OPTIMUM QUALITY HEALTH VENTURES, INC.

Doing business under the name and style of CAMARIN DOCTORS HOSPITAL

RELATED PARTY TRANSACTION POLICY

INTRODUCTION

This Related Party Transaction Policy is issued by the Board of Directors of Optimum Quality Health Ventures, Inc. (OQHVI) in accordance with its Articles of Incorporation, By-Laws, Manual of Corporate Governance, Code of Business Conduct and Ethics, and other applicable laws, rules and regulations.

This policy and disclosure statement will articulate acceptable and unacceptable processes in dealings of Board members and officers of the corporation.

The Board should ensure the proper and efficient implementation of this policy and disclosure statement as part of the company's Code of Business Conduct and Ethics.

1. POLICY STATEMENT AND OBJECTIVES

It is the policy of the Corporation to conduct all business operations, procurement, clinical supply contracts, and administrative arrangements with the highest standards of integrity, transparency, and ethical conduct. While Related Party Transactions (RPTs) can serve legitimate hospital operational, financial, and strategic purposes, they present inherent risks of conflicts of interest and potential degradation of corporate assets.

This Policy is established to:

- Ensure that all RPTs are conducted on an **arm's length basis** and under terms fair and reasonable to the Corporation, ensuring no shareholder, patient, or stakeholder is unduly disadvantaged.
- Establish clear governance, review, approval, and disclosure guidelines for RPTs in full compliance with the regulatory requirements of the Philippine Securities and Exchange Commission (SEC).
- Protect hospital capital, clinical quality standards, and operational efficiency from abusive, non-arm's length, or self-dealing arrangements.

2. SCOPE AND APPLICABILITY

This Policy applies to all directors, key executive officers, substantial shareholders, medical stockholders occupying administrative or department leadership roles, and their related entities.

It governs all financial, commercial, and operational agreements entered into by the Corporation, including but not limited to:

- Procurement of medical equipment, pharmaceuticals, diagnostic reagents, and hospital supplies.
- Property leases, building construction, facility maintenance, and architectural or engineering services.
- Professional medical service agreements, management contracts, and administrative service-sharing.
- Financial accommodations, loans, guarantees, or advances to/from related parties.
- Sale, purchase, transfer, or exchange of corporate assets and real estate.

3. DEFINITION OF TERMS

For purposes of this Policy, the following terms shall be defined as follows:

- **Related Parties:** Refers to:
    1. Members of the Board of Directors, Executive Officers, and Key Management Personnel.
    2. Substantial Shareholders (holding 10% or more of voting equity).
    3. Spouses and relatives of directors, officers, or substantial shareholders up to the **fourth civil degree of consanguinity or affinity**, whether legitimate, illegitimate, or common-law.
    4. Any enterprise, partnership, association, or medical group over which a director, officer, or substantial shareholder exercises control, joint control, or significant influence.

- **Related Party Transaction (RPT):** Any transfer of resources, services, financial benefits, or obligations between the Corporation and a Related Party, regardless of whether a price is charged.
- **Material Related Party Transaction (Material RPT):** Any RPT (either individually or in aggregate over a twelve (12)-month period with the same related party) meeting or exceeding **ten percent (10%) of the Corporation's total assets** based on its latest Audited Financial Statements (AFS), or reaching a Board-approved monetary threshold (e.g., ₱25,000,000.00).
- **Arm's Length Principle:** The standard under which a transaction is executed between related parties as if they were unrelated, independent entities acting in their own best economic self-interest under standard market conditions.
- **Abusive RPTs:** Transactions entered into with a Related Party that are not at arm's length, involve self-dealing, create unmitigated conflicts of interest, or disadvantage the Corporation financially or operationally.

4. GOVERNANCE STRUCTURE: RELATED PARTY TRANSACTION (RPT) COMMITTEE

4.1 Composition and Independence

The Board of Directors shall establish a standing **Related Party Transaction Committee** to oversee the implementation of this Policy.

- **Membership:** The Committee shall consist of **at least three (3) Non-Executive Directors**.
- **Independent Directors: At least two (2) members must be Independent Directors**.
- **Committee Chairmanship:** The Chairman of the RPT Committee **must be an Independent Director**.
- **Qualifications:** Members must possess adequate financial literacy, corporate governance understanding, and knowledge of hospital operational structures.

4.2 Duties and Responsibilities

The RPT Committee shall be tasked with the following duties:

1. **Review and Evaluation:** Review and evaluate all **material** RPTs prior to contract execution to ensure they are conducted at arm's length, fair, and reasonable.
2. **Registry Monitoring:** Oversee the maintenance and quarterly updating of the corporate **Related Party Registry**.
3. **Policy Evaluation:** Regularly evaluate RPT thresholds, review protocols, and internal control mechanisms to address emerging operational and regulatory requirements.
4. **Conflict Resolution:** Ensure that directors or officers with personal interests in a proposed transaction abstain from voting, deliberating, or exerting influence on the evaluation.
5. **Reporting to the Board:** Submit formal recommendations to the Board of Directors regarding the approval, ratification, or rejection of evaluated material RPTs.
6. **Whistleblowing Oversight:** Review reports or complaints regarding abusive or improperly disclosed RPTs and recommend appropriate corrective or disciplinary actions.

5. IDENTIFICATION, REVIEW, AND APPROVAL FRAMEWORK

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              [Proposed Transaction Identified]
                            │
                            ▼
 [ CFO & Legal Verification against Related Party Registry ]
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                  ┌─────────┴──────────┐
                  ▼                    ▼
 [Non-Material RPT]  [ Material RPT (≥ 10% Assets/Threshold)]
       │                               │
       ▼                               ▼
[Audit Committee Ratification][RPT Committee Mandatory Review]
                   (Check Arm's Length, Pricing, Alternatives)
                                       │
                                       ▼
        [Board Approval (Majority of Non-Interested Directors)
                                       │
                                       ▼
                   Disclosure Filings (SEC Form 20-IS & ACGR)
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5.1 Related Party Registry

The Office of the Chief Finance Officer (CFO), in coordination with the Corporate Secretary and Legal Counsel, shall maintain a comprehensive **Related Party Registry**.

- All Directors, Key Officers, and Substantial Shareholders must submit an annual **RPT Disclosure Form** declaring all personal affiliations, family relationships up to the 4th degree, and corporate/medical business interests.
- The Registry shall be updated **quarterly** to capture structural, organizational, or ownership updates.

5.2 Review Guidelines and Price Benchmarking

When reviewing proposed RPTs, the RPT Committee shall evaluate:

- Whether the terms, pricing, and conditions are comparable to competitive market rates offered by unrelated third-party vendors (e.g., standard market rates for medical supplies, leasing terms, diagnostic equipment servicing).
- The business rationale and urgency of engaging a Related Party versus an independent entity.
- Potential impacts on clinical standards, patient care, facility operations, and administrative integrity.
- Whether the transaction presents any reputational, legal, or regulatory risks.

5.3 Board Approval and Recusal Requirements

- **Board Approval:** All Material RPTs require formal review by the RPT Committee and subsequent approval by a majority vote of the Board of Directors.
- **Recusal:** Any Director who has a direct or indirect financial or personal interest in an RPT being reviewed **must immediately disclose the conflict and recuse themselves** from all deliberations, voting, and discussions regarding the matter.

6. ABUSIVE RPTS, WHISTLEBLOWING, AND REMEDIES

6.1 Whistleblowing Mechanism

Any employee, medical staff member, stockholder, or officer who suspects or discovers an undisclosed, abusive, or non-arm's length RPT may submit a confidential report through the hospital's established Whistleblowing Channel or directly to the RPT Committee Chairman.

6.2 Corrective Action and Remedies

If a transaction is found to be executed without proper approval or in violation of the Arm's Length Principle:

- The Board (upon recommendation of the RPT Committee) may modify, void, or rescind the contract.
- The Related Party shall be required to restitute any improper financial gain or compensate the Corporation for losses incurred.
- Disciplinary action—up to termination of employment, removal from directorship, or revocation of hospital privileges—may be imposed in accordance with corporate policies and Labor Laws.

7. DISCLOSURE AND REGULATORY REPORTING COMPLIANCE

In compliance with the SEC Code of Corporate Governance and ACGR disclosure rules, the Corporation shall adhere to strict reporting standards:

1. **SEC Form 20-IS (Definitive Information Statement):** Complete disclosure of material RPTs, including nature of relationship, financial value, and confirmation of arm's length pricing, included in disclosures sent to stockholders.
2. **Annual Corporate Governance Report (ACGR):** A comprehensive summary of all material RPTs executed during the financial year, alongside the RPT Committee's composition and meeting frequency.
3. **Audited Financial Statements (AFS):** Disclosures prepared in accordance with Philippine Financial Reporting Standards (PFRS) / PAS 24 (*Related Party Disclosures*).
4. **SEC Advisement Report:** Timely filing of advisement reports for Material RPTs as prescribed by SEC Memorandum Circulars.

8. POLICY REVIEW AND MAINTENANCE

This Policy shall be reviewed **annually** by the RPT Committee to ensure continuous alignment with SEC rules, healthcare regulatory changes, and evolving corporate governance standards. Any amendments shall take effect upon approval by the Board of Directors.