1</b>			
1. The Board is composed of at least twenty percent (20%) independent directors.	Compliant	References:  Board of Directors, Officers & Management Team  Corporate Governance Manual. Section IV. Corporate Governance Structure. Item G. Composition of the Board and Independent Directors.	
<b>Recommendation 5.2</b>			
1. The independent directors possess all necessary qualifications and none of the disqualifications to hold the position.	Compliant	References:  Board of Directors, Officers & Management Team  Corporate Governance Manual. Section IV. Corporate Governance Structure. Item G. Composition of the Board and Independent Directors.	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a maximum cumulative term of nine years.  As far as insurance Companies are concerned, the foregoing term limit shall be reckoned from 02 January 2015 while the reckoning date for the	Compliant	Reference:  Corporate Governance Manual. Section VII. Election/Re-Election and Term	





<p>Pre-need Companies and Health Maintenance Organizations shall be from 21 September 2016.</p> <p>For other covered entitles, all previous terms served by existing independent directors prior to the effectivity of this Circular shall not be included in the application of the term limit prescribed in this item.</p>			
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	Compliant	<p>Reference:</p> <p>Corporate Governance Manual. Section VII. Election/Re-Election and Term</p>	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board submits to the Insurance Commission a formal written justification and seek shareholders' approval during the annual shareholders' approval during the annual shareholders' meeting.</p>	Compliant	<p>Reference:</p> <p>Corporate Governance Manual. Section VII. Election/Re-Election and Term</p> <p><i>Not applicable. Independent directors have not yet served the term limits of nine years.</i></p>	
<b>Recommendation 5.4</b>			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	Compliant	<p>References:</p> <p>Corporate Governance Manual. Section IV. Corporate Governance. Item. G. Composition of the Board and Independent Directors.</p>	



		<p>Corporate Governance Manual Section IV. Corporate Governance Structure, Item B. Chairman of the Board and Item C. Chief Executive Officer</p> <p>Board of Directors, Officers &amp; Management Team</p>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>Corporate Governance Manual Section IV. Corporate Governance Structure, Item B. Chairman of the Board and Item C. Chief Executive Officer</p> <p><i>The position of Chairman of the Board and President are held by two (2) different persons.</i></p>	
<b>Recommendation 5.5</b>			
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	<p><i>The position of Chairman of the Board and President are held by two (2) different persons.</i></p> <p>Reference:  Board of Directors, Officers &amp; Management Team</p>	
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation should abstain from taking part in the deliberations for the same.	Compliant	<p>No recent transactions</p> <p>References:</p>	



		<p>Corporate Governance Manual. Section IV. Corporate Governance Structure. Item A. Board of Directors. Responsibilities of the Board of Directors.</p> <p>Board Charter. Responsibilities of the Board</p>	
<b>Recommendation 5.7</b>			
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	<p><i>The annual meeting with the external auditor was last October 31, 2021</i></p> <p><i>Discussion on audit results for the year ended December 2021 was held on March 23, 2022</i></p>	
2. The meetings are chaired by the lead independent director.	Compliant		
<b>Principle 6:</b> 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.			
<b>Recommendation 6.1</b>			
1. The Board conducts an annual assessment of its performance as a whole.	Compliant	References:	
2. The performance of the Chairman is assessed annually by the Board.	Compliant	Policy on Performance Management System	
3. The performance of the individual member of the Board is assessed annually by the Board.	Compliant	<i>Since the company formally started in 2021, Assessment will be made in 2022.</i>	



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	<i>The company started its operation as WHM in 2021. The assessment supported by and external facilitator will conducted in 2024.</i>	
<b>Recommendation 6.2</b>			
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	References: Corporate Governance Manual. Section VI. Board Performance	
2. The system allows for a feedback mechanism from the shareholders.	Compliant		
<b>Principle 7: Members of the board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</b>			
<b>Recommendation 7.1</b>			
1. Board adopts a Code of Business Conduct and Ethics, which provides 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	References: Code of Conduct and Ethics Code of Discipline and Conduct	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	References: Code of Conduct and Ethics Code of Discipline and Conduct <i>The Code of Business Conduct and Ethics is posted in WHM website.</i>	



		<i>It is posted in the company's HR Management System and part of the orientation of all new employees</i>	
3. The code is disclosed and made available to the public through the company website.	Compliant	Reference: WHM website Code of Conduct and Ethics Code of Discipline and Conduct	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Reference: Code of Discipline and Conduct	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<i>The code of discipline and conduct are implemented across the board. It is part of the orientation of new employees.</i>	
<b>Disclosure and Transparency</b>			
<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			



<p>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.</p>	<p>Compliant</p>	<p>Reference:  Code of Conduct and Ethics. Disclosure  Corporate Governance Manual. Section X. Disclosure, Internal Control and Transparency. Item A. Company Disclosure Policies and Procedures.</p>	
<p><b>Recommendation 8.3</b></p>			
<p>1. Board fully discloses all relevant and material information on individual board member to evaluate their experience and qualifications and assess any potential conflicted of interest that might affect their judgement.</p>	<p>Compliant</p>	<p>Reference:  Board of Directors, Officers and Management Team</p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgement.</p>	<p>Compliant</p>	<p>Reference:  Board of Directors Profile  Management Teams and Officers</p>	
<p><b>Recommendation 8.4</b></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</p>	<p>Compliant</p>	<p>References:  Corporate Governance Manual. Section IV. Board Remuneration  Corporate Governance Manual. Section X. Disclosure, Internal Control and Transparency.</p>	



(ACGS) and the Revised Corporation Code.			
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 Scorecard (ACGS) and the Revised Corporation Code.	Compliant	References:  Corporate Governance Manual. Section X. Disclosure, Internal Control and Transparency	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Detailed breakdown are provided upon request	
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transaction (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Reference:  Policy on Related Party Transactions  Corporate Governance Manual. Section X. Disclosure, Internal Control and Transparency. Item F. Related Party Transaction.	
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	Reference:  Audited Financial Statement  Annual Stockholders' Report	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, program and procedures are	Compliant	Reference:	



contained in its Manual on Corporate Governance (MCG).		Manual on Corporate Governance	
2. Company's MCG is posted on its company website.	Compliant		
<b>Principle 9:</b> 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.			
<b>Recommendation 9.1</b>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Reference: Board Committee Charter. Audit and Related Party Transactions Committee. Audit Functions.	
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	Reference: Board Committee Charter. Audit and Related Party Transactions Committee. Audit Functions.	
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	There has been no changes in the external auditors.	
<b>Recommendation 9.2</b>			
1. Audit Committee includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's</li> </ul>	Compliant	Reference: Board Committee Charter. Audit and Related Party Transactions Committee. Audit function	



<p>iii. independence and objectivity; and exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>			
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	Reference: Board Committee Charter. Audit and Related Party Transactions Committee. Audit function	
<b>Recommendation 9.3</b>			
<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	None	
<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	References: Board Committee Charter. Audit and Related Party Transactions	
<p><b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</p>			
<b>Recommendation 10.1</b>			
<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic</p>	Compliant	Reference: Corporate Governance Manual. Section X. Disclosure, Internal	



environmental, social and governance (EESG) issues of its business, which underpin sustainability.		Control and Transparency. Item C. Non-Financial and Sustainability Reporting.	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<i>Since the Corporate Governance was only adopted in 2021, WHM will be following a globally recognized standards/framework in reporting sustainability and non-financial issues. It will be use for the succeeding report</i>	

**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, stake holders 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	Reference: <a href="http://www.wellcare.ph">www.wellcare.ph</a>	
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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	References: Corporate Governance Manual. Section X. D. Internal Control and Risk Management	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<i>The company conducts risk assessment and treatment. It is part of the annual business</i>	



		<i>planning process. It is reviewed regularly</i>	
<b>Recommendation 12.2</b>			
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	References:  Corporate Governance Manual. Section X. Disclosure, Internal Control and Transparency. Item E. Audit Commitment and Auditors.  Internal Audit Charter. Internal Audit Responsibilities.	
<b>Recommendation 12.3</b>			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	References:  Ms. Trina Tan-Ang, Head - Internal Auditor	
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	Internal Audit Charter. Responsibilities of the Chief Audit Officer	
3. In case 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	<i>WHM being a member of a group of companies has its own Internal Audit Team</i>	
<b>Recommendation 12.4</b>			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	References:  Corporate Governance Manual. Section X. D. Internal Control and Risk Management.	
<b>Recommendation 12.5</b>			



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	<i>The QMR of the company is responsible for the risk management of the company</i>	
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 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	References: Manual on Corporate Governance, Section XI. Relations with Shareholders.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Manual on Corporate Governance, Section XI. Relations with Shareholders.	

**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 meeting.	Compliant	References: Corporate Governance Manual. Section XI. Relations with Shareholders. Item A. Promoting Shareholders Rights	
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**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	References: <i>Information on attendance and participation of directors to board and shareholders' meeting are</i>	
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		<i>indicated in the Minutes of the Meeting</i>	
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	Reference:  Minutes of the RBM/ASM/BP are uploaded in the company's website	
<b>Recommendation 13.4</b>			
1. Board has an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Reference:  Manual on Corporate Governance. Section IX. Relations with Shareholders. Item. A. promoting Shareholders Rights.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance,	Compliant	Reference:  Manual on Corporate Governance. Section IX. Relations with Shareholders. Item. A. promoting Shareholders Rights.	
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> 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.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	The following are the company's stakeholders: <ul style="list-style-type: none"> <li>• Shareholders</li> <li>• Employees</li> <li>• Customers (Corporate)</li> <li>• Accredited Hospitals and Clinics</li> <li>• Accredited doctors</li> <li>• TDG Member Companies</li> <li>• Community</li> </ul>	



		<ul style="list-style-type: none"> <li>Suppliers</li> </ul>	
<b>Recommendation 14.2</b>			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	Compliant	<p>The company implements policies that protect the rights and promote the interest of its stakeholders.</p> <p>WHM has implemented policies and procedure in all units of company.</p> <p>It conducts surveys to both internal and external customers.</p> <p>WHM implements the quality workplace to ensure a safe and conducive work environment to all its employees.</p> <p>Adequate facilities for safety, health and environment protection are provided for people at work and other stakeholders.</p>	
<b>Recommendation 14.3</b>			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	Compliant	<p>Reference:</p> <p>Whistleblower Policy</p> <p>Manual on Corporate Governance. Section IX. Relations with Shareholders. Item. B. Duties to Stakeholders. 1 Respecting Rights Of Stakeholders And Effective</p>	



		Redress For Violation Of Stakeholder's Rights	
<p><b>Principle 15:</b> 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.</p>			
<p><b>Recommendation 15.1</b></p>			
<p>1. Board establishes polices, program and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p>	Compliant	<p>References:</p> <p>Manual on Corporate Governance. Section IX. Relations with Shareholders. Item C. Duties to Stakeholders. Encouraging Employees' Participation</p> <p><i>WHM conducts annual business planning wherein all personnel were encourage to participate and provide inputs in the goals, strategies and compliance to governance of the company.</i></p>	
<p><b>Recommendation 15.2</b></p>			
<p>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.</p>	Compliant	<p>Reference:</p> <p>Code of Discipline and Conduct</p>	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>		<p><i>Policies and references are in the company's human resource management system.</i></p> <p><i>Orientation on policies are also provided to employees</i></p>	
<p><b>Recommendation 15.3</b></p>			



<p>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.</p>	<p>Compliant</p>	<p>Reference: Whistleblower Policy</p>	
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	<p>Compliant</p>	<p>Employees, suppliers and clients can raise concerns to the company's Chief Compliance Officer.</p> <p>Concerns raised to the department or the President shall be forward to the Chief Compliance Officer</p> <p>Depending on the nature and severity, the concern maybe investigated internally, referred to external auditors or public authorities</p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>Reference: Whistleblower Policy</p>	

**Principle 16:** The company should be socially responsible in all its dealing 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 and balanced development.

**Recommendation 16.1**

<p>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.</p>	<p>Compliant</p>	<p>WHM implements ESG programs. The company is in partnership with YWCA Manila in providing educational support to less fortunate children.</p>	
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		WHM started digitalizing its process to reduce paper consumptions and protect the environment.	
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**CERTIFICATION**

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

Signed in the City of Manila in the 13<sup>th</sup> day of July 2022.

**(originally signed)**

**JOSEPHINE J. FRANCISCO**  
Chairman

**(originally signed)**

**KARLA GRACE J. DELES-GELI**  
Corporate Secretary

**(originally signed)**

**FELIPE P. ARAULLO**  
Independent Director

**(originally signed)**

**CLARISSA M. MENDOZA**  
President

**(originally signed)**

**CECIL R. AGBANGLO**  
Compliance Officer

**(originally signed)**

**BASIL L. ONG**  
Independent Director

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by the following who are all personally known to me (or whom I have identified through competent through competent evidence of identity) and who exhibited to me their respective identification document as follows:

NAME	I.D. NO.	DATE/PLACE ISSUED
Josephine J. Francisco		
Clarissa M. Mendoza		
Karla Grace J. Deles-Geli		
Felipe P. Araullo		
Basil L. Ong		
Cecil R. Agbanglo		

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Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;