

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

Check the appropriate box:

Preliminary Information Statement

☒ Definitive Information Statement

1. Name of Registrant as specified in its charter **MEDICAL DOCTORS, INC.**
2. Province, country other jurisdiction of incorporation or organization **PHILIPPINES**
3. SEC Identification No. **22914**
4. BIR Tax Identification No. **000-130-130-000**
5. Address of principal office **No. 2 Amorsolo St., Legaspi Village, Makati City**
- Postal Code - **1229**

6. Registrant's telephone number, including area code **02-88888-999**

7. Date, Time and Place of the meeting of security holders

**Tuesday, July 19, 2022**

**5:00 PM**

**Medical Doctors Inc. Website:** [asm2022.makatimed.net.ph](http://asm2022.makatimed.net.ph)

8. Approximate date on which the Information Statement is first to be sent or given to security holders  
**June 27, 2022**

9. Name of Person Filing the Statement: **Medical Doctors, Inc. (Makati Medical Center)**  
Address: **No. 2 Amorsolo St., Legaspi Village, Makati City**  
Telephone No.: **88888-999**

10. Outstanding Common Stock

Title of Each Class

Number of Shares of Common Stock  
Outstanding (as of May 31, 2022)

**Common**

**3,420,737**

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes [ ]

No [ **X** ] If yes, disclose name of the Stock Exchange and Class of securities listed therein.

**NOTICE OF REGULAR MEETING  
OF STOCKHOLDERS  
July 19, 2022**

The Annual Meeting of the Stockholders (“ASM”) of Medical Doctors, Inc. (hereinafter interchangeably referred to as “MDI” or the “Company”), owner and operator of Makati Medical Center (hereinafter interchangeably referred to as “MMC” or the “Hospital”) will be conducted via remote communication on Tuesday, **July 19, 2022 at 5:00 P.M.**

The Agenda of the Meeting is as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting of July 20, 2021
4. Presentation of the Annual Report and approval of the 2021 Audited Financial Statements
5. Open Forum
6. Approval of the Amendments to the Articles of Incorporation and By-Laws
7. Ratification of Acts and Proceedings of the Board of Directors and Corporate Officers
8. Election of the Board of Directors
9. Approval for the Extension of Term of Independent Director, Mr. Francisco A. Dizon
10. Appointment of External Auditors
11. Other Matters
12. Adjournment

In light of the Covid-19 pandemic, the Company will not be conducting a physical ASM. Instead, the ASM will be streamed live, and stockholders may attend and participate via remote communication and vote in absentia, using the Company website, [<asm2022.makatimed.net.ph>](http://asm2022.makatimed.net.ph). The guidelines for participation via remote communication and voting in absentia is set forth in Annex “E” of the Definitive Information Statement.

For the purpose of this meeting, only stockholders of record at the close of business on **May 31, 2022** will be entitled to attend/participate and cast their votes in absentia at the ASM. Stockholders who wish to appoint a proxy are respectfully requested to submit their duly signed proxy form together with other documentary requirements which are set forth in the Annex “E” of the Definitive Information Statement to the Finance Division, Makati Medical Center, 5<sup>th</sup> Floor Keyland Centre 143 Dela Rosa corner Adelantado St. Legaspi Village, Makati City and/or by email to [mmcfinance@makatimed.net.ph](mailto:mmcfinance@makatimed.net.ph) not later than **5:00 P.M. on June 30, 2022**. MMC Finance shall submit the proxy form to the Corporate Secretary. Validation of proxies shall be held on **July 4, 2022** at 10:00 A.M. at the Board Room, Makati Medical Center, 6<sup>th</sup> Floor Keyland Centre 143 Dela Rosa corner Adelanto St. Legaspi Village, Makati City.

**MEDICAL DOCTORS, INC.**

By:

  
**ATTY. GERMAN Q. LICHAURO II**  
Corporate Secretary

## BRIEF DESCRIPTION OF TH

1. **Call to Order.** The Chairman of the Board of Directors, Mr. Manuel V. Pangilinan, will call the meeting to order.
2. **Certification of Notice and Quorum.** The Corporate Secretary, Atty. German Q. Lichauco III, will certify that copies of the Notice of the Meeting were sent to Stockholders of record as of May 31, 2022, and will certify the number of stockholders present through remote communication, and whether in person or by proxy, for the purpose of determining the existence of a quorum to validly transact business.
3. **Approval of the Minutes of the Annual Stockholders Meeting held on July 20, 2021.** Copies of the Minutes are available for examination during office hours at the Finance Division, Makati Medical Center, 5<sup>th</sup> Floor Keyland Centre 143 Dela Rosa corner Adelantado St, Legaspi Village, Makati City and will be distributed to all stockholders as of record date along with the Definitive Information Statement. The resolution that will be submitted for approval of the stockholders states as follows:

*“RESOLVED, that the Stockholders of the Corporation hereby approve the Minutes of the Annual Stockholders’ Meeting held on July 20, 2021.”*

4. **Presentation of the Annual Report and Audited Financial Statements.** The Report presents the milestones and achievements of the Company for the year 2021. The audited financial statements, highlights of which are explained in the President and Chief Executive Officer’s Report and in the Definitive Information Statement, will be presented to the Stockholders for approval. Copies of the 2021 Audited Financial Statements, previously approved by the Board of Directors, were also submitted to the Securities and Exchange Commission and the Bureau of Internal Revenue. The resolution that will be submitted for approval of the stockholders states as follows:

*“RESOLVED, that the audited financial statements for the year ended December 31, 2021 be, as the same are, hereby approved.”*

5. **Open Forum.** Stockholders may submit any relevant question or express any appropriate comment by sending an email to [mmcfinance@makatimed.net.ph](mailto:mmcfinance@makatimed.net.ph) not later than 3:00pm of July 19, 2022. Questions which cannot be read and answered during the meeting will be replied to by the Company through the stockholder’s email address.
6. **Approval of the Amendments to the Articles of Incorporation and By Laws.**

Approval and ratification by the stockholders representing at least two-thirds of the outstanding capital stock of the Company will be sought to amend the Articles of Incorporation and By-laws in order to update, comply and be consistent with the requirements of the Revised Corporation Code, the Revised Manual of Corporate Governance and the directives of the Securities and Exchange Commission. The Board approved the proposed additional amendments during its meeting on January 28, 2022. Following is a summary of the proposed amendments:

1. Corporate Name (AOI & By-Laws)
2. Limitation of Founders’ Shares (AOI)
3. Annual Meeting of Stockholders (By-Laws)
4. Regular Meeting (By-Laws)
5. Notice of Meetings (By-Laws)
6. Compensation (By-Laws)
7. Loss and Destruction of Certificate (By-Laws)
8. Committees (By-Laws)
9. Waiver of Notice (By-Laws)
10. Amendments (By-Laws)
11. General Provisions (By-Laws)

A copy of the Amended Articles of Incorporation and By-Laws is attached to the Definitive Information Statement as Annex “A”.

- 7. Ratification of Acts and Proceedings of the Board of Directors and Corporate Officers.** Ratification of the acts of the Board of Directors and Management crucial to the successful and effective performance of the Company from July 20, 2021 up to the date of the meeting will be sought from the stockholders. The resolution that will be submitted for approval of the stockholders’ states as follows:

*“RESOLVED, that all acts, resolutions, and deeds of the Board of Directors and Management of the Company from the Annual Stockholders’ Meeting held on July 20, 2021 up to the date of this meeting be, as they are hereby confirmed, ratified and approved.”*

- 8. Election of Directors for the ensuing year.** The Chairman of the Nomination and Election Committee will present to the stockholders the nominees for election as members of Board of Directors of the Company. Copies of the *curriculum vitae* and profiles of the candidates to the Board of Directors are provided in the Definitive Information Statement for the examination of the stockholders. For this year, the candidates to the Board of Directors are the following:

*Regular Directors*

1. Mr. Manuel V. Pangilinan
2. Dr. Benjamin N. Alimurung
3. Atty. Pilar Nenuca P. Almira
4. Mr. Jose Amado A. Fores
5. Dr. Victor L. Gisbert
6. Mr. Jose Ma. K. Lim
7. Dr. Conrado Gabriel Lorenzo III
8. Ms. Ma. Susana A.S. Madrigal
9. Mr. Augusto P. Palisoc, Jr.
10. Mrs. Judy A. Roxas
11. Dr. Remedios G. Suntay
12. Mr. Reymundo S. Cochangco

*Independent Directors*

1. Mr. Francisco A. Dizon
2. Mrs. Diana P. Aguilar
3. Mr. Francisco S.A. Sandejas

Votes cast within the period provided will be tabulated and reviewed by the Chairman of the Nomination and Election Committee. The Chairman of the Nomination and Election Committee will announce the results of the election.

- 9. Approval for the Extension of Term of Mr. Francisco A. Dizon.** Pursuant to the requirements of the Code of Corporate Governance for Public Companies and Registered Issuers, the extension of term of independent directors beyond the 9-year term limit require stockholders’ approval. Hence, stockholders’ approval will be sought for the extension of term of Mr. Francisco A. Dizon as Independent Director for 2022-2023.
- 10. Appointment of External Auditors.** The Company’s external auditors for 2022-2023, tasked with the preparation of the annual financial statements, will be appointed by the stockholders, upon favorable recommendation by the Audit Committee. The resolution that will be submitted for approval of the stockholders states as follows:

*“RESOLVED, that Isla Lipana & Company, Certified Public Accountants, be, as they are hereby, re-appointed as external auditors of the Company for the year 2022-2023.”*

- 11. Other Matters.** Stockholders may be requested to consider such other issues/matters that arise after the Notice of

Meeting and Agenda have been sent out or as may be raised throughout the course of the meeting.

**12. Adjournment.** After all business has been considered and resolved, the Chairman shall declare the meeting adjourned.

## INFORMATION STATEMENT

### PART I

#### A. GENERAL INFORMATION

##### Item 1. Date, Time and Place of Annual Meeting

The Annual Meeting of Stockholders (“ASM”) of Medical Doctors, Inc., (hereinafter interchangeably referred to as “MDI” or the “Company”) will be conducted virtually on **July 19, 2022 at 5:00 P.M.** The complete mailing address of the principal office of the Company is No. 2 Amorsolo St., Legaspi Village, Makati City.

The information statement and form of proxy are first to be sent to security holders approximately on **June 27, 2022.**

##### Item 2. Dissenters' Right of Appraisal

There are no corporate matters or actions to be taken up during the ASM that will entitle dissenting Stockholders to exercise their right of appraisal as provided in Title X of the Revised Corporation Code of the Philippines.

##### Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director, nominee for election as director, associate of the nominee or executive officer of the Company at any time since the beginning of the last fiscal year has any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the meeting, other than election to office.

The Company has not received any information that an officer, director or stockholder intends to oppose any action to be taken at the ASM.

#### B. CONTROL AND COMPENSATION INFORMATION

##### Item 4. Voting Securities and Principal Holders Thereof

- (a) As of **May 31, 2022**, the Company has the following outstanding shares of common stock:

| <u>Title of Class</u>                     | <u>No. of shares outstanding</u> |
|---|----------------------------------|
| <b>Common Shares</b>                      | <b>3,420,737 shares</b>          |
| <b>Each share is entitled to one vote</b> |                                  |

- (b) The record date with respect to this solicitation is **May 31, 2022**. Only stockholders of record at the close of business on **May 31, 2022** will be entitled to vote at the meeting (“Stockholders”). Presence in person or by proxy of Stockholders owning a majority of the shares of Common Stock outstanding on the record date is required for a quorum.

- (c) Manner of Voting

A Stockholder entitled to vote at the meeting has the right to vote in person or by proxy. With respect to the election of directors, in accordance with Section 23 of the Revised Corporation Code of the Philippines, a Stockholder may vote the number of shares held in his name in the Company's stock books as of **May 31, 2022**, and may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied

by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the total number of directors to be elected.

In compliance with the requirement in Section 22 of the Revised Corporation Code of the Philippines and Securities and Exchange Commission (“SEC”) Memorandum Circular No. 20, Series of 2020, three (3) of the fifteen (15) directors shall be independent directors. Hence, separate elections shall be held, if appropriate, for non-independent directors and independent directors.

If there are only twelve (12) nominees for non-independent directors, all votes shall be deemed cast in their favor and they shall automatically be deemed elected. Only nominees who were nominated on or before the May 20, 2022, the deadline thereof, shall be recognized and may be voted upon during the July 19, 2022 ASM. If there are more than twelve (12) nominees for non-independent directors, an election shall be held for non-independent directors and the twelve (12) nominees with the highest number of votes shall be deemed elected. The formula in such election shall be as follows:

**no. of shares held on record as of record date x 12 non-independent directors = total number of votes that may be cast**

If there are only three (3) nominees for independent directors, all votes shall be deemed cast in their favor and they shall automatically be deemed elected. Only nominees who were nominated on or before the May 20, 2022, the deadline thereof, shall be recognized and may be voted upon during the July 19, 2022 ASM. If there are more than three (3) nominees for independent directors, an election shall be held for independent directors and the three (3) nominees with the highest number of votes shall be deemed elected. The formula in such election shall be as follows:

**no. of shares held on record as of record date x 3 independent directors = total number of votes that may be cast**

The deadline for submission of proxies is **not later than 5:00 P.M. on June 30, 2022** at the Finance Division, Makati Medical Center and/or by email to [mmcfinance@makatimed.net.ph](mailto:mmcfinance@makatimed.net.ph). MMC Finance shall submit the proxy for to the Corporate Secretary. Validation of proxies will be on **July 4, 2022 at 10:00 AM** at the Board Room, Makati Medical Center, 6<sup>th</sup> Floor Keyland Centre, 143 Dela Rosa corner Adelantado St. Legaspi Village, Makati City.

The proxy subject of this solicitation shall have discretionary authority to cumulate votes.

(d) Security Ownership of Certain Record and Beneficial Owners

(1) Security ownership of certain record and beneficial owners of more than 5% of the voting securities

As of **May 31, 2022**, the Company knows of no one who beneficially owns in excess of 5% of its common stock, except as set forth below:

| <b>Title of Class</b> | <b>Name, Address of Record Owner and Relationship with Issuer</b>  | <b>Name of Beneficial Owner and Relationship with Record owner</b>   | <b>Citizenship</b> | <b>Number of Shares Held</b> | <b>Percent (%)</b> |
|-----------------------|--|--|--------------------|------------------------------|--------------------|
| Common                | Metro Pacific Hospital Holdings, Inc (MPHHI)<br>10 <sup>th</sup> Floor, MGO Bldg.<br>Legaspi cor dela Rosa St.,<br>Makati City<br>MDI is an associate of MPHHI | Manuel V. Pangilinan<br>Chairman of the Board of Metro Pacific Hospital Holdings Inc. and Medical Doctors, Inc., (Mr. Pangilinan and/or Mr. Jose Ma. K Lim are authorized to vote the shares on behalf of MPHHI) | Filipino           | 1,141,819                    | 33.38%             |

(2) Security Ownership of Management

The following are the number of shares comprising the Company's capital stock (all of which are voting shares) owned of record by the directors, Chief Executive Officer, key officers of the Company, and nominees for election as director, as of **May 31, 2022**:

| <b>Title of Class</b> | <b>Name of Owner</b>                 | <b>Nature of Ownership</b> | <b>No. of Shares</b> | <b>Amount</b> | <b>Citizenship</b> | <b>Percent of Class</b> |
|-----------------------|--------------------------------------|----------------------------|----------------------|---------------|--------------------|-------------------------|
| Common                | Remedios G. Suntay, MD               | Direct                     | 119,208              | 11,920,800    | Filipino           | 3.48%                   |
| Common                | Benjamin N. Alimurung, MD            | Direct                     | 47,110               | 4,711,000     | Filipino           | 1.38%                   |
| Common                | Jose Amado A. Fores                  | Direct                     | 15,192               | 1,519,200     | Filipino           | 0.44%                   |
| Common                | Ma. Susana A. Madrigal               | Direct                     | 9,335                | 933,500       | Filipino           | 0.27%                   |
| Common                | Victor L. Gisbert, MD                | Direct                     | 2,485                | 248,500       | Filipino           | 0.07%                   |
| Common                | Mary Milagros Uy, MD                 | Direct                     | 1,500                | 150,000       | Filipino           | 0.04%                   |
| Common                | Conrado Gabriel C. Lorenzo III, M.D. | Direct                     | 1,500                | 150,000       | Filipino           | 0.04%                   |
| Common                | Michael C. Wassmer, M.D.             | Direct                     | 1,500                | 150,000       | Filipino           | 0.04%                   |
| Common                | Judy A. Roxas                        | Direct                     | 1,001                | 100,100       | Filipino           | 0.03%                   |
| Common                | Diana P. Aguilar                     | Direct                     | 1                    | 100           | Filipino           | 0.00%                   |
| Common                | Manuel V. Pangilinan                 | Direct                     | 1                    | 100           | Filipino           | 0.00%                   |
| Common                | Jose Ma. K. Lim                      | Direct                     | 1                    | 100           | Filipino           | 0.00%                   |
| Common                | Augusto P. Palisoc, Jr.              | Direct                     | 1                    | 100           | Filipino           | 0.00%                   |
| Common                | Francisco A. Dizon                   | Direct                     | 1                    | 100           | Filipino           | 0.00%                   |
| Common                | Pilar Nenuca P. Almira               | Direct                     | 1                    | 100           | Filipino           | 0.00%                   |
| Common                | Francisco S.A. Sandejas              | Direct                     | 1                    | 100           | Filipino           | 0.00%                   |
| Common                | Reymundo S. Cochangco                | Direct                     | 1                    | 100           | Filipino           | 0.00%                   |

Below are Management Officers that are non-shareholders of the Company.

|                           |  |
|---------------------------|--|
| Arnold C. Ocampo          | Senior Vice President and Chief Finance Officer                              |
| Arlyn L. Songco           | Vice President for Creative, Communications & Sales Services                 |
| Engr. Gerry E. Cunanan    | Vice President for Facilities Management & Engineering Division.             |
| Bitra S. Avendano         | Vice President for Human Resources Management and Development Division       |
| Eda Bernadette P. Bodegon | Chief Nursing Officer and Vice President for Nursing & Patient Care Services |

The aggregate number of shares owned of record by the Chief Executive Officer, key officers, directors and nominees for directors as a group as of May 31, 2022 is 198,839 shares or approximately 5.81% of outstanding shares.

(e) **Changes in Control**

The Company is not aware of any change in control or arrangement that may result in a change in control of the Company since the beginning of its last fiscal year.

- (3) Voting Trust Holders of 5% or more  
Not Applicable

(f) **Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

No director, nominee for election as director, associate of the nominee or executive officer of the Company at any time since the beginning of the last fiscal year has any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the meeting, other than election to office.

The Company has not received any information that an officer, director or stockholder intends to oppose any action to be taken at the ASM.

**Item 5. Directors and Executive Officers**

(a) The Company is not aware of any pending legal proceeding of the nature required to be disclosed under Part I, paragraph (C) of Annex D with respect to nominees for directorship.

(b) The names of the incumbent and nominee directors and executive officers of the Company, and their respective ages, current positions held, periods of services and business experience during the past five (5) years, are as follows:

**Incumbent Directors, Officers and/or nominees for Board of Directors**

***Benjamin N. Alimurung, M.D. 76, Filipino***

Benjamin N. Alimurung, M.D. is a nominee for a regular director position. He has been a member of the MDI Board since 1981. He is currently the Co-Chairman of the Ethics Committee of the Board. He was the Medical Director of the Hospital from 2006 to May 31, 2016. He was a member of the Management Committee from 1983 to May 2016; Head, Cardiovascular Diagnostic Laboratory (Heart Station) since 1981; Head, Catheterization Laboratory from 1989 to January 2022. Director, Adult Cardiology Training Program since 1983; Active Medical Staff, MMC, 1981 to present; Adult Cardiology Fellowship, Emory University School of Medicine and Affiliated Hospitals, Atlanta, Georgia, USA, July 1976- April 1980; Interventional Cardiology, Emory University School of Medicine and Affiliated Hospitals, Atlanta Georgia, USA, November 1987 – November 1988; Co-Director, Cardiac Catheterization Laboratory and Director, Exercise Function Laboratory, Grady Memorial Hospital, Atlanta Georgia, USA, July 1979-January 1980; Instructor in Medicine (Cardiology), Emory University School of Medicine, Atlanta, Georgia, USA July 1979 – January 1980; Director, Cardiac Catheterization Laboratory, Grady Memorial Hospital, Atlanta Georgia, USA, November 1987 – November 1988; International Fellow, Council on Clinical Cardiology, American Heart Association, January 1985; Fellow, American College of Cardiology, August 25, 1997; Member Asia-Pacific Society of Interventional Cardiology, 1995; Active Medical Staff, UST 1980- 1987 and Balik-Scientist Presidential Program Awardee (for Cardiovascular Medicine), Phase-II, Philippine National Science Development Board, Manila, Philippines, 1981

***Atty. Pilar Nenuca P. Almira, 69, Filipino***

Pilar Nenuca P. Almira is a nominee for regular director position. She is currently the President & CEO of MDI since September 2020. She is a member of the Nomination & Election Committee of the Board. Prior to joining MDI, she was the President & CEO of Cardinal Santos Medical Center and the President of Cardinal Medical Charities

Foundation, Inc. since December 2012. She was also the President & CEO of Our Lady of Lourdes Hospital since August 2016.

Atty. Almira served as the Hospital Director of Manila Doctors Hospital from 2006 to 2012; Senior Vice President for Business Development, Marketing and Sales Effectiveness at St. Peter life Plan Incorporated from 2002 to 2006; Chief Operating Officer at University of Santo Tomas Hospital from 2000 to 2002; Human Resource Director for South/South East Asia at Kraft Foods International from 1988-2000; Human Resource Director at Warner Lambert Philippines from 1978 to 1988; and Factory Personnel Manager at Nestle Philippines from 1974 to 1978.

In 1998, the Personnel Management Association of the Philippines awarded her Personnel Manager of the year.

Atty. Almira has an MBA degree from the Ateneo de Manila University in 1978, a law degree from the University of the Philippines in 1984 and a master's in health services administration degree from Ateneo de Manila University in 2004. She was also conferred a Papal Award by Pope Francis in 2015.

***Jose Amado A. Fores, 61, Filipino***

Jose Amado A. Fores is a nominee for a regular director position. He has been a member of the MDI Board since 2008. He is currently a member of the Ethics Committee and the Nomination & Election Committee of the Board. He is Vice President, Information Technology Division of ACI, Inc. from 2006 up to present; Vice President of Uniprom, Inc. (1994-2006); IT Project Team Head, Progressive Development Corporation (2000-2001); Project Proponent / VP & GM, Board Member of TicketNet, Inc.(1994-2010); President and CEO Founding Partner, Board Member, Central Network Linkages, (1987-present); and Administrative Committee Board Member, CIBO, Inc. (1999 up to present).

***Victor L. Gisbert, M.D., 68, Filipino***

Victor L. Gisbert, M.D. is a nominee for regular director position. He has been a member of the MDI Board since 2007. He is currently a member of the Ethics Committee and the Nomination & Election Committee of the Board. He was the Ex-Officio President of the Medical Staff Association of Makati Medical Center. He is currently President of MMC Foundation, Inc. and Philippine Asian Vascular Society; Chairman of the Health Service Department of Makati Medical Center; Vice President of the Philippine Society of vascular and vascular surgery, an active staff member at the MDI Department of Surgery; Section Chief, Peripheral Vascular Section; Member, Medical Services Committee of Makati Medical Center; Vice-President, Asian Society of Vascular Surgery; Medical Director of Guevent Group of Companies., He obtained his Vascular and Trauma Surgical Fellow and Trauma and Vascular Research Fellow at the Hennepin County Medical Center, Minneapolis, Minnesota, Vascular Fellow, Cornell Medical Center, New York, USA. Fellow, Philippine College of Surgery and American College of Surgeons, General Surgery training, at Makati Medical Center.

***Jose Ma. K. Lim, 70, Filipino***

Jose Ma. K. Lim is a nominee for regular director position. He has been a member of the MDI Board since 2008. He is currently a member of the Audit Committee of MDI. Mr. Lim then worked as a senior officer for various local and foreign banking institutions from 1988 to 1995. He was Director for Investment Banking of the First National Bank of Boston from 1994 to 1995, and prior to that, Vice President of Equitable Banking Corporation.

In 1995, Mr Lim joined Fort Bonifacio Development Corporation (FBDC) as Treasury Vice President and eventually was appointed Chief Finance Officer in 2000.

In 2001, Mr. Lim assumed the position of Group Vice President and Chief Finance Officer of FBDC's parent company, Metro Pacific Corporation (MPC) on a concurrent basis . He was then elected President & CEO of MPC in June 2003.

In 2006, MPC was reorganized into Metro Pacific Investments Corporation (MPIC), where he continues to serve as President & CEO. Aside from MPIC he is also currently a Director in the following MPIC subsidiaries and affiliate companies:

Manila Electric Company; Meralco Powergen Corporation; Beacon Electric Asset Holdings Inc.; Global Business Power Corporation; Metro Pacific Tollways Corporation; NLEX Corporation; Cavitex Infrastructure Corporation; Easytrip Services Corporation; Cebu Cordova Link Expressway Corporation; AIFTollroads Holdings, Thailand; Maynilad Water Services Inc.; MetroPac Water Investments Corporation; Cagayan de Oro Bulk Water Inc.; Metropac Movers Inc; Light Rail Manila Corporation; AF Payments Inc; Metro Pacific Hospital Holdings Inc.; Medical Doctors, Inc. (owner and operator of Makati Medical Center); Cardinal Santos Medical Center (Colinas Verdes Hospital Managers Corporation); Asian Hospital; Our Lady of Lourdes Hospital; Manila Doctors Hospital Inc; Davao Doctors' Hospital; Riverside Medical Center Inc.; Metro Pacific Investments Foundation; and Pacific Global Aviation Inc.

Mr. Lim serves as Chairman of Indra Philippines; Nusantara, Jakarta Indonesia; Ecosystem Technologies International and Metpower Venture Partners Holdings Inc.

He is also a Trustee of the Asian Institute of Management and Asia Society of the Philippines and an advisory board member of the Ateneo Graduate School of Business;

Mr. Lim has received various awards relating to Corporate Governance and Investor Relations. He was accorded the Triple A award from Asian Institute of Management for his excellent performance in his field of profession.

He is a founding member of the Shareholders Association of the Philippines and an active member in various business organizations.

***Conrado Gabriel C. Lorenzo III, MD, MBA., 59, Filipino***

Dr. Conrado C. Lorenzo III is a nominee for regular director position. He was elected as a member of the MDI Board in July 2017 and serves an active member of the board's Corporate Governance & Compliance Committee and Nomination & Election Committee.

He spends majority of his time at Makati Medical Center and is likewise affiliated with Asian Hospital & Medical Center and St. Luke's Medical Center, Global City. At one given time, he was Chief of the Section of Medical Oncology of all three hospitals, and Director of the Makati Medical Cancer Center (2008-2011), positions that he held concurrently. Dr. Lorenzo completed his undergraduate studies at Boston University, Boston, Massachusetts (1982-1986) and earned his medical degree from the University of the Philippines, Philippine General Hospital (1986-1991). He completed his Internal Medicine Residency at Hahnemann University, Philadelphia (1992-1996) and his Fellowship training in Hematology & Medical Oncology at the University of Texas, Southwestern Medical Center in Dallas (1996-1999). He is a Diplomate of both the American Board of Internal Medicine and American Board of Medical Oncology. Dr. Lorenzo also holds an MBA degree from the Ateneo Graduate School of Business (2012-2015) and completed a year of advanced education at the Harvard Medical School's Southeast Asia Healthcare Leadership Program (SEAL 2018-2019). He is a member of the Board of Directors of the Philippine Cancer Society and of FamilyDoc, a subsidiary of AC Health. He is an associate member of the Philippine Society of Medical Oncology, and member of various international societies including the American Society of Clinical Oncology (ASCO), European Society of Medical Oncology (ESMO), and International Association for the Study of Lung Cancer (IASLC). He currently serves as a member of Makati Medical Center's Medical Staff Association

***Ma. Susana A.S. Madrigal, 65, Filipino***

Ma. Susana A.S. Madrigal is a nominee for regular director position. She has been a member of the MDI Board since 2018. She is also a member the Corporate Governance & Compliance Committee and Ethics Committee of MDI. She is currently President of Aquatic Property Management & Development Corporation, Micallex Land Inc., and C. Madrigal Group of Companies. She is Chairperson & CEO of Finca Verde Corporation; Chairperson & CEO of Micallex Corporation; Director of New Alabang Commercial Corporation; and Chairperson of Sugi Management

Corporation. She held various positions in the past - Chairperson of A.P. Madrigal Steamship Corporation, Vice Chairman and Director, Madrigal Wan Hai Lines Corporation; Vice Chairperson and Director, Rizal Cement Corporation; Director, Solid Cement Corporation (now Cemex); Director, Solid Bank Corporation (now Metrobank); Shareholder, Wayfair Tours, Inc.; and was an Assistant Manager in Citibank N.A.

In 2018, she was awarded Hero of Philanthropy by Forbes Asia. In the same year, she was also conferred Cavaliere dell'Ordine della Stella d'Italia by the Embassy of Italy to the Philippines.

***Augusto P. Palisoc Jr., 64, Filipino***

Augusto P. Palisoc Jr. is a nominee for regular director position. He has been a member of the MDI Board since 2008. He is a member of the Ethics Committee of the Board. He has been with the First Pacific group of companies for 36 years. He is currently an Executive Director of Metro Pacific Investments Corporation (MPIC) and is the President and a Director of Metro Pacific Hospital Holdings Inc., which is MPIC's holding company for all its hospital and healthcare investments. He is Chairman of the Board of Asian Hospital Inc., De Los Santos Medical Center, Marikina Valley Medical Center, East Manila Hospital Managers Corporation (owner and operator of the Our Lady of Lourdes Hospital), Delgado Clinic Inc. (owner and operator of the Dr. Jesus C. Delgado Memorial Hospital), Davao Doctors Hospital (Clinica Hilario Inc.), Riverside Medical Center Inc. and Riverside College Inc. in Bacolod, Central Luzon Doctors Hospital in Tarlac, Sacred Heart Hospital of Malolos Bulacan, Metro Pacific Zamboanga Hospital Corporation, St. Elizabeth Hospital Inc. in General Santos City, Manuel J. Santos Hospital in Butuan City, Los Banos Doctors Hospital, Metro Sanitas Corporation, Megaclinic Inc., and Metro Radlinks Network Inc. He is also a Board Director of Colinas Verdes Hospital Managers Corporation (owner and operator of Cardinal Santos Medical Center), Manila Medical Services Inc. (owner and operator of Manila Doctors Hospital), Davao Doctors College Inc., Tophealth Medical Clinic Inc., and Medi Linx Laboratory Inc. Prior to joining MPIC, he was the Executive Vice President of Berli Jucker Public Company Limited in Thailand from 1998 to 2001. Mr. Palisoc served as President and CEO of Steniel Manufacturing Corporation in the Philippines from 1997 to 1998. He has held various positions within First Pacific as Group Vice President for Corporate Development of First Pacific in Hong Kong, and Group Managing Director of FP Marketing (Malaysia) Sdn. Bhd. in Malaysia. Before he joined First Pacific in 1983, he was Vice President of Monte Real Investors, Inc. in the Philippines. Mr. Palisoc earned his Bachelor of Arts Degree, Major in Economics (with Honors) from De La Salle University, and his Master's in Business Management (MBM) Degree from the Asian Institute of Management. of Management.

***Manuel V. Pangilinan, 76, Filipino***

Manuel V. Pangilinan is a nominee for regular director position. He is the Chairman of MDI Board. He has held this position since July 2005. He is currently the Chairman of the Nomination & Election Committee and a member of the Corporate Governance & Compliance Committee of the MDI Board. Mr. Pangilinan founded First Pacific Company Limited in 1981 and serves as its Managing Director and Chief Executive Officer. He was appointed Executive Chairman until June 2003, when he was named as CEO and Managing Director. Within the First Pacific Group, he holds the positions of President Commissioner of P.T. Indofood SuksesMakmurTbk, the largest food company in Indonesia. In the Philippines, he is the Chairman of the Board of Philippine Long Distance Telephone Company (PLDT), the country's dominant telecom company and of Smart Communications Incorporated - the largest mobile communications services provider in the Philippines and continues to serve as their Chairman concurrently. He also serves as Chairman of Manila Electric Company (MERALCO), Metro Pacific Investments Corporation, Maynilad Water Services Inc. (MAYNILAD), Mediaquest Incorporated, Associated Broadcasting Corporation (TV5), Philex Mining Corporation, Manila North Tollways Corporation, Landco Pacific Corporation, Metro Pacific Hospital Holdings, Inc., Makati Medical Center, Cardinal Santos Medical Center, Our Lady of Lourdes Hospital, Digital Telecommunications Phils., Digitel Mobile Philippines, Inc., PLDT Communications & Energy Ventures, Inc. In 2012, he was appointed as Vice Chairman of Roxas Holdings, Incorporated which owns and operates the largest sugar milling operations in the Philippines.

He is currently the Chairman of the Board of Trustees of the San Beda College. In August 2016, the Samahang Basketbol ng Pilipinas (SBP) – the National Sport Association for basketball requested Mr. Pangilinan to be its Chairman Emeritus

after serving as President since February 2007. Effective January 2009, MVP assumed the Chairman of the Amateur Boxing Association of the Philippines (ABAP), a governing body of amateur boxers in the country. In October 2009, Mr. Pangilinan was appointed Chairman of the Philippine Disaster Resiliency Foundation, Incorporated (PDRF), a non-profit foundation established to formulate and implement a reconstruction strategy to rehabilitate areas devastated by floods and other calamities. Mr. Pangilinan is Chairman of Philippine Business for Social Progress (PBSP), the largest private sector social action organization made up of the country's largest corporations. In June 2012, he was appointed as Co-Chairman of the US-Philippines Business Society (USPS), a non-profit society which seeks to broaden the relationship between the United States and the Philippines in the areas of trade, investment, education, foreign and security policies and culture.

***Judy A. Roxas, 88, Filipino***

Judy A. Roxas is a nominee for regular director position. She has been a member of the MDI Board since 2005. She is currently a member of the Corporate Governance & Compliance Committee of the Board. She is the Vice Chairman and Director of ACI, Inc. (formerly Araneta Center Inc.) and Progressive Development Corporation; Director and Executive Vice President of Associated Holdings, Inc. (formerly Associated Sugar, Inc.), FCP Properties & Dev't Corp. (formerly Financing Corporation of the Philippines), Ma-ao Sugar Central Co., Inc., PHI Holdings, Inc. (formerly PPI), and Talisay Silay Milling Co., Inc.; She is the Chairman of Philippine Horticulture Center, Inc.; Chairman & President of Agricultural Business Venture of Capiz, Inc., Kauswagan Development Corporation, Linampungan Agricultural Corporation and Myapo Prawn Farm Corp. She also sits on the board of directors of AB Agricultural & Business Corporation, Chow Baybay, Inc., Jolly Baybay Corporation and Panedra Agricultural Inc.; and a Shareholder of Manhattan Heights, Inc., and Manhattan Plaza, Inc.;

For social development corporations, she holds the following positions: Chairman of Capiz Women Inc., Gerry Roxas Foundation Hublag Finance Foundation, United Capizenos Foundation, Inc.; President of Gerry Roxas Foundation and J. Amado Araneta Foundation; Vice-Chairman of Makati Medical Center Foundation; Director of TOYM Foundation Inc., President Manuel A. Roxas Foundation, and Assumption Alumnae Association.

***Remedios G. Suntay, 95, Filipino***

Remedios G. Suntay is a nominee for regular director position. She was a member of the MDI Board from 2004 to July 2017 and was re-elected in July 2018. She is currently the Treasurer of the MDI and of Computerized Imaging Institute, Inc. (CIII). She was a member of Faculty of Medicine and Surgery (Instructor) in UST in 1954; Resident in Anesthesia at Kings' Country Hospital, New York from July 1, 1956 to June 30, 1958. She passed the written and oral examination of the American College of Anesthesiologists in 1958. She was a research fellow in Anesthesiology at Queens Hospital, New York from July 1958 to June 1960. She was an Instructor of the Department of Anesthesiology College of Medicine Downstate Medical Center, New York from October 1960 to September 1961. She was an Instructor in Department of Anesthesiology in UST from 1962 to 1971 and received Certificate of 30 years in service from UST Medical Association in 1983. She was Chairman of the Department of Anesthesiology at Makati Medical Center from 2002 to 2009.

***Michael C. Wassmer, M.D., 56, Filipino***

Michael C. Wassmer is an incumbent regular director. He has been a member of the Board since 2018. He is also a member of the Audit Committee of the Board.

He is currently Vice Chair, Section of Pediatric Critical Care of MDI; Diplomate, Philippine Pediatric Society; Member, MMC IRB Committee; President of MMC Medical Staff Association; President, Commcare, Inc. and Administrator, Trinity Woman and Child Hospital. He has been Section Chief, Pediatric Critical Care of Medical Doctors, Inc. and Asian Hospital and Medical Center; President of Makati Medical Center Alumni Association and Alabang Golf and Country Club.

***Reymundo S. Cochangco, 55, Filipino***

Reymundo S. Cochangco is a nominee for regular director position. He is currently the Chief Financial Officer of Metro Pacific Hospital Holdings, Inc. Mr. Cochangco holds a Bachelor of Science degree in Business Administration from the Philippine School of Business Administration. Mr. Cochangco has over 30 years of experience in finance, treasury, controllership, audit and business operations and held various senior positions within the Metro Pacific/PLDT Group, such as President and CFO of Stradcom Corporation, Vice President for Corporate Development of Fort Bonifacio Development Corporation and CFO of SPI Technologies, Inc.

He's currently a member of the boards of Asian Hospital & Medical Center, Colinas Verdes Hospital Managers Corporation (Cardinal Santos Medical Center), Davao Doctors Hospital, Riverside Medical Center, De Los Santos Medical Center, Marikina Valley Medical Center, East Manila Hospital Managers Corporation, St. Elizabeth Hospital Inc., Sacred Heart Hospital of Malolos, Central Luzon Doctors Hospital, Santos Clinic Incorporated, Metro Pacific Zamboanga Hospital Corporation, Metro Radlinks Network Inc., Lipa Medix Cancer Center Corporation, Metro CLDH Cancer Center Corporation, Metro RMCI Cancer Center Corporation, Metro SEHI Cancer Center Corporation, West Metro Cancer Center Corporation, Medi Linx Laboratory Inc., Western Mindanao Medical Center Inc., and Riverside College Inc.

He has also worked for SGV& Co and is a Certified Public Accountant.

***Francisco A. Dizon, 72, Filipino***

Mr. Francisco A. Dizon is a nominee for independent director position. In 2005, he was elected as an independent director of the Medical Doctors, Inc. (MDI) Board, a position which Mr. Dizon holds up to this time. He is currently the Chairman of the Corporate Governance & Compliance Committee and a member of the Audit Committee of MDI. He is also the Chairman of Pacific Northstar, Inc. since 1995. Mr. Dizon also sits as Chairman and President of Project Quest Corporation since 1995; of Fleetwood Holdings Inc. since 1999; of Capitol Star Development Corporation since 2011, and of Diz Shoreline Holdings Corporation since 2018. He is also the Chairman of Business Process Outsourcing International, Inc. since 2004 and of Phoenix One Knowledge Solutions, Inc. since 2001. He is President and CEO of Sun Savings Bank, Inc since 2011, a Director of SunStar Publishing, Inc. and trustee of Laura Vicuna Foundation since 1992. Mr. He was Chairman of Sun Savings Bank, Inc from 2011 - 2018; Chairman and Director of Philippine National Bank from 2001-2005 and was President and CEO of Rizal Commercial Banking Corporation from 1997 to 2000.

Mr. Dizon possesses the qualifications and none of the disqualifications of an independent director.

***Diana P. Aguilar, 58, Filipino***

Diana P. Aguilar is a nominee for independent director position. She has been a member of the MDI board since 2018. She is currently the Chairperson of Audit Committee of MDI.

She is an Investment Banker with extensive experience in Capital Markets transactions and an Entrepreneur with businesses in the fields of Information Technology and Electronic Payments, Retail Trade and Property Management. Ms. Aguilar holds concurrent directorships in fields of Investment and Commercial Banking, Social Protection, Information Technology & E-payments, Retail and Supply Chain, Education and Property Management. She is a public servant serving as Commissioner in the Social Security System since 2010 and Chairperson of SSS' Risk and Investment Oversight Committee, which handles investments of the 500+ billion peso national pension fund. She is the Chairperson of Security Bank Capital Investment Corporation since August, 2016; Director, Security Bank Corporation since April, 2017; Vice Chairperson of SSS' Provident Fund since April, 2015; Director of Phliex Mining Corporation, since 2019; Director of PXP Energy Corporation since February, 2018, Advisor to the Board of Philippine Seven Corporation since January, 2015; Board Trustee and Treasurer, La Salle Greenhills since 2019, and Governor, Employers Confederation of the Phils (ECOP) since January, 2017.

Ms. Aguilar possesses the qualifications and none of the disqualifications of an independent director.

***Francisco S.A. Sandejas, 54, Filipino***

Francisco (Paco) Sandejas is a nominee for independent director position. He has been a member of the MDI board since 2021. He currently the Chairman of the Ethics Committee and a member of the Audit Committee of the Board. Paco Sandejas is Founder and Chairman of Narra Ventures, a technology holding company and boutique early-stage investment group that founded Stratpoint Technologies, Xepto Education, Narra Venture Capital as well as invested in over 40 high-technology companies, with some notable companies being Inphi (NASDAQ: MRVL), SIRF (NASDAQ: QCOM), Anulaire (TT:2241), Quintic (NASDAQ: NXPI), Calypto (NASDAQ: MENT) and Sandbridge.

He is also the Founder and CEO of Xepto Education, a system developer and integrator of the most innovative platform for the delivery of Digital Education content and tools for schools of the developing world.

He founded and chairs Stratpoint Technologies, Inc. one of SouthEast Asia's leading software consulting firms focused on Enterprise-level Digital Transformation.

Paco also serves as Independent Director on the board of SunLife of Canada (Philippines) and is the Chairman of Philippines S&T Development Foundation. He was an independent director of Unionbank of the Philippines where he helped lead the board efforts in the transformation that made the bank the most decorated digital bank in the Philippines, serving as Chairman of the Technology Steering Committee and the Operations Risk Management Committee.

At Stanford where he completed his Ph.D. and M.S. in Electrical Engineering, he co-invented the Grating Light Valve (GLV), one of Stanford's top IP money-makers. He was the first *summa cum laude* of University of the Philippines-Diliman's Applied Physics program and was awarded Ten Outstanding Students of the Philippines. Paco holds 5 international patents in nanotechnology and optoelectronics.

Being Chairman of the Philippine S&T Development Foundation, co-founder of the Brain Gain Network, Paco advises various agencies of the Philippine Government, De La Salle University and the University of the Philippines. He has worked at H&Q Asia Pacific, Applied Materials and Siliscape.

***Arnold C. Ocampo, 49, Filipino***

Mr. Arnold C. Ocampo, Vice- President, Chief Finance Officer (CFO) & Finance Division Head. Prior to his appointment as CFO, Mr. Arnold was the Department Head of Controllershship in 2010 and was designated Office-in-Charge (OIC) of Finance on Aug. 16, 2013. Mr. Ocampo has had over 20 years of work experience in Finance gained from SGV, Strategic Alliance Dev't Corp, Stradcom Corp, SPI Technologies, Chikka Holdings, Ltd. and MakatiMed, 17 years of which he handled Financial Planning and Reporting, Budgeting and Cost Monitoring, Revenue Collections, Controllershship, Financial Analysis and Project Financing.

***Arlyn L. Songco, 49, Filipino***

Arlyn L. Songco, Vice President & Division Head, Creative, Communications & Sales Services. Arlyn has had over 25 years of work experience in Marketing, Brand/Product Development and Management, Communications and Sales Services; 12 years experience in Marketing, PR and Communications, and Sales Services in the challenging Healthcare/Hospital industry (Makati Medical Center); 5 years experience in Sales, Marketing, and Carrier Relations in the fast-paced Information and Communications Technology industry (ePLDT/PLDT); 6 years experience in Product Management in the dynamic Telecommunications industry (Bayantel, Globe Telecom).

***Engr. Gerry E. Cunanan, 48, Filipino***

Engr. Gerry E. Cunanan, Vice President for Facilities Management & Engineering Division. Engr. Cunanan is a licensed electrical engineer and has more than 20 years of experience in fields of facilities management, engineering design,

property and project management, and energy & workplace management gained from diverse industries such as restaurant, FMCG, telecommunications, real estate & property management, and manufacturing. He has significant exposure in Building Automation Systems, Safety/Security Management, integrated facilities delivery management, waste water treatment, and centralized air-conditioning system. Prior to joining Makati Med, Gerry was the Engineering Head of PepsiCola Philippines where he led his team in providing technical support and total property management services to their Philippine Head Quarter offices, Distribution Center, Manufacturing Plant and Training Center.

***Bitá S. Avendano, 50, Filipino***

Bitá S. Avendaño, Vice President for Human Resources Management and Development Division, has 26 years of extensive and diverse experience in Academe, Research and Science, PR and Human Resources Management both in Corporate Global and local companies. With a degree of Bachelor of Science in Biology and Master of Science in Molecular Genetics attained from the University of the Philippines at Los Banos, she started her career in Academe as a teaching fellow at the same university where she taught Biology, Genetics and Zoology while doing her Masteral thesis at the International Rice Research Institute (IRRI). She was then asked to Join IRRI as a Researcher at their soil sciences and biotechnology division where she started to work in research and was promoted to assistant scientist doing rice genomic research. IRRI then recognized her skill in providing more to the institution and asked her to join their frontline at the Visitors Office where there was a need to communicate the institute's work and research projects to the 50,000 visitors including VIP visitors, Head of States, farmers and media. This is where she worked closely with HR. After 12 years at IRRI, she joined global companies: Accenture, NetSuite, Oracle and local Companies: First Philec and Life Science where she handled the HR Department. Through her HR career, her core focus is to define talent strategy, advise business leaders and drive successful change and transformation with strong ability to lead teams in high pressure environments through all aspects of Human Resources as well as project management.

She is also a certified Functional Medicine Health Coach from the Institute for Functional Medicine, USA and a Certified People Manager.

***Eda Bernadette P. Bodegon, 46, Filipino***

Eda Bernadette P. Bodegon, Chief Nursing Officer and Vice President for Nursing & Patient Care Services. Ms. Bodegon has 25 years of experience inclusive of clinical and administrative experience in the health care industry. She has assumed various positions in Makati Medical Center including: Assistant Director for Clinical Operations & Innovations (2018-2020); AVP, Cluster Head for Operative Services, Service Operations (2017-2018); Unit Manager, Operating Room (2008-2009). She is one of the key personnel in setting up the new OR in MMC Tower 2.

***Mary Milagros D. Uy, 54, Filipino***

Dr. Mila Uy, Compliance Officer. Concurrent to her post as Compliance Officer, she is also Head of Hospital License and Accreditation Division (since 2015) and Assistant Head of Cardiovascular Diagnostic Laboratory (since 2017). Mila has assumed various positions in Makati Medical Center including: Head of Fellows Training Department and Vice-Chair of Department of Medicine (2018-2021); Section Chief of Cardiology (2011-2019); Head of Cardiovascular Critical Care and Telemetry (2009-2018), and Director for Total Quality Services (2009-2015). She is one of the leaders in the JCI accreditation initiative since 2007 and in the quality initiatives of Makati Medical Center since 2002.

**(c) Term of Office**

Pursuant to the Company By-Laws, the directors are elected at each annual stockholders' meeting by stockholders entitled to vote, for a term of one (1) year, and shall serve until the election and acceptance of their duly qualified successors. Any vacancies may be filled by the remaining members of the Board by a majority vote and the director/s so chosen shall serve for the unexpired term.

**(d) Nominees for Election as Members of the Board of Directors**

The deadline for nominees for the board of directors was last May 20, 2022. The Nomination and Election Committee of the Board of Directors of the Company has determined that the above mentioned nominees for the board of directors, including the independent directors to be elected at the stockholders' meeting, possess all of the qualifications and have none of the disqualifications for directorship set out in the Code of Corporate Governance.

For the purpose of determining the qualifications of the nominees for independent directors, the Nomination and Election Committee adopted the independence criteria set out in the Code of Corporate Governance and the Nomination and Election Committee's nomination guidelines. The nomination guidelines are based on 2015 Implementing Rules and Regulations of the Securities Regulation Code Rule 38 as further amended by SEC Memorandum Circular No. 4, Series of 2017 and Memorandum Circular No. 24, Series of 2019..

The members of the Nomination and Election Committee are as follows:

|          |                                      |
|----------|--------------------------------------|
| Chairman | - Manuel V. Pangilinan               |
| Member   | - Atty. Pilar Nenuca P. Almira       |
| Member   | - Jose Amado A. Fores                |
| Member   | - Victor L. Gisbert, MD              |
| Member   | - Conrado Gabriel C. Lorenzo III, MD |
| Member   | - Atty. German Q. Lichauco II        |

**Independent Directors**

The nominees for election as independent directors of the Board of Directors on **July 19, 2022** are:

| <b>Nominee for Independent Director (a)</b> | <b>Person / Group recommending nomination (b)</b> | <b>Relation of (a) and (b)</b> |
|---|---|--------------------------------|
| Francisco A. Dizon                          | Jose Amado A. Fores                               | None                           |
| Diana P. Aguilar                            | Michael C. Wassmer, M.D.                          | None                           |
| Francisco S. A. Sandejas                    | First Optima Realty Corp.                         | None                           |

In approving the nominations for Independent Directors, the Nominations & Election Committee took into consideration the guidelines of the nomination of Independent Directors prescribed in SEC Memorandum Circular Nos. 4, Series of 2017, Memorandum Circular No. 24, Series of 2019 and Memorandum Circular No. 20, Series of 2020.

Under the Section 3, Article III of the Corporation's By-Laws, (i) any stockholder having at least one (1) share registered in his name may be elected Director.

All the nominees for election to the Board of Directors should have at least one (1) share registered in their names once elected.

All nominations for the election of directors by the stockholders shall be submitted in writing to the Nominations and Election Committee of the Board through the office of the Corporate Secretary on or before May 20, 2022.

**(e) Significant Employees**

The Company has no employee who is not an executive officer but is expected to make a significant contribution to the business.

**(f) Family Relationships**

Nominee Director, Jose Amado A. Fores is the nephew of Judy A. Roxas.

Except for the above, there are no other family relationships up to the Fourth Civil Degree either by consanguinity or affinity among the Directors, Executive Officers or persons nominated.

## Certain Relationships and Related Transactions

The Parent Company and CII, its subsidiary, are collectively referred to as the “Group”.

The table below summarizes the Company’s transactions and balances with its related parties:

|   |   | Transactions for the years ended December 31 |            |            | Outstanding balances as of December 31 |            |
|---|---|--|------------|------------|--|------------|
|   | Terms and conditions  | 2021   | 2020       | 2019       | 2021                                   | 2020       |
| (A) Rental income                           |   |  |            |            |  |            |
| <i>Key officers</i>                         | <p>The Parent Company charges its key officers for the usage of clinic including electricity and water consumption. The rental income earned is presented as part of gross revenues (Note 13).</p> <p>Amounts are settled in cash on a net basis. These are unguaranteed, unsecured, non-interest bearing and are collectible on or before the 15<sup>th</sup> of the following month. The receivables from key officers are presented as part of receivables from employees and officers (Note 3).</p> | 1,296,387                                    | 1,071,820  | 634,715    | 369,577                                | 473,772    |
| (B) Collection on behalf of related parties |   |  |            |            |  |            |
| <i>Key officers</i>                         | <p>The Parent Company pays its key officers for professional fees collected from patients.</p> <p>Collections on behalf of key officers are recorded as part of professional fees collected on behalf of doctors under trade and other payables (Note 7). Amounts are settled in cash on a net basis. These are unguaranteed, unsecured, non-interest bearing and are payable on demand.</p>  | 52,191,931                                   | 32,688,840 | 31,730,306 | 24,653,781                             | 11,927,342 |
| (C) Professional services                   |   |  |            |            |  |            |
| <i>Key officers</i>                         | The Parent Company pays its key officers for reader’s fees and professional fees included on medical packages. The amount is recognized as part of professional services presented in cost of services (Note 15).   | 6,846,699                                    | 6,155,522  | 2,718,855  | -                                      | -          |

|  |   | Transactions for the years ended December 31 |            |            | Outstanding balances as of December 31 |            |
|--|---|--|------------|------------|--|------------|
| Terms and conditions                   |   | 2021   | 2020       | 2019       | 2021                                   | 2020       |
| (D) Dividend payments                  | The Parent Company paid dividends to its shareholders, net of the applicable withholding tax. Amounts are settled in cash.  |  |            |            |  |            |
| Entity with significant influence      |   | 52,318,147                                   | 44,922,857 | 78,784,307 |  | -          |
| Key officers                           | Refer further to Note 12 for details of dividend declarations and payments.   | 9,144,985                                    | 6,921,033  | 15,339,707 |  | -          |
|  |   | 61,463,131                                   | 51,843,890 | 94,124,014 |  | -          |
| (E) Borrowings and interest expense    |   |  |            |            |  |            |
| Key officer                            | The Parent Company availed of various loans from a key officer which are payable based on contract terms. The loans are subjected to interest at rates ranging from 5.00% to 5.30%.   |  | -          | -          |  | 21,750,000 |
| Principal                              |   |  |            |            |  | 103,681    |
| Interest                               |   | 303,667                                      | 2,897,958  | 5,809,372  |  |            |
|  | Borrowings are interest-bearing and unsecured except for P1,250 as at December 31, 2020 (2021 - nil) covered by MTI and payable according to the terms and conditions of the loan agreement (Note 8).   |  |            |            |  |            |
|  |   | 303,667                                      | 2,897,958  | 5,809,372  |  | 21,853,681 |
| (F) Investments in shares of stock     |   |  |            |            |  |            |
| Entity with significant influence      | The Parent Company maintains a non-contributory retirement benefit plan administered by a trustee bank as approved by the BOD. Plan assets are invested in shares of stocks of various companies including its related party as approved by the Treasurer (Note 11).                          |  | -          | 354,000    |  | -          |
| (G) Shared expenses                    |   |  |            |            |  |            |
| Shareholder with significant influence | The Parent Company is charged for its share in expenses on purchasing services rendered by its related party presented as part of contracted services under administrative expenses (Note 15).  | 1,100,000                                    | 1,100,000  | 1,100,000  | 4,400,000                              | 3,300,000  |
|  | These are payable within fifteen (15) days after receipt of billing. Overdue balances are subject to 2% interest per month. Outstanding balances are unguaranteed, unsecured, non-interest bearing, payable on demand and are presented as part of accruals for contracted services (Note 7). |  |            |            |  |            |
| (H) Contributions to plan assets       |   |  |            |            |  |            |
| Post-employment benefit plan           | The Parent Company maintains a non-contributory retirement benefit plan covering all of its regular employees (Note 11).  |  | 10,000,000 | 36,000,000 | -                                      | -          |

|   |   | Transactions for the years ended December 31 |            |            | Outstanding balances as of December 31 |            |
|---|---|--|------------|------------|--|------------|
| Terms and conditions                          |   | 2021   | 2020       | 2019       | 2021                                   | 2020       |
| <b>(I) Compensation of key management</b>     |   |  |            |            |  |            |
| <i>Salaries and other short-term benefits</i> | Key management compensation covering salaries and other short-term benefits are determined based on contract of employment and payable in accordance with the Parent Company's payroll period.  | 32,670,397                                   | 28,909,098 | 32,649,544 | -                                      | -          |
| <i>Professional fees</i>                      | Professional fees are paid to doctor consultants holding key management positions in the Hospital.  | 16,329,040                                   | 13,064,792 | 17,629,425 | -                                      | -          |
| <i>Retirement benefit</i>                     | Retirement benefits are determined and payable in accordance with policies disclosed in Note 25.18. These were fully paid as at reporting period, except for retirement liability which will be settled upon retirement of key officers in accordance with the policies of the retirement benefit plan. | (1,140,573)                                  | 3,557,847  | 1,986,653  | 52,137,070                             | 15,471,751 |
|   | The Group has not granted any share-based compensation and termination benefits to its key management personnel for each of the three years.  | 47,858,864                                   | 45,531,737 | 52,265,622 | 52,137,070                             | 15,471,751 |
| <b>(J) Other income</b>                       |   |  |            |            |  |            |
| <i>Shareholder with significant influence</i> | The Parent Company recharged its related party for third-party professional services contracted on behalf of its related party. This is presented under other income, net (Note 16).  | -  | -          | 608,384    | -                                      | -          |

1. No transaction during the last three (3) years, or proposed transactions, to which the Group was or it is to be a party, in which any of the following persons had or is to have direct or indirect material interest.
  - (a) No director or executive officer of the Group;
  - (b) No nominee for election as a director;
  - (c) No security holder named in response; and
  - (d) No members of the immediate family (including spouse, parents, children, siblings and in-laws)
2. No information need be included for any transaction where:
  - (a) No transaction involves services at rates or rates fixed by law or governmental authority;
  - (b) No transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services;
  - (c) No amount involved in the transaction or a series of similar transaction is less than P500,000.00; or
  - (d) No interest of the person arises solely from the ownership of securities of the Parent Company and the person received no extra or special benefit that was not shared equally (pro rata) by all holders of securities of the class.
2. No parents of the Group showing the basis of control and as each parent;
3. No transactions with promoters, issuers organized within the last five (5) years; and
4. Not applicable.

#### **Involvement in Certain Legal Proceedings**

None of the directors, nominees for election as a director, executive officers, underwriters or control persons of the Company have been involved in any legal proceeding, including without limitation being the subject of any (a) bankruptcy petition, (b) conviction by final judgment, (c) order, judgment or decree, or (d) violation of a securities or commodities law, for the past five (5) years up to the latest date, that is material to the evaluation of his ability or integrity to hold the relevant position in the Company.

**Item 6. Compensation of Directors and Executive Officers**

The aggregate compensation paid or incurred during the last two years and estimated to be paid in the ensuing year to the key management of the Group are as follows:

| <b>Name &amp; Principal Position</b>   | <b>Year</b>     | <b>Salary (P)</b> | <b>Bonus (P)</b> | <b>Other Annual Compensation (P)</b> |
|--|-----------------|-------------------|------------------|--------------------------------------|
| Atty Pilar Nenuca P. Almira,<br>President & CEO<br><br>Arnold C. Ocampo, VP Finance<br><br>Arlyn L. Songco, VP Marketing &<br>Sales Services<br><br>Mariel M. Rubio, VP Service<br>Operations<br><br>Kristian R. Sumabat, VP Information<br>& Communication Technology<br><br>Aggregate for above named officers | 2020            | 29,808,121        |                  | 6,250,060                            |
| Atty Pilar Nenuca P. Almira,<br>President & CEO<br><br>Arnold C. Ocampo, SVP Finance<br><br>Arlyn L. Songco, SVP Marketing &<br>Sales Services<br><br>Eda Bernadette Bodegon, VP<br>Nursing Services<br><br>Bita Sigari Avendaño, VP Human<br>Resources<br><br>Aggregate for above named officers                | 2021            | 22,897,708        | 3,950,283        | 3,127,406                            |
|  | 2022 (Estimate) | 24,042,593        | 2,073,899        | 3,238,776                            |
| All Directors & Officers as a group<br>unnamed.  | 2020            | 35,132,529        |                  | 6,841,660                            |
|  | 2021            | 38,473,708        | 6,181,489        | 4,344,240                            |
|  | 2022 (Estimate) | 40,397,393        | 3,245,282        | 4,561,452                            |

Regular and advisory members of the Board of Directors and Independent Directors receive honorarium amounting to P20,000 per Director for every attendance in the board meetings. Total honorarium paid to Directors for the years 2021 and 2020 amounts to P2,100,000 and P2,198,000 respectively. There are no other agreements for which any Director receives compensation from the Company for any service provided as a Director.

General terms and condition of the employment contract of the President and the named officers above are as follows:

- Monthly compensation guaranteed up to 13<sup>th</sup> month pay.
- Performance bonus based on individual and company performance.

- Free hospitalization and consultation. 30 to 60% discount on hospitalization expenses of direct dependents.
- Group life insurance.
- Benefits to assist the officer in the discharge of his/her function such as meal, gasoline and communication allowances, car benefits, leave credits and representation allowance.

There is no agreed compensation to any of the named officers as a result of their resignation, retirement or any other termination due to a change in control in any company of the Group.

The Parent Company did not grant share-based compensation and termination benefits to its key management personnel for the years ended December 31, 2021 and 2020.

## **Item 7. Independent Public Accountants**

### **Audit and Audit Related Fees**

The accounting firm of Isla Lipana & Co. (a member firm of PricewaterhouseCoopers) served as external auditors for the years ended December 31, 2021 and 2020 of the Group. The annual audit fee amounts to P2,576,000 for the year ended December 31, 2021 and 2020 which includes the consolidated financial statements of the Group and the separate financial statements of the Parent Company and CIII. The engagement partner of the Group for the year 2021 is Mr. Jan Michael L. Reyes. He is also the same partner in charge for the year 2022.

The scope includes the audit of the separate and consolidated financial statements of the Group for the purpose of expressing an opinion on the fairness at which said financial statements were prepared. The auditor's services also include a review of the company-prepared annual income tax returns and its attachment for filing with the BIR and the financial statements in a form required by the SEC. The auditors will also prepare a memorandum on major recommendations to improve the Group's internal accounting control systems as may be discovered in the conduct of the audit. The Audit Committee approves all types of engagement with external auditors. Annual Audit plans are presented for approval of the Audit Committee prior to the conduct of the audit.

Also, the Group has not engaged, for the last two (2) years, any of the external auditors for assurance tax accounting, compliance, advice, planning and related services or for any other services other than those mentioned above and the annual audit of its financial statements for statutory and regulatory filings.

On April 2022, the Parent Company engaged Isla Lipana for a tax health check which covers the review of the findings raised by the Bureau of Internal Revenue (BIR) and to check the current tax compliance by the Company. This engagement was approved by the Audit Committee of the Board.

There were no disagreements with the accountants on any matter of accounting principles, or practices, financial statement disclosures, or auditing scopes or procedures.

The Group is aware of and will comply with the requirements of Revised Rule 68 of the Securities Regulation Code Part 1(3)(B)(ix) (Rotation of External Auditors) in the appointment and rotation of its external auditors or engagement partners.

Duly authorized representatives of Isla Lipana will be present at the ASM to respond to appropriate questions concerning the 2021 audited financial statements. Isla Lipana auditors will also be given the opportunity to make a representation or statement in case they decide to do so.

**Item 8. Employee Compensation Plans**

There are no existing or planned stock options.

**Item 9. Authorization or Issuance of Securities Other than for Exchange**

Not applicable

**Item 10. Modification or Exchange of Securities**

Not applicable

**Item 11. Financial and Other Information**

No action is to be taken during the Annual Stockholder's meeting with respect to any matter specified in items 9 or 10.

**Item 12. Mergers, Consolidation, Acquisitions and Similar Matters**

None.

**Item 13. Acquisition and Disposition of Property**

None.

**Item 14. Restatement of Accounts**

None.

**D. OTHER MATTERS**

**Item 15. Action with Respect to Reports**

The approval of the following will be considered and acted upon at the meeting:

1. Management Report of the Company for the year ended December 31, 2021.

The audited Consolidated Financial Statements of the Company for the period ended December 31, 2021 and the accompanying notes to financial statements prepared by Isla Lipana & Co. /PWC ("Financial Statements") will be submitted for approval of the stockholders at the ASM.

The information and representation in the Consolidated Financial Statements are the responsibility of the management of the Corporation. The Consolidated Financial Statements were audited by Isla Lipana & Co. /PWC who have expressed their opinion on the fairness of the presentation in their report to the Board of Directors and Stockholders of the Corporation.

2. Minutes of the 2021 Annual Stockholders' Meeting

The Minutes of the ASM of the Company in 2021 ("Minutes") shall be presented for approval of the stockholders. Such action on the part of the stockholders will not constitute approval or disapproval of the matters referred to in said minutes since stockholders' approval and action on those items had already been obtained in that meeting and subsequently carried out.

The Minutes of the 2021 ASM include the following:

- a) Approval of the Minutes of the 2020 Annual Regular Stockholders' Meeting.
- b) Presentation of the 2020 Annual Report and approval of the 2020 Audited Financial Statements;
- c) Approval of the Amendments to the Article of Incorporation and By-Laws
- d) Ratification of all acts of the Board of Directors and Officers since the 2020 Annual Stockholders' Meeting;
- e) Election of the Board of Directors
- f) Approval of the Extension of Term of Independent Director, Mr. Francisco A. Dizon
- g) Appointment of External Auditors

**Item 16. Matters not required to be Submitted**

Not Applicable

**Item 17. Amendment of Charter, By-Laws or Other Documents**

Approval and ratification by the stockholders representing at least two-thirds of the outstanding capital stock of the Company will be sought to amend the Articles of Incorporation and By-laws in order to update, comply and be consistent with the requirements of the Revised Corporation Code, the Revised Manual of Corporate Governance and the directives of the Securities and Exchange Commission. The Board approved the proposed additional amendments during its meeting on January 28, 2022. Following is a summary of the proposed amendments:

1. Corporate Name (AOI & By-Laws)
2. Limitation on Founders' Shares (AOI)
3. Annual Meeting of Stockholders (By-Laws)
4. Regular Meeting (By-Laws)
5. Notice of Meetings (By-Laws)
6. Compensation (By-Laws)
7. Loss and Destruction of Certificate (By-Laws)
8. Committees (By-Laws)
9. Waiver of Notice (By-Laws)
10. Amendments (By-Laws)
11. General Provisions (By-Laws)

A copy of the Amended Articles of Incorporation and Amended By-Laws is attached hereto as **ANNEX "A"**

**Item 18. Other Proposed Action**

1. Minutes of the 2021 Regular Stockholders' Meeting is attached hereto as **ANNEX "B"**.
2. Summary of Acts of the Board and Management for Ratification by the Stockholders is attached hereto as **ANNEX "C"**
3. Pursuant to the requirements of the Code of Corporate Governance for Public Companies and Registered Issuers, independent directors who are to serve beyond the 9-year term limit will seek stockholders' approval. Hence, stockholder approval will be sought for the extension of term of Mr. Francisco A. Dizon as Independent Director for 2022-2023.

## **Item 19. Voting Procedures**

### **(a) Voting required for Approval**

If there are only twelve (12) nominees for non-independent directors, all votes shall be deemed cast in their favor and they shall automatically be deemed elected. If there are more than twelve (12) nominees for non-independent directors, an election shall be held and the twelve (12) nominees with the highest number of votes shall be deemed elected.

If there are only three (3) nominees for independent directors, all votes shall be deemed cast in their favor and they shall automatically be deemed elected. If there are more than three (3) nominees for independent directors, an election shall be held and the three (3) nominees with the highest number of votes shall be deemed elected.

For the other proposals or matters submitted to a vote, an affirmative vote of the majority of the stockholders present or represented by proxy at the meeting is necessary for the approval of such proposal.

### **(b) Method of Counting Votes**

Each Stockholder shall have one (1) vote for each share of stock entitled to vote and registered in his name at record date.

In accordance with the Revised Corporation Code of the Philippines, voting may be done in absentia. Each ballot shall be signed by the Stockholders voting, or in his name by his proxy, if there be such proxy, and shall state the number of shares voted by him. The formalities and machinery necessary in the voting and election of directors is provided for in Annex "E" hereof.

Counting of the votes shall be done by the Nomination and Election Committee and/or with the assistance of the independent auditors.

### **(c) Proxy and Ballot Appreciation Rules**

All proxies, as indicated in the Proxy Statement, shall be effective for five (5) years from date of issuance for all special or regular stockholders' meetings, including any postponement or adjournment thereof, unless revoked by the issuing stockholder through notice in writing to the Corporate Secretary. It is understood that a proxy shall be rendered ineffective for the meeting that is personally attended by the issuing Stockholder.

If a Stockholder intends to have only one individual acting as his/her proxy, then an issued proxy is deemed revoked by the subsequent issuance of the registered stockholder to another individual of a proxy covering the same number of shares.

If the Stockholder intends to designate several proxies, the number of shares of stock to be represented by each proxy shall be specifically indicated in the proxy form. If the total number of shares covered in all the proxies issued exceed the total number of shares registered in the name of the Stockholder, then the allotment of shares to each of the proxy holders shall be made on chronological order based on the time and date indicated on the faces of each of the proxies: the latest proxy shall have priority and with the oldest proxy having the least priority.

If no time and/or date is indicated in all the proxies, then they shall be deemed to have been issued all at the same time. If some of the proxies have time and/or date indicated on them, while other proxies do not have any time and/or date indicated, then it is presumed that those without time and date are dated on the date they are presented to the Corporate Secretary for registration. In such instances, the allotment of shares to each of the proxy holders shall be made on the imputed chronological order provided in the immediately preceding paragraph.

If some of the proxy forms do not indicate the number of shares, the total shareholdings of the stockholder shall be tallied and the balance thereof, if any, shall be allotted to the holders of the proxy forms on which the number of shares

represented are not indicated. If all proxy forms do not indicate the number of shares designated for the proxy holder, the total shares of stock of the issuing shareholder shall be distributed equally among the proxy holders.

As provided in the Proxy Statement, if the stockholder fails to indicate his votes for the nominees for directors, the proxy holder retains full discretion to distribute the votes in a manner he deems best. If the stockholder fails to indicate his vote on other items in the proxy form or agenda indicated in the Information Statement or Proxy Statement, the proxy holder shall vote in accordance with the recommendation of Management.

As provided in the Proxy Statement, a Stockholder has authorized the proxy holder in cases where the nominee/s nominated in the Proxy Statement belong to a single stockholders' group to exercise full discretion to allocate and distribute to the nominee/s nominated in said Proxy Statement, votes made in favor of a nominee or nominees who withdraw/s his or her nomination. For purposes of these Rules, a single Stockholders' group is defined as the group of nominees listed in a solicited Proxy Statement. In cases where the nominee/s nominated in the Proxy Statement do not belong to a single stockholders' group, such as where the nominee/s nominated include names other than those listed in the Proxy Statement solicited, then votes in favor of a withdrawing nominee/s cannot be allocated to the remaining nominees in the Proxy Statement but shall be considered as stray votes.

For avoidance of doubt, the ballot for individual Stockholders shall contain a tick box where the Stockholder shall indicate whether s/he intends to accumulate his/her votes to the remaining nominee/s indicated in the ballot should any of the nominee/s therein withdraw his/her nomination. In such a case, the votes cast by the individual stockholder shall be distributed equally among the remaining nominees. Otherwise, if the stockholder remains silent on his/her intention to accumulate votes in favor of remaining nominee/s, votes cast in favor of a withdrawing nominee/s shall be considered as stray votes.

The foregoing are subject to SRC Rule 20 of the Amended Implementing Rules and Regulations of the Securities Regulation Code, the provisions of which are incorporated herein by reference.

## **UNDERTAKING**

The Company will provide without charge to each person solicited, on the written request of any such person, a copy of the Company's management report on SEC Form 17-A. Such written request should be directed to the Finance Division, Makati Medical Center, 5<sup>th</sup> Floor Keyland Centre 143 Dela Rosa corner Adelantado St, Legaspi Village, Makati City

## **PART II**

### **INFORMATION REQUIRED IN A PROXY FORM**

#### **Item 1. Identification**

The proxy is solicited by Medical Doctors, Inc. The solicited proxy shall be exercised by The Chairman of the Board of Directors, or in his absence, The Vice-Chairman of the Board of Directors, or in his absence, The President of the Company, or in his absence, The Chairman of the July 19, 2022 Annual Stockholders' Meeting of the Company.

#### **Item 2. Instruction**

- (a) Stockholders who wish to assign a proxy for matters that will be voted upon the meeting may download the Proxy Form available at the ASM Website, attached hereto as **ANNEX "F"**. Accomplished and signed proxy form may then be submitted by emailing a scanned copy to [mmcfinance@makatimed.net.ph](mailto:mmcfinance@makatimed.net.ph).

If the Stockholder intends to designate several proxies, the number of shares of stock to be represented by each proxy shall be specifically indicated in the proxy form. If the total number of shares covered in all the proxies issued exceed the total number of shares registered in the name of the Stockholder, then the allotment of shares to each of the proxy holders shall be made on chronological order based on the time and date indicated on the faces of each of the proxies: the latest proxy shall have priority and with the oldest proxy having the least priority.

- (b) If no time and/or date is indicated in all the proxies, then they shall be deemed to have been issued all at the same time. If some of the proxies have time and/or date indicated on them, while other proxies do not have any time and/or date indicated, then it is presumed that those without time and date are dated on the date they are presented to the Corporate Secretary for registration. In such instances, the allotment of shares to each of the proxy holders shall be made on the imputed chronological order provided in the immediately preceding paragraph.

If some of the proxy forms do not indicate the number of shares, the total shareholdings of the stockholder shall be tallied and the balance thereof, if any, shall be allotted to the holders of the proxy forms on which the number of shares represented are not indicated. If all proxy forms do not indicate the number of shares designated for the proxy holder, the total shares of stock of the issuing shareholder shall be distributed equally among the proxy holders.

As provided in the Proxy Statement, if the stockholder fails to indicate his votes for the nominees for directors, the proxy holder retains full discretion to distribute the votes in a manner he deems best. If the stockholder fails to indicate his vote on other items in the proxy form or agenda indicated in the Information Statement or Proxy Statement, the proxy holder shall vote in accordance with the recommendation of Management.

As provided in the Proxy Statement, a Stockholder has authorized the proxy holder in cases where the nominee/s nominated in the Proxy Statement belong to a single stockholders' group to exercise full discretion to allocate and distribute to the nominee/s nominated in said Proxy Statement, votes made in favor of a nominee or nominees who withdraw/s his or her nomination. For purposes of these Rules, a single Stockholders' group is defined as the group of nominees listed in a solicited Proxy Statement. In cases where the nominee/s nominated in the Proxy Statement do not belong to a single stockholders' group, such as where the nominee/s nominated include names other than those listed in the Proxy Statement solicited, then votes in favor of a withdrawing nominee/s cannot be allocated to the remaining nominees in the Proxy Statement but shall be considered as stray votes.

For avoidance of doubt, the ballot for individual Stockholders shall contain a tick box where the Stockholder shall indicate whether s/he intends to accumulate his/her votes to the remaining nominee/s indicated in the ballot should any of the nominee/s therein withdraw his/her nomination. In such a case, the votes cast by the individual stockholder shall be distributed equally among the remaining nominees. Otherwise, if the stockholder remains silent on his/her intention to accumulate votes in favor of remaining nominee/s, votes cast in favor of a withdrawing nominee/s shall be considered as stray votes.

- (c) The matters to be taken up in the meeting are enumerated opposite the boxes on the accompanying Proxy Form. The names of the nominee directors are likewise enumerated opposite an appropriate space.
- (d) Validation of proxies shall be held on July 4, 2022 at 10:00A.M. at the Board Room, Makati Medical Center, 6<sup>th</sup> Floor Keyland Center 143 Dela Rosa corner Adelantado St. Legaspi Village, Makati City.

### **Item 3. Revocability of Proxy**

A Stockholder giving a proxy may revoke it through notice in writing duly signed and dated to the Corporate Secretary, which must be received before July 16, 2022. If a Stockholder intends to have only one individual acting as his/her proxy, then an issued proxy is deemed revoked by the subsequent issuance of the registered stockholder to another

individual of a proxy covering the same number of shares. It is also understood that a proxy shall be rendered ineffective for the meeting that is personally attended by the issuing Stockholder.

**Item 4.               Persons Making the Solicitation**

This solicitation is made by the Medical Doctors, Inc. No director has informed the Company in writing or otherwise of his intention to oppose any action intended to be taken up at the meeting.

The cost of solicitation is limited to the cost of the website which is estimated to be not more than 50,000.

The cost of solicitation will be borne by Medical Doctors, Inc.

**Item 5.               Interest of Certain Persons in Matters to be Acted Upon**

None of the members of the Board of Directors or executive officer has substantial interest in the matters to be acted upon by the Stockholders in the annual stockholders' meeting.

**PART III**

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and behalf, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on May 31, 2022.

**MEDICAL DOCTORS, INC.**

By:

  
**ATTY. GERMAN Q. LICHAUCO II**  
Corporate Secretary

AMENDED ARTICLES OF INCORPORATION

OF

MEDICAL DOCTORS, INCORPORATED

*doing business under the name and style:*

*"Makati Medical Center"*

(As amended by the Board of Directors on 28 January 2022, and  
by the stockholders on \_\_\_\_\_).

KNOW ALL MEN BY THESE PRESENTS:

That we, all of legal age, Filipino citizens, and residents of the Philippines, on this day have voluntarily associated ourselves together for the purpose of forming a corporation under the laws of the Philippines.

AND WE HEREBY CERTIFY THAT:

**FIRST:** That the name of the said Corporation is-

**"MEDICAL DOCTORS, INCORPORATED."**

*doing business under the name and style:*

*"Makati Medical Center"*

(As amended by the Board of Directors on 28 January 2022, and  
by the stockholders on \_\_\_\_\_).

**SECOND:** That the purposes for which said Corporation is formed are as follows:

**PRIMARY**

To establish, operate, manage, own, and maintain a hospital or hospitals, medical and chemical laboratories and such other enterprises which may have similar or analogous undertakings or dedicated to services in connection therewith, subject to the condition that purely professional medical or surgical services in connection therewith shall be performed by duly qualified physicians or surgeons, who may or may not be connected with the Corporation and who shall be freely and individually contracted by patients.

**SECONDARY**

To establish, operate, maintain and manage a school or schools of medicine, nursing and midwifery, in connection with the primary purpose stated above, and subject to the limitation imposed by existing laws.

To import, export, buy, sell or otherwise deal in, at wholesale or retail, for its own account, as principal or in a representative capacity, as manufacturer's representatives, merchandise broker, indentors, commission merchants, factors or agents upon consignment, all kinds and descriptions of drugs, medicines, pharmaceuticals products or

preparations, proprietary articles, druggist's sundries, chemicals, cosmetics, perfumeries, toilet articles, surgical apparatus, and physicians' and hospitals' supplies and equipments.

To establish, adopt and maintain a system of pre-paid professional, medical and hospitalization service.

To manufacture, compound and repack drugs, medicines, chemical and pharmaceutical preparations of all kinds of and descriptions; to establish and maintain laboratories and other facilities for the manufacturer on a commercial scale of such medical and pharmaceutical and preparations or products; and to import, buy, sell and generally deal in all kinds of machinery, equipments, scientific apparatus, appliances and instruments as well as in chemicals, extracts, compounds and materials required for such manufacturing operations.

To own, manage, run and operate barber shops, beauty parlors, flower shops, magazine stands, drug stores, soda fountain, canteens, refreshment parlors and other eatery establishments, as may be necessary and convenient for the successful conduct of the main purpose.

To purchase, acquire, hold, sell, lease, exchange, mortgage or otherwise deal in real and personal property in the furtherance of the aims and purpose of the Corporation or necessary thereto.

To invest and deal with moneys and properties of the Corporation in such manner as may from time to time be considered wise and expedient for the advancement of the interests and purposes of the Corporation, and to sell, dispose of or transfer the business, goodwill, properties and undertakings of the Corporation or any part thereof for such consideration and under such terms and conditions as it shall see fit to accept.

To apply for, register, hold, own, use, sell, assign, or otherwise dispose of trademarks, trade names, patents, inventions, formulae and processes used in connection with the business of the Corporation or resulting therefrom.

To purchase, acquire, hold, dispose of and otherwise deal in and with shares, stocks, bonds and securities created by any company having objects altogether or in part similar to those of the Corporation, and while the owner and holder thereof, including the right to vote the same and receive, collect, and dispose of the interests, dividends and income derived therefrom.

Without limitation on any of the foregoing purposes and objects, to do and perform and conduct such acts and things whatsoever which are necessary or incidental for the purposes and generally to do all such acts and things and to transact all such business as may be directly or indirectly incidental or conducive to the accomplishment of the above-objects or any of them respectively, and which are legally inherent in the powers of the Corporation organized under the laws of the Philippines in general, and within the powers of the Corporation and like nature in particular.

**THIRD:** That the place of the principal office of the Corporation shall be located at Makati Medical Center, No. 2 Amorsolo St., Legaspi Village, Makati. (As amended by the Board of Directors on March 25, 2015 and by the stockholders on July 16 & 18, 2014)

**FOURTH:** That the term for which said Corporation is to exist **shall be perpetual. (As amended by the Board of Directors on 23 October 2020, and by the stockholders on 20 July 2021).**

**FIFTH:** That the names and residences of the incorporators of said Corporation are as follows:

| Name                       | Residence                            |
|----------------------------|--------------------------------------|
| Miss Julieta Ledesma       | 18 Molave Forbes Park, Makati, Rizal |
| Mr. Luis Araneta           | 52 McKinley Road, Makati, Rizal      |
| Dr. Raul Fores             | Central Boulevard, Quezon City       |
| Dr. Constantino P. Manahan | 90 Demetrio Tuazon, Quezon City      |
| Dr. Jose Y. Fores          | 61 Elpo Compound, Rizal Ave. Ext.    |

|                          |  |
|--------------------------|--|
| Mr. Daniel C. Go         | 57 Buenos Aires, Sta. Mesa Mla.        |
| Dr. Carlos L. Sevilla    | 39 Brixton Hill, Manila                |
| Dr. Mariano M. Alimurung | 16 Apo St., Manila                     |
| Dr. Manuel C. Fernandez  | 25 1 <sup>st</sup> Street, Quezon City |
| Dr. Romeo H. Gustillo    | Cor. Aliw-iw & Dupil Sts., Sta. Mesa   |
| Mr. Jaime Velasquez      | 46 McKinley Road, Makati, Rizal        |

**SIXTH:** That the number of the members of the Board of Directors shall be FIFTEEN (15), **at least 20% of which shall be independent directors**, and that the names and residences of the Directors who are to serve as such until their successors have been duly elected and qualified as provide by the by-laws are as follows (As Amended on 24 April 2008) (**As further amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021**)

| Name                       | Residence                              |
|----------------------------|--|
| Miss Julieta Ledesma       | 18 Molave Forbes Park, Makati, Rizal   |
| Mr. Luis Araneta           | 52 McKinley Road, Makati, Rizal        |
| Dr. Raul Fores             | Central Boulevard, Quezon City         |
| Dr. Constantino P. Manahan | 90 Demetrio Tuazon, Quezon City        |
| Dr. Jose Y. Fores          | 61 Elpo Compound, Rizal Ave. Ext.      |
| Mr. Daniel C. Go           | 57 Buenos Aires, Sta. Mesa Mla.        |
| Dr. Carlos L. Sevilla      | 39 Brixton Hill, Manila                |
| Dr. Mariano M. Alimurung   | 16 Apo St., Manila                     |
| Dr. Manuel C. Fernandez    | 25 1 <sup>st</sup> Street, Quezon City |
| Dr. Romeo H. Gustillo      | Cor. Aliw-iw & Dupil Sts., Sta. Mesa   |
| Mr. Jaime Velasquez        | 46 McKinley Road, Makati, Rizal        |

**SEVENTH:** That the authorized capital stock of the Corporation is FOUR HUNDRED MILLION PESOS (P400,000,000.00) Philippine Currency, divided into 22 FOUNDER’S STOCK and 3,949,978 COMMON STOCK and 50,000 PREFERRED STOCK, all with the par value of P100.00 each;

The rights, preference, qualifications and restriction of the FOUNDER’S STOCK and COMMON STOCK are as follows:

Dividends on said FOUNDER’S STOCK and COMMON STOCK shall be payable at such time and under such terms and conditions as the Board of Directors as may from time to time determine.

Both holders of FOUNDER’S and COMMON STOCK have voting rights. However, only holder of FOUNDER’S STOCK shall have the rights to be voted for membership in the Board of Directors, **which shall not exceed for five (5) years from the date of incorporation**; provided, that in the event no dividends are declared for three (3) consecutive years from the operation of the hospital, holders of COMMON SHARES shall acquire the right to be voted as Directors of the Corporation which right shall cease after the payment of one fiscal year’s dividend. (**As amended by the Board of Directors on 28 January 2022 and by the stockholders on \_\_\_\_\_**)

That any holder of the FOUNDER’S STOCK may sell, bequeath, convey, transfer or otherwise dispose of the said FOUNDER’S STOCK to any of his children or compulsory heirs; and in case any holder of the FOUNDER’S STOCK should decide to sell, convey, transfer or otherwise dispose of his FOUNDER’S STOCK to any person other than his children or compulsory heirs, the said FOUNDER’S STOCK must be first offered for sale, conveyance, transfer or other disposition to the Corporation at the book value of said shares which has a period of 30 days to exercise the said option from receipt by the Secretary of the Corporation of the written notice of such sale, conveyance, transfer or disposition; Provided, however, that in case the Corporation fails or refuses to exercise the option as aforementioned, the said FOUNDER’S STOCK shall then be sold, transferred, conveyed, otherwise disposed of to any stockholder of record on the books of the Corporation who is not already a holder of a FOUNDER’S STOCK. A written notice of such sale, conveyance, transfer or disposition must be given by the Secretary of the Corporation within 5 days from the lapse of

the 30 days period aforesaid to the stockholders concerned, who may exercise the option with a like period of 30 days from receipt of said written notice of such sale, conveyance, transfer or other disposition from the Secretary of the Corporation.

If the Corporation or stockholders mentioned fail or refuse to buy, the same shall be sold to anybody. Any sale or transfer in violation thereof shall be null and void.

The provisions of paragraphs numbered 2,3,4 and 5, above, of the SEVENTH paragraph of the Articles of Incorporation shall not be changed or altered without the vote or written assent of the stockholders representing at least ninety (90) percent of the subscribed capital stock of both classes of the Corporation and any departure from the foregoing express condition shall give rise remedial action against the Corporation.

Stockholders of the Corporation shall have no pre-emptive right over all issues or dispositions of shares in favor of physicians credentialed by the Makati Medical Center (the "Hospital") in order for such physicians to fully comply with the requirement of the Hospital that they own a minimum number of shares of the Corporation; provided, however that the shares to be so issued without pre-emptive right shall not exceed fifteen (15%) of the resulting outstanding shares of the Corporation. (As amended by the Board of Directors in January 25, 2006, and by the written assent of stockholders.)

The provision embodied within this SEVENTH paragraph on the Articles of Incorporation shall be printed on the stock certificates of the Corporation.

**EIGHT:** That the amount of said capital stock which has been actually subscribed is SIX HUNDRED THIRTY THOUSAND (P630,000.00) PESOS and the following persons have subscribed persons have subscribed for the number of share opposite their respective names:

| NAME                       | NO. OF SHARS |        | AMOUNT           |
|----------------------------|--------------|--------|------------------|
|                            | Founder's    | Common | Founder & Common |
| Miss Julieta Ledesma       | 2            | 998    | P100,000.00      |
| Mr. Luis Araneta           | 2            | 998    | 100,000.00       |
| Dr. Raul Fores             | 2            | 998    | 100,000.00       |
| Dr. Constantino P. Manahan | 2            | 498    | 50,000.00        |
| Dr. Jose Y. Fores          | 2            | 498    | 50,000.00        |
| Mr. Daniel C. Go           | 2            | 498    | 50,000.00        |
| Dr. Carlos L. Sevilla      | 2            | 498    | 50,000.00        |
| Dr. Mariano M. Alimurung   | 2            | 398    | 40,000.00        |
| Dr. Manuel C. Fernandez    | 2            | 398    | 40,000.00        |
| Dr. Romeo H. Gustillo      | 2            | 398    | 40,000.00        |
| Mr. Jaime Velasquez        | 2            | 198    | 20,000.00        |
| <b>TOTAL</b>               | 22           | 6,278  | P630,000.00      |

**NINTH:** That the following persons have paid on their subscription the amount set opposite their respective names:

| NAME                       | AMOUNT PAID ON SUBSCRIPTION<br>22 FOUNDER'S SHARES<br>FULLY PAID AT P100.00 each |         |            |
|----------------------------|--|---------|------------|
|                            |  |         |            |
| Miss Julieta Ledesma       | P25,000.00   | P200.00 | P24,800.00 |
| Mr. Luis Araneta           | 25,000.00  | 200.00  | 24,800.00  |
| Dr. Raul Fores             | 25,000.00  | 200.00  | 24,800.00  |
| Dr. Constantino P. Manahan | 12,500.00  | 200.00  | 12,300.00  |
| Dr. Jose Y. Fores          | 12,500.00  | 200.00  | 12,300.00  |

|                          |             |            |             |
|--------------------------|-------------|------------|-------------|
| Mr. Daniel C. Go         | 12,500.00   | 200.00     | 12,300.00   |
| Dr. Carlos L. Sevilla    | 10,000.00   | 200.00     | 9,800.00    |
| Dr. Mariano M. Alimurung | 10,000.00   | 200.00     | 9,800.00    |
| Dr. Manuel C. Fernandez  | 10,000.00   | 200.00     | 9,800.00    |
| Dr. Romeo H. Gustillo    | 10,000.00   | 200.00     | 9,800.00    |
| Mr. Jaime Velasquez      | 5,000.00    | 200.00     | 4,800.00    |
|                          | P157,500.00 | P12,200.00 | P155,300.00 |

**TENTH:** That DR. CARLOS L. SEVILLA has been elected by the subscribers named in the foregoing Articles of Incorporation as Treasurer of the Corporation to act as such until his successor has been duly elected and qualified in accordance with the by-laws and that as such Treasurer he has been authorized by the said subscriber to receive for the Corporation and to receipt in its name for all subscriptions paid in by the subscribers.

IN WITNESS WHEREOF, we have hereunto set our hand in the City of Manila, Philippines, this 14<sup>th</sup> day of March 1963.

(Sgd.) CONSTANTINO P. MANAHAN

(Sgd.) JULIET LEDESMA

(Sgd.) LUIS ARANETA

RAUL FLORES

(Sgd.) MA. LOURDES ARANETA-FORES  
(Attorney-in-fact)

(Sgd.) JOSE Y. FORES

(Sgd.) MARIANO M. ALIMURUNG

(Sgd.) CARLOS L. SEVILLA

(Sgd.) DANIEL C. GO

(Sgd.) JAIME VELASQUEZ

(Sgd.) MANUEL C. FERNANDEZ

SIGNED IN THE PRESENCE OF

ILLEGIBLE

ILLEGIBLE

REPUBLIC OF THE PHILIPPINES)

IN THE CITY OF MANILA ) S.S.

#### ACKNOWLEDGMENT

In the City of Manila, this 14<sup>th</sup> day of March 1963 personally came and appeared before me the following person in their own capacity and one as fully authorized attorney-in-fact of Dr. Raul Fores, as evidenced by a special power of attorney executed before the faith of Notary Public, Romulo S. Gatilao as Doc. No. 207, Page 43, Book No. I, Series of 1963, with their respective Residence Tax Certificate No. as follows:

| Name   | Res. Cert. No. | Issued at       | Issued on |
|--|----------------|-----------------|-----------|
| Julieta Ledesma  | A-1585478      | San Carlos City | 1/14/63   |
| Luis Araneta   | A-0158351      | Manila          | 1/14/63   |
| Ma.Lourdes Araneta Fores for and<br>behalf of Dr. Raul Fores | A-4143905      | Quezon City     | 2/11/63   |
| Constantino P. Manahan                                       | A-0080775      | Manila          | 1/8/63    |
| Jose Y. Fores  | A-4123415      | Quezon City     | 1/24/63   |
| Daniel C. Go   | A-00803067     | Manila          | 1/24/63   |
| Carlos L. Sevilla  | A-0275827      | Manila          | 1/21/63   |
| Mariano M. Alimurung   | A-4097764      | Quezon City     | 1/4/63    |
| Romeo H. Gustilo   | A-0222112      | Manila          | 1/30/63   |
| Manuel C. Fernandez  | A-393654       | Makati          | 1/3/63    |
| Jaime Velasquez  | A-3936754      | Makati          | 1/3/63    |

All known to me and to me known to be the same persons who executed the foregoing instruments which they acknowledged to me to be their free and voluntary acts and deeds.

IN WITNESS WHEREOF, I have hereunto set my hand and impressed the seal of my officer on these presents on the date and at the place first above mentioned.

(sg)TEDDY C. GALO  
Notary Public  
Until December 31, 1964

Doc. No. 37;  
Page No. 9;  
Book No. I;  
Series of 1963.

**AMENDED BY-LAWS**  
**OF**  
**MEDICAL DOCTORS INCORPORATED**  
*doing business under the name and style:*  
*“Makati Medical Center”*  
*(As amended by the Board of Directors on 28 January 2022*  
*, and by the stockholders on* ).

**ARTICLE I**

Section 1. Offices: – The principal office of the Corporation shall be located in **Makati Medical Center, No. 2 Amorsolo St. Legaspi Village, Makati**. The corporation may have branch offices, within the Philippines, as may be designated by the Board of Directors from time to time. *(As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)*

**ARTICLE II**

**STOCKHOLDERS**

Section 1. Place of Meetings: – All meetings of the Stockholders shall be held at the principal office of the Corporation in **Makati Medical Center, No. 2 Amorsolo St. Legaspi Village, Makati**, Philippines or in any other place designated by the Board of Directors **within Metro Manila or via remote communication or other alternative modes of communication as may be approved by the Board of Directors**. *(As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)*

Section 2. Annual Meeting of Stockholders: – The annual meeting of the Stockholders shall be held on the 3<sup>rd</sup> Tuesday of July of each year for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting of the Stockholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Stockholders as soon thereafter as conveniently may be, **which shall not be later than sixty (60) days from the original scheduled date**. *(As further amended by the Board of Directors on 28 January 2022 and by the stockholders on* ). **The annual meeting of Stockholders may be held via remote communication or other alternative modes of communication in accordance with applicable rules and internal procedures as may be approved by the Board of Directors**. *(As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)*

Section 3. Special Meeting: – Special meetings of the Stockholders for any purpose or purposes may be called by the President or by the Board of Directors upon request of the holders of the majority of all outstanding shares of the Corporation entitled to vote at the meeting. **Special Meetings of the Stockholders may be held via remote communication or other alternative modes of communication in accordance with applicable rules and internal procedures as may be approved by the Board of Directors**. *As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)*

Section 4. Notices: – **Except as otherwise provided by law**, written notice stating the place, day and hour of every regular meeting of the stockholders **shall be transmitted by personal delivery, mail, telegraph, cable, electronic mail or such other manner as may be allowed by law or regulation to each stockholder of record entitled to vote thereat at his physical or electronic mail address or contact details known to the Secretary of the Corporation, at least twenty-one (21) days before the date of the regular meeting or at least seven (7) days before**

**the date of the special meeting. (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)**

Notice of every special meeting of Stockholders shall state the date, hour and place of the meeting; and the general matter of business to be transacted thereat; and said notice shall be sent to each Stockholder registered in the books of the Corporation by **personal delivery, mail, telegraph, cable, electronic mail or such other manner as may be allowed by law or regulation at least seven (7) days** including the date of mailing, before the date of every special meeting; and said notice, shall be directed to last known address of each Stockholders in the Philippines **or his electronic mail address**. If notice of said special meeting is served personally, it shall be sufficient if it be received by the Stockholder at least to (2) days before the date of the meeting. **(As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)**

**Except where expressly required by law**, no notice of any meeting be published in any newspaper or in any other publication. **(As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)**

If all Stockholders entitled to vote, either in person or by attorney, personally appointed in writing, waive notice of any meeting either annual or special, no notice may be sent and the meeting held pursuant to such waiver shall be valid and binding.

**In case of annual or special meetings of Stockholders conducted by remote communication, each notice of meeting shall further be accompanied by the following:**

- (a) **The agenda for the meeting;**
- (b) **A proxy form which shall be submitted to the Secretary within a reasonable time prior to the meeting;**
- (c) **When attendance, participation, and voting are allowed by remote communication or in absentia, the requirements and procedures to be followed when a stockholder or member elects either option;**
- (d) **Manner of casting the votes and the period during which votes by remote communication or in absentia will be accepted;**
- (e) **Contact information of the Secretary or office staff with whom the stockholder may notify regarding his or her elected mode of participation and voting at the meeting;**
- (f) **When the meeting is for the election of directors or trustees, the requirements and procedure for nomination and election.**
- (g) **The fact that there will be a visual and/or audio-recording of the meetings (for future reference). (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)**

Section 5. **Quorum:** – The holders of a majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of Stockholders. **Stockholders who participate through remote communication or in absentia shall be deemed present for purposes of quorum.** If less than majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The Stockholders present in a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Stockholders to leave less than a quorum. A majority of the shares of stock represented shall be necessary to decide any matter that may come before a meeting, except as otherwise provided by Law. **(As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)**

Section 6. **Proxies:** – At all meetings of Stockholders, any Stockholder may be represented by proxy and the person holding the same may vote the proxy as if the Stockholders so represented were present in person. The proxy must be executed in writing by the Stockholder or by his duly authorized attorney-in-fact and must be submitted to the Secretary on or before the date of the meeting; substantially conforming to the following form:

"I hereby make, constitute and appoint \_\_\_\_\_ my proxy to act and vote for me at the \_\_\_\_\_ meeting of the Stockholders of the Medical Doctors Inc. that will be held at Makati, Province of Rizal, Philippines, on the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_ or at any adjournment thereof, in the transaction of any and all business that may properly come up before said meeting or meetings according to the number of votes I would be entitled to cast if personally present."

In witness whereof, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_, in the City of \_\_\_\_\_/Municipality, Philippines.

\_\_\_\_\_  
Stockholders signature

Witness:

Section 7. Voting of Shares: – Subject to the provisions of Section 8 of this Article II, each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of Stockholders.

Section 8. Cumulative Voting: – At each election for membership in the Board of Directors every Stockholder entitled to vote at such election shall have the right to vote, in person or by proxy, **or by remote communication or in absentia in accordance with applicable laws and internal procedures established by the Board of Directors**, the number of shares owned by him for as many persons as there are directors to be elected and for whose election he has a right to vote, or cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of candidates. **As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)**

Section 9. Voting of Shares by Certain Holders: – Shares standing in name of another Corporation may be voted by such officer, agent, or proxy as the by-laws of such Corporation may prescribe, or, in the absence of such provision, as the Board of Directors of such Corporation may determine.

Shares held by an administrator, executor or guardian may be voted by him, either in person or by proxy, without a transfer of such shares into his name. Shares standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote the shares held by him without a transfer of such shares into his name.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed.

A Stockholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

Share of its own stock belonging to the Corporation or held by it in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares at any given time.

**Section 10. Closing of Transfer Books: – The stock transfer book of the Corporation shall be closed at least twenty (20) days for regular meetings and seven (7) days for special meetings preceding the date of any meeting of stockholders as record date for the determination of the stockholders entitled to notice of and to vote**

at any such meeting, or entitled to receive payment of any dividend, allotment of rights, or to exercise the rights in respect of any change, conversion or exchange of the capital stock, and in each such case only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to notice of or to vote at such meeting, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after such record date as aforesaid. (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)

Section. 11. Meetings through Remote Communication: – A stockholder may participate in and vote at regular or special stockholders’ meetings by remote communication (such as teleconference, computer conference, videoconference or any other manner as may be allowed by law or regulation) or in absentia.

The Board shall establish the appropriate requirements and procedures for voting through remote communication or in absentia, taking into account the Corporation’s scale, number of shareholders, structure and other factors, consistent with the basic right of corporate suffrage.

If a stockholder intends to participate in the meeting through remote communication or in absentia, he/she shall notify in advance the President and the Secretary of his or her intention and the Secretary shall note such fact in the minutes of the meeting.

The said notice shall be submitted within the same period as may be stated in the notice of meeting. At all instances, the Secretary shall have the sole discretion to decide if the stockholder will be allowed to participate via remote communication.

(As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)

### ARTICLE III

#### BOARD DIRECTORS

Section 1. General Powers: - The business and affairs of the Corporation shall be managed by its Board of Directors.

Section 2. Specific Powers: - The Board of Directors shall have the power to elect or appoint all necessary officers and committees, to employ agents, factors and clerks, to require any of the same to give bond for the faithful discharge of their duties, to fix the compensation of employees and to prescribe their duties, to dismiss any appointed officers or employees of the Corporation.

In addition to the powers and authority which by-laws expressly conferred upon it, the Board of Directors may exercise all the powers of the Corporation and do all such lawful acts and things as are not by laws, or by the Articles of Incorporation, or by these by-laws prohibited; and those which are not directed or required to be exercised or done by the Stockholders.

Section 3. Number, Qualification and Tenure: - The corporate powers of the Corporation shall be exercised, and the property and business of the Corporation shall be managed by a Board of **Fifteen (15)** Directors who, in accordance with the Articles of Incorporation, shall be elected by the Stockholder at the annual meeting each year for a term of one (1) year, and shall serve until the election and acceptance of duly qualified successors.

The Board of Directors shall have Independent Directors constituting at least twenty percent (20%) of the members of the Board, who shall serve for a maximum cumulative term of nine (9) years, unless extended

subject to meritorious grounds and duly approved by the stockholders of the Corporation. (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)

An Independent Director shall mean a person who (a) is neither an officer or employee of the corporation, its parent or subsidiaries or any other individual having a relationship with the corporation, (b) apart from his fees and shareholdings, is independent of management and free from any business or other relationship that could, or could reasonably be perceived to materially interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and (c) meets all the independence criteria enumerated in the Corporation's Manual on Corporate Governance and such other criteria provided under applicable laws, rules or regulations or determined by the Board of Directors. (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)

A majority of the Directors must be residents of the Philippines.

Section 4. Regular Meeting: - Regular meetings of the Board of Directors shall be held quarterly on such dates and at the places as may be called by the Chairman of the Board, or upon the request of the majority of the Directors. (A amended by the Board of Directors on 28 January 2022 and by the stockholders on \_\_\_\_\_)

A director can attend and participate in the regular meeting in person or through remote communication (such as teleconference, computer conference, or videoconference) in accordance with the Corporation's internal procedures and policy. If a director intends to participate in a meeting through remote communication, he/she shall notify in advance the Chairman of the Board and the Secretary of his/her intention and the Secretary shall note such fact in the minutes of the meeting. The Secretary shall make the necessary confirmation of attendance as may be required by applicable rules. (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)

The Board of Directors may provide, by resolutions, the time and place for the holding of additional regular meetings without other notice than such resolution.

Section 5. Vacancies: - If the office of any Director or Directors become vacant by reason of death, resignation, retirement, disqualification, or any other cause, except by removal or expiration of term, the remaining Directors constituting a quorum, in a special meeting, shall choose a successor or successors who shall hold office until the next annual election or until a successor or successors shall have been duly qualified. (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)

When the vacancy arises as a result of removal by the Stockholders, the election may be held on the same day of the meeting authorizing the removal and this fact must be so stated in the agenda and notice of said meeting. A director elected to fill a vacancy shall be referred to as replacement director and shall serve only for the unexpired term of the predecessor in office. (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)

In case the vacancy prevents the remaining directors from constituting a quorum and emergency action is required to prevent grave, substantial, and irreparable loss or damage to the Corporation, the vacancy may be temporarily filled from among the officers of the Corporation by unanimous vote of the remaining directors. The action by the designated director shall be limited to the emergency action necessary, and the term shall cease within a reasonable time from the termination of the emergency or upon election of the replacement director, whichever comes earlier. The Corporation must notify the Commission within three (3) days from the creation of the emergency board, stating therein the reason for its creation. (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)

Section 6. Special Meeting: - Special meetings of the Board of Directors may be called by or at the request of the President, or any three (3) Directors, at any time and place. Special meetings may be held at any time without previous notice if all the Directors are present or if those not present waive notice of the meeting in writing either before or after the meeting. Directors may attend and participate at the special meeting by remote

communication in accordance with the Corporation's internal procedures and policy. (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)

Section 7. Notice: - Notice of any **regular or** (As amended by the Board of Directors on 28 January 2022 and by the stockholders on \_\_\_\_\_) special meeting shall be given at least two days (2) previously thereto by written notice delivered personally or mailed to each director at his business address or residence or by telegram **or by electronic mail or messaging service or such other manner as may be approved by the Board of Directors.** If notice be given by telegram, such notice shall be deemed delivered when the telegram is delivered to the telegram company. Notices of special meetings shall state the purpose or purposes of the same, **date, time and place of the meeting and any other information as may be required by applicable laws.** In all cases, notices of special meetings shall be sent by the Secretary. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)

No failure or irregularity of notice of meeting shall invalidate any regular meeting or proceeding thereat; provided, a quorum of the Board is present, nor of any special meeting; provided all Directors are present.

Section 8. Quorum: - A majority of the number of Directors fixed in Section 3 of this Article shall constitute a quorum for the transaction of business at any meeting of the Board of Directors except when otherwise provided by law, but if less than such majority is present in a meeting, a majority of the Directors present may adjourn the meeting from time to time and the meeting may be held without further notice. **For the avoidance of doubt, a director who participates through remote communication shall be deemed present for purposes of quorum.** (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)

Section 9. Manner of Acting: - The act of the majority of the Directors present in a meeting at which a quorum is present shall be the act of the Board of Directors. **Directors participating in the meeting via remote communication may cast his vote through electronic mail, messaging service or in such other manner as may be permitted by the Board of Directors in accordance with the Corporation's internal procedures and policy.** (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)

Section 10. Compensation: - By resolution of the Board of Directors **or by the stockholders**, the Directors may be paid their expenses, if any, for attendance at each meeting of the Board of Directors, **and may receive reasonable per diem allowance for his attendance at each meeting, which shall not exceed ten percent (10%) of the net income before income tax of the corporation during the preceding year;** or likewise to give out or authorize the giving out of bonuses to person or persons whom the Board may deem fit and deserving of receiving such extra consideration. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation thereof. (As amended by the Board of Directors on 28 January 2022 and by the stockholders on \_\_\_\_\_)

## ARTICLE IV

### OFFICERS

Section 1. Number: - The executive officers of the Corporation shall be a President, one or more Vice President (the number thereof to be determined by the Board of Directors), a Secretary and a Treasurer, and **a Compliance Officer**, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, unless there is incompatibility between the offices to be held. Specifically the President cannot

be a Vice President or Secretary **or Treasurer** or vice versa, at the same time, nor the Vice President be a Secretary and vice versa. (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)

Section 2. Election and Term of Office: - The officers of the Corporation to be elected by the Board Directors shall be elected annually at the first board meeting held after each annual meeting of the Stockholders. If the election of the officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal: - Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. In the case of executive officers mentioned in the first part of Section 1 of this Article, a vote of two thirds (2/3) of all the members of the Board shall be necessary; in other officers, a majority vote of all those present constituting a quorum is sufficient for their removal.

Section 4. Vacancies: - A vacancy in any office resulting from death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. Chairman of the Board: - To be elected as Chairman of the Board, he must be a member of the Board of Directors.

The Chairman of the Board's primary role is to preside in all board meetings. He shall also exercise such powers and perform such duties as the Board of Directors may assign to him. (As amended on 28 July 2006).

Section 6. President, Qualification and Powers: - To be elected as President of the Corporation, he must be a member of the Board of Directors.

The President shall be the Chief Executive Officer of the Corporation and subject to the control of the Board of Directors, shall in general supervise and control all the business and affairs of the Corporation. He shall, when present, preside at all meetings of the Stockholders and all other meetings except meetings of the Board of Directors. He may sign, with the Secretary or any other proper officer of the Corporation thereunto authorized by the Board of Directors, certificates of stocks of the Corporation, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these by-laws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. (As amended on 28 July 2006).

Section 7. Vice-President, Qualification and Powers: - To be elected as Vice-President of the Corporation, he need not be a member of the Board of Directors.

In the absence of the President or in the event of his death, or inability or refusal to act, the Vice-President (or in the event that there be more than one Vice-Presidents, the Vice-President in the order designated at the time of their election, or in the absence of any designation, then in the order of their election), shall perform the duties of the President, and when so acting, shall have all the powers of and subject to all the restrictions upon the President. The Vice-President may likewise perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors. (As amended on 28 July 2006).

Section 8. Secretary: - The Secretary of the Corporation may or may not be a member of the Board of Directors. The Secretary shall:

- a) Attend and keep the minutes of the Stockholders' meeting and of the Board of Directors' meetings in one or more books provided for that purpose;
- b) See that all notices are duly given in accordance with the provisions of these by-laws as required by law;
- c) Be custodian of the Corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal, is duly authorized;
- d) Sign with the President, or Vice-President, certificates of stocks of the Corporation, the issuance of which shall have been authorized by the resolution of the Board of Directors;
- e) **To coordinate and arrange for the provision of suitable equipment and facilities are available for the conduct of meeting by remote communication in accordance with applicable rules, to ensure the uninterrupted flow of the meeting and that the attendees are able to hear and see the other participants clearly during the course of the meeting; (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)**
- f) **To coordinate the safe-keeping and perpetuation of any visual and audio recordings that have been required by applicable rules for any meeting; (As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)**
- g) In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by Board of Directors. (As amended on 28 July 2006).

Section 9. **The Treasurer:** - The Treasurer shall be elected by the Board and must likewise be a member of the Board of Directors.

If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Bond shall determine. He shall:

- a) Have charge and custody of and be responsible for all funds and securities of the Corporation, received and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of Article V of these by-laws; and
- b) In general, perform all the duties incident to the office of Treasurer and such other duties from time to time may be assigned to him by the President or by the Board of Directors. Furthermore, the Treasurer shall render to the President and to the Board of Directors whenever they may require, an account of all his transactions as Treasurer and of the financial condition of the Corporation. (As amended on 28 July 2006).

**Section 10. The Compliance Officer: – The Compliance Officer of the Corporation, who shall hold a position of Senior Vice President and is not a member of the Board of Directors, shall be elected by the Board. The Compliance Officer shall:**

- a. **Ensure proper onboarding of new directors (i.e. orientation on the Corporation's business, charter, articles of incorporation and by-laws, among others);**
- b. **Monitor, review, evaluate and ensure the compliance by the Corporation, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;**
- c. **Report to the Board if violations are found and recommend the imposition of appropriate disciplinary action;**
- d. **Ensure the integrity and accuracy of all documentary and electronic submissions as may be allowed under SEC rules and regulations;**
- e. **Appear before the SEC when summoned in relation to compliance with this Code and other relevant rules and regulations;**
- f. **Collaborate with other departments within the Corporation to properly address compliance issued, which may be subject to investigation;**
- g. **Identify possible areas of compliance issues and works towards the resolution of the same;**
- h. **Ensure the attendance of the board members and key officers to relevant trainings; and**

- i. **Perform such other duties and responsibilities as may be provided by the Board and applicable rules.**

**(As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)**

Section 11. Compensation: - The salaries of the officers shall be fixed from time to time by the Board and no officer shall be prevented from receiving such salary by reason of the fact that he is also a Director of the Corporation. (As amended on 28 July 2006).

## ARTICLE V

### STOCKS

Section 1. Certificates of Stocks: – Certificates representing shares of the Corporation shall be in such form as shall be determined by the Board. Such certificates shall be signed by the President or Vice-President and by the Secretary or an Assistant Secretary. All certificates of stocks shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer book of the Corporation. All certificates surrendered to the Corporation shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled.

Section 2. Transfer of Stocks: – Transfer of shares of the Corporation shall be made on the stock transfer books of the Corporation by the holder of records thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and on surrendered for cancellation of the certificate for such shares. The person in whose name the shares stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes.

The foregoing provision relative to transfer of stock shall not, however, have an application to the mode of transfer of FOUNDER'S STOCK the transfer of which shall be mainly governed by the manner set forth in the provision of paragraph seventh (7) of the Articles of Incorporation.

Section 3. Loss of Destruction of Certificate: – The Board of Directors may direct a new certificate of stock to be issued in place of any certificate therefore issued and alleged to have been lost or destroyed, in accordance with **Section 72 of the Revised Corporation Code**.

The registered owner of certificates of stock or his legal representative shall file an affidavit in triplicate with the Corporation setting forth, if possible, the circumstances as to how, when and where said certificates were lost, stolen or destroyed, the number of shares represented by each certificate, the serial numbers of the certificate and name of the Corporation. He shall also submit such other information and evidence which he may deem necessary.

After verifying the affidavit and other information and evidence with the books of the Corporation, the Corporation shall publish a notice, in a newspaper of general circulation in the Philippines published in the City of **Makati**, once a week for three consecutive weeks at the expense of the registered owner of the certificates of stock which have been lost, stolen or destroyed. The notice shall state the name of the Corporation, the name of the registered owner and serial number of the said certificates, and the number of shares represented by each certificate, and that after the expiration of one year from the date of the last publication, if no contest has been presented to the Corporation regarding said certificates stock, the right to make such contest shall be barred and the Corporation shall cancel in its books the certificates of stock which have been lost, stolen, and destroyed and issue in lieu thereof new certificates of stocks, unless the registered owner files a bond or other security in lieu thereof as may be required running for a period of one year for a sum and such form and with such securities as may be satisfactory to the Board of Directors in which case a new certificate may be issued even before the expiration of one year period provided herein. Provided, that if a

contest has been presented to the Corporation or if an action is pending in court regarding the ownership of said certificates of stock which have been lost, stolen, or destroyed, the issuance of the new certificates of stock in lieu thereof shall be suspended until final decision of the court regarding the ownership said certificates of stock. (As amended by the Board of Directors on 28 January 2022 and by the stockholders on \_\_\_\_\_)

## **ARTICLE VI**

### **COMMITTEES**

**The Board of Directors may, by resolution or resolutions passed by the affirmative vote of at least majority of those present, designate committees as may be required by applicable laws (As further amended by the Board of Directors on 28 January 2022 and by the stockholders on \_\_\_\_\_), to the extent delegated in said resolution or resolutions or in the Articles of Incorporation or applicable laws, shall have and may exercise any of the powers of the Board of Directors in the management of the business and affairs of the Corporation by a majority vote of all its members, on such specific matters within the competence of the board. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its proceedings and report the same to the Board when required.**  
**(As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)**

## **ARTICLE VII**

### **DIVIDENDS**

Section 1. **Dividends:** – Dividends shall be declared only from surplus profits and shall be payable at such time and in such amounts as the Board of Directors shall determine; provided, however, that no stock dividend shall be issued without the approval of the Stockholders representing not less than two-thirds of all stock then outstanding entitled to vote at a general meeting of the Corporation or at a special meeting called for that purpose. **Any cash dividends due on delinquent stock shall first be applied to the unpaid balance on the subscription plus costs and expenses, while stock dividends shall be withheld from the delinquent Stockholders until their unpaid subscription is fully paid.** No dividend shall be declared that will impair the capital of the Corporation. **(As amended by the Board of Directors on 23 October 2020 and by the stockholders on 20 July 2021)**

## **ARTICLE VIII**

### **FINANCES**

Section 1. **Depositories:** – The Board of Directors shall select such depositories as it may deem proper for the funds of the Corporation. It shall determine who shall be authorized, in the name and on behalf of the Corporation, to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts, documents and other instruments.

Section 2. **Fiscal Year:** – The fiscal year of the Corporation shall begin on January 1, and end on December 31, of each year, unless otherwise provided by the Board of Directors.

**ARTICLE IX**  
**WAIVER OF NOTICE**

Section 1. Waiver of Notice: – Whenever any notice is required to be given to any shareholder or director of the Corporation under the provisions of these by-laws or under the provisions of the Articles of Incorporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the **giving** of such notice. **(As amended by the Board of Directors on 28 January 2022 and by the stockholders on \_\_\_\_\_)**

**ARTICLE X**

**SEAL**

Section 1. Corporate Seal: – The Board of Directors shall provide the Corporation with a corporate seal which shall be circular in form and shall have inscribed thereon the following:

MEDICAL DOCTORS INCORPORATED

1963

MAKATI, RIZAL, PHILIPPINES

**ARTICLE XI**

**AMENDMENTS**

Section 1. Amendments: – **These by-laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing a majority of the outstanding capital stock at any stockholders' meeting called for that purpose. However,** the owners of two-thirds of the subscribed capital stock may delegate to the Board of Directors the power to amend or repeal these by-laws or to adopt new by-laws; provided, however, that any power delegated to the Board of Directors to amend or repeal these by-laws or to adopt new by-laws shall be considered as revoked whenever a majority of the Stockholders shall so vote at a regular or special meeting called for the purpose. **(As amended by the Board of Directors on 28 January 2022 and by the stockholders on \_\_\_\_\_)**

## ARTICLE XII

### GENERAL PROVISIONS

Section 1. All matters not covered by these by-laws shall be governed by the provision of the **Revised Corporation Code, Securities and Regulation Code and its implementing rules and regulations, and all other laws and rules in effect, as may be applicable.** *(As amended by the Board of Directors on 28 January 2022 and by the stockholders on \_\_\_\_\_)*

## CERTIFICATION

KNOW ALL MEN BY THESE PRESENTS:

The foregoing By-Laws were adopted by the unanimous consent of all the owners of a majority of the outstanding stock of the Medical Doctors Incorporated at the first meeting of the shareholders held in Makati, Province of Rizal, Philippines, on May 13, 1963.

IN WITNESS WHEREOF, we the undersigned shareholders present at the said meeting and voting thereat in favor of the adoption of said By-Laws, have hereunto subscribed our names, and with Chairman of the meeting and the Secretary of the same as likewise with out signature attest:

(Sgd.) CONSTANTINO P. MANAHAN  
On his Personal Capacity and/as Attorney-In-Fact of  
JULIETA LEDESMA

(Sgd.) LUIS ARANETA

(Sgd.) JOSE Y. FORES

(Sgd.) DANIEL C. GO

(Sgd.) CARLOS L. SEVILLA

(Sgd.) MARIANO M. ALIMURUNG

(Sgd.) MANUEL C. FERNANDEZ  
On his Personal Capacity and/or Attorney-In-Fact of  
MR. ROMEO H. GUSTILLO

(Sgd.) JAIME VELASQUEZ

Countersigned By:

\_\_\_\_\_  
(SGD.) CONSTANTINO P. MANAHAN  
Chairman

\_\_\_\_\_  
(SGD.) MARIANO M. ALIMURUNG  
Secretary

**MINUTES OF THE  
2021 ANNUAL STOCKHOLDERS’ MEETING  
OF  
MEDICAL DOCTORS, INC. (MDI)  
Held on 20 July 2021, 5:00pm  
Via remote communication  
through <asm2021.makatimed.net.ph>**

**I. CALL TO ORDER / CERTIFICATION OF NOTICE AND QUORUM**

Mr. Jose Ma. K. Lim, acting as Chairman, welcomed the stockholders and guests to the Annual Stockholders’ Meeting. He informed the stockholders that, in light of the Covid-19 pandemic, the Board of Directors decided to conduct the 2021 Annual Stockholders’ Meeting via remote communication accessed through <asm2021.makatimed.net.ph> in order to ensure everyone’s safety and health, as well as to continue with Company’s best practices. Further, the acting Chairman assured the stockholders that through the online format, stockholders have the opportunity to participate remotely and cast their vote *in absentia*. Thereafter, he called the meeting to order and presided.

Atty. German Q. Lichauco II, Corporate Secretary, upon the request of the acting Chairman, confirmed that the notice and agenda of the meeting were delivered by mail or messengerial service, electronic mail and published in the business section of two (2) newspapers of general circulation, in print and online format, for two (2) consecutive days, to all stockholders of record as of 31 May 2021, the record date fixed by the Board of Directors. Atty. Lichauco further confirmed that the Definitive Information Statement was made available in the company website. Thereafter, he certified the existence of quorum based on the record of attendance and proxy report, which shows that holders of 2,942,028 common shares representing 86.01% of the Company’s total outstanding capital stock were present in person or by proxy. There being a quorum, the acting Chairman declared the meeting duly convened and open for the transaction of business.

Upon request of the acting Chairman, Atty Lichauco confirmed that the stockholders have been informed on the manner of voting for the meeting. Stockholders or their proxies, who have successfully registered and have been notified via email may cast their vote *in absentia* by accomplishing the print-out of MDI’s ballot form, which can be accessed and downloaded from <asm2021.makatimed.net.ph> (the “Website”). Once the ballot form is completed, the stockholder or his proxy may submit the ballot by uploading the file via the Website or emailing a scanned copy of the same to <mmcfinance@makatimed.net.ph> not later than 5:00 P.M. on 20 July 2021.

Atty Lichauco informed the stockholders that more than a majority of the total outstanding voting stocks have cast their vote in favor of the specified agenda items, including the election of the fifteen (15) nominees to the Board of Directors.

**II. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS’ MEETING OF 21 JULY 2020**

The acting Chairman informed the stockholders that a copy of the minutes of the Annual Stockholders’ Meeting of the Company held on 21 July 2020 was made available to all stockholders of record, together with the Definitive Information Statement, for their approval.

Atty Lichauco reported that, stockholders holding more than a majority of the entire outstanding voting stocks of MDI voted in favor of this matter, the minutes of the Annual Stockholders’ Meeting held on 21 July 2020 is approved.

### III. PRESENTATION OF THE PRESIDENT'S REPORT

The acting Chairman then informed the stockholders that the President and CEO, Atty. Pilar Nenuca P. Almira, will present her annual President's Report for the year 2020.

Atty. Almira started her presentation by discussing the challenges and the setbacks caused by the pandemic, highlighting that, in spite of these events, MDI remained resilient in its effort in upholding its mission and maintaining its business in the healthcare industry. Following are the salient points discussed by Atty. Almira in her report:

- MDI response to the Covid-19 challenges (i.e., investing and taking care of its people);
- Accreditation as Covid-19 PCR testing center;
- Adjustments made in response to the impact of Covid-19 to the hospital; and
- Covid-19 hospital statistics;

Atty Almira also presented the financial highlights for 2020, with the following salient points:

- Net loss of P5.6 Million. However, the hospital was able to achieve an EBITDA of P678 Million which, together with short term loans, allowed the hospital to continue with its CAPEX projects that were mostly started before the pandemic;
- Capital Expenditure reached to P555 Million, nearly half allocated to renovations and upgrades of the premises;
- Upgrade of medical equipment in the amount of P236 Million and investment in Information Technology and other equipment amounted to P80 Million;
- Payment of loans in the amount of P274 Million lowering in the outstanding balance to P441 Million by yearend;
- 40% of the hospital wide revenues was contributed by corporate accounts, Health Maintenance Organisation (HMO) partners, local and foreign affiliates through the Strategic Hospital Alliance Program

For 2020, the hospital booked a 19% decline in Gross Revenue in the amount of P6.3 Billion as compared to P7.8 Billion in 2019 due to the implementation of strict community Quarantine response to Covid-19. The following measures were reported to address the losses:

- Innovate and upgrade operational and technological facilities;
- Expanded and developed additional revenue generating initiatives;
- Cost cutting initiatives without sacrificing service quality;
- Capex prioritization on initiatives that can bring immediate revenues.

Atty. Almira discussed and enumerated the awards and recognitions garnered by MDI in 2020 from Philippine Society for Quality, the International Hospital Federation, the 2020 Asian Hospital Management Excellence Awards, and honors from Gawad Bayaning Kalusugan. She also discussed the projects completed in 2020 namely, Blood Bank Relocation, Waterproofing and Resealing Works in Various Areas and Laboratory Point-of-Care Testing.

Atty. Almira then presented the financial highlights for the 1<sup>st</sup> half of 2021, with the following salient points:

- Gross revenues amounted to P3.7 Billion, a 27% increase compared to the same period in 2020;
- Inpatient revenues increased by 26% compared to the same period in 2020, driven mainly by more severe and critical cases handled during the 3<sup>rd</sup> Covid-19 surge in March 2021;
- Outpatient revenues increased by 28% compared to the same period in 2020 ; and
- Net Profit amounted to P220 Million, a strong turnaround from 2020. .

After the presentation of Atty. Almira, the acting Chairman informed the stockholders that MDI will proceed to answer the questions emailed by the stockholders to <[asm2021@makatimed.net.ph](mailto:asm2021@makatimed.net.ph)>, and requested the Corporate Secretary to facilitate.

Atty. Lichauco informed the stockholders that the time allotted for the Q&A is 15 minutes. He then proceeded to read the questions submitted by the stockholders.

The first question was submitted by Dr. Minerva Laconico. She asked whether or not MDI has any immediate plans regarding the recent more contagious delta varriant. Dr. Javier responded that the hospital continued to beef up its processes and protocols weeks ago since news of this variant have started to spread. Daily update of cases are done, sufficient inventory of medical supplies, therapeutics and especially oxygen are maintained. Critical care doctors have been identified and made ready to respond in case of a surge of critical patients. In terms of available beds, the hospital have yet to use available space in the emergency room (ARCU), the conversion of Telemetry into critical care beds, conversion of CPM into COVID wards and the activation of outpatient care for mild cases. Dr. Javier mentioned that no one can truly be ready for this variant, but the hospital continues to make preparations including the vaccination of its healthcare workers and the tight enforcement of infection control protocols.

Dr. Carolyn Butler also asked if MDI plans to procure Moderna Vaccines for relatives of healthcare workers. Mr. Javier responded that the matter is being closely discussed with the Administration. MDI will determine the real need to obtain these vaccines vis-à-vis the possibility of government procured mRNA vaccines being supplied for the A1 category. The Task Force will weigh very well the options on hand to determine the purchase of Moderna vaccine from MPIC (private) or seek government supplied vaccines.

After the time allotted, Atty. Lichauco turned over the floor to the acting Chairman.

The acting Chairman informed the stockholders that, considering that the stockholders holding more than a majority of the outstanding voting stocks of MDI voted in favor of adopting and approving the 2020 President's Report and the 2020 Audited Financial Statements, the same are hereby declared adopted and approved.

Furthermore, the acting Chairman announced that, upon approval by the Board of Directors on 20 July 2021, the Company has declared the distribution of cash dividends in the amount of Php45.82/share to all stockhodlers of record as of 31 July 2021. The dividends will be paid on 30 August 2021, either by crediting to the stockholder's account or by issuance of check.

#### **IV. APPROVAL OF THE AMENDMENTS TO THE ARTICLES OF INCORPORATION AND BY-LAWS**

The acting Chairman proceeded to the next item on the agenda. He informed the stockholders that the amendments to the Articles of Incorporation and By-Laws as approved by the Board of Directors on 23 October 2020 were provided and summarized in the Definitive Information Statement. The acting Chairman informed the stockholders that, considering that the stockholders holding more than a majority of the outstanding voting stocks of the Company voted in favor of ratifying and approving the amendments to the Articles of Incorporation and By-Laws, the same are hereby declared ratified and approved.

#### **V. RATIFICATION OF THE ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS**

The acting Chairman proceeded to the next item on the agenda. The acts and proceedings of the Board of Directors and Corporate Officers of the Company for the year 2020 as set forth in the minutes of the meetings of the Board of Directors held during the same period have been provided and summarized in the Definitive Information Statement for ratification and confirmation. The acting Chairman informed the stockholders that, considering that stockholders holding more than a majority of the outstanding voting stocks of the Company voted in favor of the matter, therefore all acts of the Board of Directors and Corporate Officers for the year 2020 are hereby ratified and confirmed.

## **VI. ELECTION OF DIRECTORS AND INDEPENDENT DIRECTORS**

Next, the acting Chairman requested the Corporate Secretary to announce the persons nominated as directors for the year 2021.

Atty. Lichauco reported that the following are the nominees for election as directors for the ensuing year:

### *Regular Directors*

- (d) Mr. Manuel V. Pangilinan
- (e) Dr. Benjamin Alimurung
- (f) Atty. Pilar Nenuca P. Almira
- (g) Mr. Jose Amado A. Fores
- (h) Dr. Victor L. Gisbert
- (i) Mr. Jose Ma. K. Lim
- (j) Dr. Conrado Gabriel C. Lorenzo III
- (k) Ms. Ma. Susana A.S. Madrigal
- (l) Mr. Augusto P. Palisoc, Jr.
- (m) Mrs. Judy A. Roxas
- (n) Dr. Remedios G. Suntay
- (o) Dr. Michael C. Wassmer

### *Independent Directors*

- 4. Mr. Francisco A. Dizon
- 5. Mrs. Diana P. Aguilar
- 6. Mr. Francisco S.A. Sandejas

Atty. Lichauco, as head of the Nominations and Election Committee (the “Committee”), further confirmed that the Committee has reviewed and evaluated the background information of the nominees for election as directors and independent directors. Based on the criteria set out in the Code of Corporate Governance and the Committee’s nomination guidelines, the nominees possess all of the qualifications and have none of the disqualifications for directorship in the Company. Also, the Committee has determined that Mr. Francisco A. Dizon, Mrs. Diana P. Aguilar and Mr. Francisco S.A. Sandejas meet the independence criteria set out in SRC Rule 38 and are qualified for election as independent directors. He advised that since there are as many nominated directors as there are fifteen (15) seats for regular and independent directors, all the fifteen (15) nominees are qualified to be elected as directors of MDI. He further noted that, in the event Mr. Francisco A. Dizon is re-elected, he will be exceeding the nine (9) year term limit for independent directors as prescribed by the Code of Corporate Governance. As such, his extension of term will be subject to stockholders’ approval, which will be tackled as the next item in the agenda.

Considering that majority of the votes were cast in favor of all the nominees for directors, the acting Chairman declared the following directors elected:

- 1. Mr. Manuel V. Pangilinan
- 2. Dr. Benjamin Alimurung
- 3. Atty. Pilar Nenuca P. Almira
- 4. Mr. Jose Amado A. Fores
- 5. Dr. Victor L. Gisbert
- 6. Mr. Jose Ma. K. Lim
- 7. Dr. Conrado Gabriel Lorenzo III
- 8. Ms. Ma. Susana A.S. Madrigal
- 9. Mr. Augusto P. Palisoc, Jr.
- 10. Mrs. Judy A. Roxas

11. Dr. Remedios G. Suntay
12. Dr. Michael C. Wassmer
13. Mr. Francisco A. Dizon
14. Mrs. Diana P. Aguilar
15. Mr. Francisco S.A. Sandejas

The acting Chairman congratulated the duly elected directors of MDI for the year 2021-2022. He also took the opportunity to express his gratitude to outgoing regular Director, Mr. Michael de Guzman, for his service to MDI and introduced the new independent director, Mr. Francisco S.A. Sandejas, founder and Chairman of Narra Ventures.

#### **VII. APPROVAL FOR THE EXTENSION OF TERM OF MR. FRANCISCO DIZON**

The acting Chairman then proceeded to seek the approval for the extension of term of Mr. Francisco Dizon as Independent Director, and requested the Corporate Secretary to report on this matter. Atty. Lichauco advised that under the Code of Corporate Governance, stockholders' approval is required for independent directors to be able to serve beyond the nine (9)-year term limit. As previously mentioned, with Mr. Dizon's re-election as independent director, he will be exceeding the nine (9)-year term limit. The acting Chairman then informed the stockholders that, considering that the stockholders holding more than a majority of the outstanding voting stocks of the Company voted for the extension of term of Mr. Francisco Dizon as independent director of the Company, the same is hereby declared approved.

#### **VIII. APPOINTMENT OF EXTERNAL AUDITORS**

The acting Chairman proceeded with the appointment of the external auditors, and informed the stockholders of the voting results. He reported that stockholders holding more than a majority of the outstanding voting stocks of MDI voted to approve the re-appointment of Isla Lipana & Company as the company's external auditors, and the corresponding scope of services and applicable audit fees.

#### **IX. ADJOURNMENT**

The acting Chairman asked the Corporate Secretary if there are any other matters that should be taken up by the body, to which the Corporate Secretary answered that there are no other matters for discussion.

The acting Chairman then announced that, there being no other business to transact, considering that stockholder/s holding more than a majority of the total outstanding capital stock are present or represented and have voted in this meeting, all matters so far taken up by the stockholders during this Regular Meeting are hereby approved and carried and the meeting is hereby adjourned.

CERTIFIED TRUE AND CORRECT:

**ATTY. GERMAN Q. LICHAUCO II**  
Corporate Secretary

**JOSE MA. K. LIM**  
Acting Chairman

## ANNEX “C”

### SUMMARY OF RELEVANT RESOLUTIONS APPROVED BY THE BOARD OF DIRECTORS (For the period 24 September 2021 to 27 May 2022)

#### REGULAR BOARD MEETING 24 September 2021

1. The Board approved the nominees to the following Committees, as well as MDI’s nominee directors and officers to the CII Board.

#### MDI Board Officers:

- |   |                                |
|---|--------------------------------|
| 1. Chairman                                   | - Mr. Manuel V. Pangilinan     |
| 2. President & CEO                            | - Atty. Pilar Nenuca P. Almira |
| 3. Vice Presidents:                           |                                |
| a) Finance                                    | - Mr. Arnold C. Ocampo         |
| b) Human Resource<br>Management & Development | - Ms. Bitá S. Avendano         |
| c) Marketing & Sales                          | - Ms. Arlyn L. Songco          |
| d) Facilities Management &<br>Engineering     | - Engr. Gerry E. Cunanan       |
| 4. Treasurer                                  | - Dr. Remedios G. Suntay       |
| 5. Assistant Treasurer                        | - Mr. Arnold C. Ocampo         |
| 6. Investor Information Officer               | - Ms. Arlyn L. Songco          |
| 7. Corporate Secretary                        | - Atty. German Q. Lichauco II  |
| 8. Compliance Officer                         | - Milagros D. Uy, MD           |

#### Advisory Board:

Dr. Vicente Q. Arguelles  
Dr. Roberto K. Macasaet  
Dr. Jaime O. Sevilla  
Dr. John Vincent G. Pastores  
Dr. Alipio S. Abad Jr.

The recommended officers and members for the Committees are

#### Audit Committee:

- |          |                               |
|----------|-------------------------------|
| Chairman | - Ms. Diana P. Aguilar        |
| Member   | - Mr. Francisco A. Dizon      |
| Member   | - Mr. Francisco S.A. Sandejas |
| Member   | - Mr. Jose Ma. K. Lim         |
| Member   | - Dr. Michael C. Wassmer      |

#### Corporate Governance and Compliance Committee:

- |          |                                |
|----------|--------------------------------|
| Chairman | - Mr. Francisco A. Dizon       |
| Member   | - Ms. Judy A. Roxas            |
| Member   | - Mr. Manuel V. Pangilinan     |
| Member   | - Ms. Ma. Susana A.S. Madrigal |

- |        |                                      |
|--------|--------------------------------------|
| Member | - Dr. Conrado Gabriel C. Lorenzo III |
| Member | - Atty. German Q. Lichauco II        |

**Ethics Committee:**

- |          |                                |
|----------|--------------------------------|
| Chairman | - Mr. Francisco S.A. Sandejas  |
| Member   | - Dr. Benjamin N. Alimurung    |
| Member   | - Ms. Ma. Susana A.S. Madrigal |
| Member   | - Mr. Augusto P. Palisoc, Jr   |
| Member   | - Mr. Jose Amado A. Fores      |
| Member   | - Dr. Victor L. Gisbert        |

**Nomination & Election Committee:**

- |          |                                      |
|----------|--------------------------------------|
| Chairman | - Mr. Manuel V. Pangilinan           |
| Member   | - Atty. Pilar Nenuca P. Almira       |
| Member   | - Dr. Conrado Gabriel C. Lorenzo III |
| Member   | - Dr. Victor L. Gisbert              |
| Member   | - Mr. Jose Amado A. Fores            |
| Member   | - Atty. German Q. Lichauco II        |

**MDI Subsidiary Board Computerized Imaging Institute, Inc.**

**MDI**

- |                                |                                 |
|--------------------------------|---------------------------------|
| 1. Chairman & President        | - Atty. Pilar Nenuca P. Almira  |
| 2. Treasurer                   | - Dr. Remedios G. Suntay        |
| 3. Director and Vice President | - Mr. Arnold C. Ocampo          |
| 4. Director                    | - Dr. Saturnino P. Javier, M.D. |
| 5. Director                    | - Dr. Jackson U. Dy, MD         |
| 5. Corporate Secretary         | - Atty. German Q. Lichauco II   |

2. Approved the following Compliance Policies:
  - a) Anti-Bribery and Anti-Corruption Policy
  - b) Conflict of Interest Policy
  - c) Gift, Donations, Sponsorships and Grants Policy
  - d) Government Interaction Policy
  - e) Third Party Management Policy
  - f) Whistleblowing Policy
  - g) Official Travel and Per Diem Policy
  - h) Petty Cash Policy
3. Approved the medical staff member's upgrade of status, renewal and non-renewal of membership
4. Approved MMC's participation in the MPHHI Purchasing Synergy Program
5. Authorized Atty. Pilar Nenuca P. Almira, President and Chief Executive Officer, as its representative and signatory in the contract of lease entered into by the hospital with ACI, Inc. and Privatization and Management Office.

**REGULAR BOARD MEETING**

**02 December 2021**

1. Approved the medical staff member's upgrade of status, renewal and non-renewal of membership
2. Approved the proposed Cash Dividends:

- a) The declaration of a cash dividend of thirty seven peso and forty-nine centavo (P37.49) per share to all stockholders on record
  - b) That the cash dividend will be paid to all stockholders on record as of 31 December 2021, payable on 28 January 2022. The total cash dividend amounts to P128,246,219.00
3. Approved the proposed Christmas Bonus of 1 month's salary for employees.
4. Approved the Management Panel to negotiate the terms and conditions of the CBA:
  - a) Composition of Management Panel
    - Arnold C. Ocampo, Chairman
    - Bitia S. Avendano, Co-chair
  - b) Chairman and Co-chair of the Management Panel are authorized to select the remaining members of the Panel
5. Authorized Eng. Gerry E. Cunanan as its representative and signatory for the application for certain projects with the Makati City Engineering Office:
  - a) Removal of the LPG Bullet Tanks at the Ground Floor
  - b) Proposed Point-of-Care Testing Laboratory at 2<sup>nd</sup> Floor, Tower 1
  - c) Proposed Cocolife Project at 1<sup>st</sup> Floor, Tower 2
  - d) Proposed construction of five new doctors clinic at 3<sup>rd</sup> Floor, Tower 1
6. Authorized Bernardo F. Tawatao to receive correspondences from Securities and Exchange Commission through email and cellular phone pursuant to SEC MC 28, series of 2020
7. Authorized Shiela S. Soriano to process the lost plate of MMC VAN (NAR5785) with the LTO
8. Authorized Reinaldo Baltero to process the Corporation's application for annual registration and licensing with the Optical Media Board as well as continuous compliance

## **REGULAR BOARD MEETING**

**28 January 2022**

1. Approved the 2022 Budget of the Corporation
2. Approved the proposed amendments to the Articles of Incorporation and the By-Laws
3. Authorized any one of the following as the Corporation's representative and signatory in the Corporation's transactions with the PLDT Group:
  - a) Atty. Pilar Nenuca P. Almira – President – CEO
  - b) Isidro M. Perfecto – ICT Division Head
  - c) Arnold C. Ocampo – VP/CFO, Division Head Finance
  - d) Bitia Sigari Avendano – VP, Division Head HRMDD
4. Approved the Corporation change of its official email address and official mobile number for the purpose of receiving Notices, Letter Replies, Orders, Decisions and/or other documents emanating from the Securities and Exchange Commission, pursuant to MC No.28 s.2020:
  - Official Email Address: [Mila.Uy@makatimed.net.ph](mailto:Mila.Uy@makatimed.net.ph)
  - Official Mobile Number: +639088918303

## **REGULAR BOARD MEETING**

**25 March 2022**

1. Approved the medical staff member's upgrade of status, renewal and non-renewal of membership
2. Approved the Medical Director's Report
3. Approved the Audited Financial Statements for 2021
4. Approved the write-off of receivables amounting to P155,543,215
5. Approved the Board Charter and the Corporate Governance and Compliance Committee Charters
6. Approved the P10,000 meeting per diem for all board members in attending board committee meetings

7. Authorized any one of the following as the Corporation's representative and signatory in the Corporation's transactions with Globe Telecom, Eastern Telecom, and Converge ICT Solutions:
  - a) Isidro M. Perfecto – ICT Division Head
  - b) Arnold C. Ocampo – VP/CFO, Division Head Finance
  - c) Bita Sigari Avendano – VP, Division Head HRMDD
8. Authorized Arlyn L. Songco as the Corporation's representative and signatory in the Corporation's transactions with the following:
  - a) Shimizu-Fujita-Takenaka-EEI Joint Venture
  - b) Travellers International Hotel Group, Inc. (Resorts World Manila)
  - c) FiberHome Phils., Inc.
9. Authorized any one of the following as Corporation's representatives and signatories for all matters related to the Corporation's MMC Mobile Health Diagnostic Programs:
  - a) Atty. Pilar Nenuca P. Almira – President – CEO
  - b) Dr. Saturnino P. Javier – Medical Director
10. Authorized any one of the following as Corporation's representatives and signatories for processing, signing, and receiving the Corporation's POS Permits with the Bureau of Internal Revenue:
  - a) Reynaldo Mata – Team Leader, General Accounting and Tax
  - b) Markine Demagante – General Accounting Analyst
11. Authorized Eng. Gerry E. Cunanan as its representative and signatory for the application for certain projects with the Makati City Engineering Office:
  - a) J2 United Ventures, Inc. (Subway) Concessionaire Project at 3<sup>rd</sup> Floor, Tower 1
  - b) Robinsons Convenience Store, Inc. (Ministop) Relocation Project at 3<sup>rd</sup> Floor, Tower 3
  - c) Artemisplus Express, Inc. (Kitchen City) Renovation Project at 3<sup>rd</sup> Floor, Tower 3

## **REGULAR BOARD MEETING**

**27 May 2022**

1. Approved the medical staff member's upgrade of status, renewal and non-renewal of membership
2. Approved the revised Code of Business Conduct & Ethics
3. Approved the revised Audit Committee Charter
4. Approved the re-appointment of Isla Lipana & Company as external auditors for the 2022 audit
5. Approved the negotiated terms for the renewal of the Collective Bargaining Agreement with the company's sole labor union, Makati Medical Center Employees Association (MAMECEA) for the years 2022 to 2027
6. Authorized the following as Corporation's representatives and signatories for transactions relating to Wellness Program Collaboration with Sureste Properties Inc (Solaire Resorts & Casino).
  - a) Mr. Reynaldo J. Lim – OIC Service Operations
  - b) Ms. Thumbelina Tan – Department Manager, Outpatient Services
  - c) Dr. Ma. Gia B. Sison – Head, MakatiMed Wellness Center

## MANAGEMENT REPORT

**Business Development**

Medical Doctors, Inc. (the “Parent Company”) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on April 23, 1963, primarily to establish, operate, manage and own a hospital or hospitals, medical and chemical clinics and/or laboratories and such other enterprises that may have similar undertakings. The Parent Company operates under the trade name of Makati Medical Center (the “Hospital”). The Parent Company is registered as an “Existing and Expanding Operator of Tertiary Care Hospital”, in pioneer status.

On December 31, 1970, the Parent Company attained its status of being a “public company”. The Parent Company is considered a public company under Rule 3.1 of the Implementing Rules and Regulations of the Securities Regulation Code, which, among others, defines a public corporation as any corporation with assets of at least P50 million and having 200 or more shareholders, each of whom holds at least 100 shares of its equity securities. As at December 31, 2021 the Parent Company has 1,106 shareholders (2020 - 1,109) each holding at least 100 shares of the Parent Company’s common shares.

The Company’s major shareholders consist of local companies and individual medical practitioners, with percentages of ownership as follows:

|   | As at December 31 |        |
|---|-------------------|--------|
|   | 2021              | 2020   |
| Metro Pacific Hospital Holdings, Inc. (MPHHI) | 33.38%            | 33.38% |
| Associated Sugar, Inc.                        | 4.76%             | 4.76%  |
| Dr. Remedios Suntay                           | 3.48%             | 3.27%  |
| San Miguel Corporation                        | 2.44%             | 2.44%  |
| Dr. Benjamin N. Alimurung                     | 1.38%             | -      |
| Dr. Raul G. Fores                             |                   | 2.09%  |
|   | 45.44%            | 45.94% |

As at December 31, 2021, the remaining 54.56% (2020 – 54.06%) of the Parent Company’s issued and outstanding shares are held by private individuals, local companies and practicing doctors of the Hospital. Of the total 3,420,237 outstanding shares in 2021, 215,056 shares or 6.29% are owned by the Company’s directors, officers and employees (2020 - 3,420,737 outstanding shares, 191,884 shares or 5.61%).

The Parent Company is a pillar in the healthcare industry. It is equipped with the most modern facilities, some of which are the first of its kind in the Philippines and Asia and are comparable with those in the leading centers of Europe and the United States.

As at December 31, 2021, CIII remains to be the sole subsidiary of the Parent Company with the same percentage of ownership.

The subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Parent Company does not differ from the proportion of ordinary shares held. The Parent Company further does not have any shareholdings in the preferred shares of subsidiary undertaking included in the Group.

The Group has not filed any bankruptcy, receivership or similar proceedings and neither has there been any material

reclassification, merger, consolidation or purchase or sale of a significant amount of assets in the ordinary course of business.

### **Business of Issuer**

The Parent Company is engaged primarily to establish, operate, manage and own a hospital or hospitals, medical and chemical clinics and/or laboratories and such other enterprises that may have similar undertakings. The Parent Company operates under the trade name of Makati Medical Center.

The principal products or services offered by the Parent Company includes anesthesia, dermatology, cellular therapeutics, emergency medicine, legal medicine, medicine, neurosciences, nuclear medicine, obstetrics and gynecology, ophthalmology, orthopedic surgery, otorhinolaryngology, pathology, pediatrics, physical medicine and rehabilitation, radiology and surgery. It also offers emergency, operating, delivery, nursery room services and intensive care units. Specialty centers and medical packages are also offered to attract patients and enhance profitability.

The Parent Company's sole subsidiary, Computerized Imaging Institute, Inc. (CIII), is engaged primarily to establish, operate, manage, own and maintain a Computed Tomography Center and such other enterprises which may have similar or analogous undertakings or dedicated to services in connection therewith, subject to the condition that purely professional medical or surgical services in connection therewith shall be performed by duly qualified radiologist who may and individually be contracted by patients. CIII basically offers alternative radiology services to patients of the Parent Company. On October 5, 2018 the Board of Directors of CIII approved the cessation of operations of CIII effective December 31, 2018 based on its deteriorating financial situation.

The Group derives its revenues mainly from the delivery of healthcare services to patients of its hospital which comprises about 95% of its total gross revenues. Other sources of revenues includes the operation of an outpatient pharmacy which is about 4% of its gross revenues and the remaining 1% is from rental income for the leasing of some of its spaces in the hospital to concessionaires and doctors clinics. The Group does not have revenues derived from foreign sources and all of its products and services are delivered within its hospital and two satellite clinics located at the central business district of Makati City.

The Group's main competitors includes St. Luke's Hospital in Quezon City and Global City, Fort Bonifacio; The Medical City hospital in Pasig; and Asian Hospital in Alabang, Muntinlupa City.

Industry trend for the Group's competitors is to increase their network geographically by establishing new hospitals and clinics. St. Luke's has hospitals in Quezon City and Fort Bonifacio, while The Medical City has hospitals in Pasig City, Clark and several satellite clinics all over the metro.

The Group does not also depend upon a single or a few suppliers for essential pharmaceutical products, medical supplies, medical equipment and other hospital items. Among its major suppliers include Zuellig Pharma Corporation, Metro Drug Inc., United Laboratories Inc., Rebmann Inc., B Braun Avitum Phils., and Biosolutions Inc.

The Group is not dependent upon any single customer or few customers as sources of its revenues. Among its major customers include Maxicare, Medicaard, Intellicare, Philcare, PLDT and ADB. In addition, private paying patients still comprises more than half of its total gross revenues.

The Group's transactions with and/or dependence on related parties is discussed on Item 12 pages 31-33.

The Group does not have any patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements held.

The Group is compliant with all government licensing/permit, particularly from the Department of Health (DOH), Bureau of Food and Drug (BFAD) and such other regulatory agencies on the operation of a hospital or clinic including

compliance with environmental laws for air, water and hospital waste. The Group also complies with laws governing the granting of senior citizen discount, person with disability discount and other related laws.

Other than the development of new services as listed below, the Group does not have significant spending on research and development activities. However, the Group is engaged in clinical trials which are mostly sponsored by pharmaceutical companies. These companies are required to pay fees prior to the start of the clinical trials and the revenues derived from such over the past three years are as follows:

|                              | <b>2021</b>   | <b>2020</b>   | <b>2019</b>   |
|------------------------------|---------------|---------------|---------------|
| Clinical Trial Fees          | 2,067,370     | 1,361,367     | 1,092,523     |
| Gross Hospital Revenues      | 7,663,464,998 | 6,308,103,477 | 7,771,476,950 |
| % to Gross Hospital Revenues | 0.03%         | 0.02%         | 0.01%         |

The following are new services of Makati Medical Center that have either been launched in 2021 or are being developed for the following year:

- MakatiMed has opened an advanced Cardiac Catherization Laboratory which allows doctors to perform complex yet minimally invasive interventional cardiology and electrophysiology procedures with an equipment that offers optimal imaging and positioning flexibility to provide patients with topnotch cardiac care.
- In April 2021, an outpatient center was opened at the Discovery Primea building along Ayala Avenue in Makati City. This is to provide top-class healthcare services to its hotel and condominium guests, residents, employees, and staff as well as those living and working nearby.
- In July 2021, the Renal Care Service Unit expanded facility was opened which added 14 dialysis bays bring the total dialysis bays to 39.
- The hospital is preparing to open another outpatient center located in Cubao, Quezon City which will offer consultations, diagnostic and dialysis services. The target start of operation is by the second quarter of 2022.

Major achievement and activities of the Group in 2021 includes:

- In 2021, the hospital managed over 4,000 patients admitted due to COVID-19 including two major case surges experienced in NCR.
- Throughout the year, the hospital has conducted series of COVID-19 vaccinations in coordination with the Department of Health and the Makati City local government.
- Drive thru services for laboratory tests, vaccination and COVID-19 testing were expanded to cater to the demand. Services offered at home were also added.
- MakatiMed received several honors from the Gawad Bayaning Kalusugan, the national award and tribute to frontliners in the health care and case management of patients with COVID-19 in Philippine hospitals. The MakatiMed COVID-19 Task Force was declared winner in the Team Category for the national award. The hospital's Medical Director, Saturnino P. Javier, MD was the overall winner for the Individual Category, while MakatiMed's Head of Infection Prevention and Control, Janice C. Caoili, MD was recognized as winner in the Individual Category.
- MakatiMed won at the Anvil Awards again, this time for its intensive and multi-platform Public Health Information Program on COVID-19.

- MakatiMed won a Gold award at the International Public Relations Association (IPRA) Golden World Awards for Excellence (GWA) crisis communications online category for its COVID-19 Information Program.
- MakatiMed won the Gold Award in the Talent Development category at the Asian Hospital Management Awards 2021 for Rainbow Connection, a learning and motivation initiative led by the hospital's Service Operations Division-Business Operations Support Services.

On November 16, 2021 MakatiMed received the re-accreditation notice from the Joint Commission International (JCI) under the 7<sup>th</sup> edition.

The Group has 2,617 regular employees as of December 31, 2021 as follows:

|                | Number of Employees |
|----------------|---------------------|
| Operational    | 2,065               |
| Administrative | 552                 |
| Total          | 2,617               |

The Group also recognizes the Union as the sole and exclusive collective bargaining agent of all its regular rank and file employees. In 2022, the Parent Company successfully completed negotiation with the Union for the renewal of the CBA agreement for another 5 years. The new agreement was signed on May 19, 2022 and covers the period March 1, 2022 to February 28, 2027.

No major risk/s involved in the business at present except for the following.

(a) Market price risk

- a. Foreign exchange risk - The Group is exposed to foreign exchange risk primarily with respect to its cash deposits maintained in U.S. Dollar and EURO and certain importation of professional equipment which are payable in U.S. Dollar. The Group's financial position and results of operations are affected by the movement in the U.S. Dollar and EURO to Philippine Peso exchange rate. Based on management's assessment, foreign exchange risk arising from its foreign denominated accounts is not considered significant.
  - b. Interest rate risk - The Group has no significant financial assets and liabilities that are exposed to interest rate risk. Long-term borrowings issued at fixed rates and measured at amortized cost are not affected by cash flow or fair value interest rate risk.
- (b) Credit risk - The Group is primarily exposed to credit risks because the Hospital is required to attend to emergency medical needs of individual patients without considering their capability to pay.
- (c) Liquidity risk - The Group's ability to make payments on its indebtedness and to fund its operations depend on its future performance and financial results. Currently, the Group generates significant cash from its operating activities and is able to meet all of its financial covenants included in the credit agreement with its lenders. Historically, the Group's liquidity position is strong due to profitable operations. To manage liquidity, the Group projects monthly cash flows from its operating, investing and financing activities and evaluates actual cash flow information to ensure that the immediate requirements of the Hospital are covered to. Working capital requirements are also reviewed on a monthly basis and reported to the BOD.
- (d) Medical errors –Similar to other hospitals, Makati Medical Center considers the occurrence of medical errors as a potential major risk in its operations. Medical errors are failures in the process of care either in

the diagnostic, treatment, preventive or other procedures performed on the patient. The result of an error is classified as either a near miss event, an adverse event or a sentinel event. A sentinel event is an unanticipated occurrence involving death or serious physical or psychological injury. Makati Medical Center established a Culture of Safety Quality and Compliance Program which represents Management's commitment to enhance the culture of safety, proactive risk reduction, continuous performance improvement and compliance to hospital programs, policies and procedures. The program encompasses all hospital systems, processes and structures that may directly or indirectly affect safety of patients, visitors and employees, and quality of patient care and environment.

#### **Additional Requirements as to Certain Issues or Issuers**

1. Debt Issues - The Group's net worth exceeds P25 million.
2. Investment Company Securities - Not Applicable

#### **Properties and Lease Agreements**

##### **1. Properties**

###### **(a) Mortgaged Properties**

On August 13, 1993, the Parent Company executed a Mortgage Trust Indenture (MTI) with a local bank as trustee whereby it agrees to deliver to the trustee a real estate mortgage on certain Parent Company properties as collateral for the prompt and full payment of its loan obligations to its lenders. Supplemental indentures were executed on various dates from December 1993 following the Parent Company's availment of additional loans from various lenders.

In accordance with the implementation of the loan restructuring effective on May 18, 2007, all of the restructured loans were secured by Mortgage Trust Indenture (MTI). Subsequent loan availments made in 2013, 2014 and 2016 with various banks and a related party are also secured by MTI. The proceeds of these loans were used partially to fully settle the restructured loans and finance the capital expenditures of the hospital. As at December 31, 2021, the fair value of the land as appraised by an independent appraiser amounted to P4,063,136,000.

###### **(b) Appraisal of land and building and building improvements**

The Parent Company's land in Makati City where the Hospital is located has original cost of P600,000. Total land area is approximately 12,320 square meters. The land is carried at fair value as appraised on various dates as follows:

| <u>Date of appraisal</u> | <u>Appraised value<br/>(in million Pesos)</u> |
|--------------------------|---|
| May 1, 1990              | 739   |
| October 11, 2001         | 3,080   |
| December 5, 2003         | 2,464   |
| January 2, 2007          | 2,464   |
| October 31, 2008         | 2,464   |
| November 17, 2011        | 2,661   |
| November 15, 2016        | 2,957   |
| October 17, 2019         | 4,063   |

The fair values of the land and buildings and building improvements were based on the latest appraisal report dated October 17, 2019 determined by Cuervo Appraisers, Inc. using combination of market and cost approach.

Based on the latest appraisal report, the appraised value for the Parent Company's buildings and building improvements amounted to P2,911,761,000. The appraisal is recognized as addition to revaluation surplus in the

statements of total comprehensive income and in the statements of changes in equity for the year ended December 31, 2019. If the buildings and building improvements (both carried at revalued amounts) were stated at historical cost, the net carrying values as at December 31, 2021 would amount to P2,360,113,505 (2020 - P2,516,358,248).

The revaluation surplus from the foregoing assets, shown net of DIT liability, included in equity at December 31 is as follows:

|           | 2021          | 2020          |
|-----------|---------------|---------------|
| Land      | 3,046,902,000 | 2,843,775,200 |
| Buildings | 257,540,756   | 247,815,258   |
|           | 3,304,442,756 | 3,091,590,458 |

(c) Construction in Progress

Construction-in-progress consists of costs incurred for the renovation of the Hospital's main building and various improvements of its leased office space.

There were no capitalized borrowing costs as at December 31, 2021 and 2020 as the ongoing constructions of the Group are not considered as qualifying assets.

## 2. Lease Agreements

(a) *When the Parent Company is the lessee*

The Parent Company entered into various lease agreements with a third-party lessor. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests of the lessor. None of the leased properties were used as security for borrowing purposes.

(i) *Clinical facilities, back office and parking spaces*

On June 17, 2014, the Parent Company entered into a non-cancellable lease agreement with Adelantado Corporation covering certain floors at Keyland Centre to serve as additional clinical facilities of the Parent Company, its back office and parking spaces with a term of 5 years beginning April 15, 2014 until April 14, 2019. In 2015, the lease term was amended and extended to 10 years beginning from its original commencement date until April 14, 2024. The lease is renewable upon mutual agreement by both parties. The lease agreement includes provision for rent-free period and an escalation rate during term of the lease.

The foregoing lease agreement requires the Parent Company to pay refundable security deposit amounting to P13,374,760. The carrying amount of the refundable deposit approximates its fair value as the effect of discounting is immaterial. This is presented as part of other non-current assets.

(ii) *Wellness center and parking spaces*

In 2019, the Parent Company entered into lease agreements with various lessors covering office space to serve as the new wellness center of the Company and several parking lots. The lease agreements have various terms and renewable upon mutual agreement. Following is the summary of the leases:

| Lessor                                   | Location                     | Area/Parking stalls              | Original term                        |
|--|------------------------------|----------------------------------|--------------------------------------|
| Ayala Land, Inc.                         | Ayala North Exchange Tower 1 | 1,638.45 sqm.; 21 parking stalls | February 1, 2019 to January 31, 2024 |
| Ayala Land, Inc.                         | City Gate                    | 101 parking stalls               | January 1, 2019 to December 31, 2029 |
| One Dela Rosa Property Development, Inc. | Ayala North Exchange Tower 1 | 28 parking stalls                | May 1, 2019 to December 31, 2029     |

The Parent Company paid refundable security deposit in relation to the above lease agreements as at December 31, 2021 amounting to P13,563,351 (2020- P9,473,220). The carrying amount of the refundable deposit approximates its fair value as the effect of discounting is immaterial. This is presented as part of other non-current assets.

*(iii) Diagnostic center and Renal services*

On July 28, 2021, the Parent Company entered into lease agreements with ACI, Inc. covering commercial space to serve as the Diagnostic and Dialysis center of the Company and generator set and machineries room. The lease agreements shall be for a period of 5 years from October 1, 2021 to September 26, 2026.

In addition, the Company entered into a lease agreement with Aldex Realty Corporation for the rental of Discovery Primea Condominium's third floor to be utilized as clinic and diagnostic center. The lease agreement shall be for a period of 5 years from April 21, 2021 to April 20, 2026.

The Company paid refundable security deposit amounting to P3,751,550 during the year

*(iv) Others*

The Parent Company has various operating non-cancellable lease agreements for the use of equipment, office furniture and other vehicles. Rent expense for the year ended December 31, 2021 on short-term leases and low-value assets are presented under cost of services and administrative expenses amounted to P12,284,121 (2020 - P8,340,015). Accrued rent relating to leases of short-term and low-value assets as at December 31, 2021 amounted to P1,495,399 (2020 – P566,750 under PAS 17).

*(v) Amounts recognized in the consolidated statement of financial position*

Following the adoption of PFRS 16, the leased assets are presented as part of the property and equipment in the consolidated statement of financial position. The consolidated statements of financial position show the following amounts relating to leases.

|                                | December 31, 2021 | December 31, 2020 |
|--------------------------------|-------------------|-------------------|
| <u>Right-of-use asset, net</u> |                   |                   |
| Office and parking spaces      | 255,085,937       | 303,549,782       |
| <u>Lease liabilities</u>       |                   |                   |
| Current                        | 105,207,275       | 86,298,617        |
| Non-current                    | 183,542,798       | 253,887,287       |
|                                | 288,750,073       | 340,185,903       |
| Deferred tax asset on:         |                   |                   |
| Right-of-use asset             | 79,424,475        | 110,740,119       |
| Lease liabilities              | (63,771,484)      | (91,064,935)      |
|                                | 15,652,990        | 19,675,184        |

The movements in lease liabilities are as follows:

|                                 | 2021          | 2020          |
|---------------------------------|---------------|---------------|
| Beginning of the year           | 340,185,904   | 413,997,884   |
| Additions during the year       | 34,862,786    | -             |
| Principal and interest payments | (110,202,178) | (103,461,567) |
| Accretion of interest           | 23,903,561    | 29,649,588    |
| End of the year                 | 288,750,073   | 340,185,904   |

(iv) *Amounts recognized in the consolidated statement of total comprehensive income*

The consolidated statement of total comprehensive income show the following amounts relating to leases:

|   | 2021        | 2020        |
|---|-------------|-------------|
| Depreciation of right-of-use assets   |             |             |
| Office and parking spaces   | 83,326,631  | 81,234,981  |
| Interest expense (included in finance costs)  | 23,903,561  | 29,649,588  |
| Expense relating to leases of low-value assets not shown as short-term leases<br>(included in cost of services and administrative expenses) | 12,284,121  | 8,340,015   |
|   | 119,514,313 | 119,224,583 |

The total cash outflow for leases, including short-term leases and leases of low-value assets, as at December 31, 2021 is P120,990,900 (2020 - P112,562,250).

(v) *Discount rate*

The lease payments for all leased assets are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Critical estimates in determining incremental borrowing rate

To determine the incremental borrowing rate, the Parent Company used a single incremental borrowing rate lifted from the Parent Company's recent loan which is adjusted based on the movement of the comparable BVAL or PDST-R2 rates from the date of the loan to the date of the adoption of the new lease standards. The discount rate applied by the Parent Company is 7.41%.

(vi) *Extension and termination options*

Extension and termination options are included in the lease agreements of the Parent Company. These are used to maximize operational flexibility in terms of managing the assets used in the Parent Company operations. The extension and termination options are exercisable only upon written agreement by the Parent Company and the lessor under terms and conditions acceptable to both parties.

Accounting judgment in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Parent Company considers the factors as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Parent Company is typically reasonably certain to extend (or not terminate).

- If any leasehold improvements are expected to have a significant remaining value, the Parent Company is typically reasonably certain to extend (or not terminate). Otherwise, the Parent Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in leases have not been included in the lease liability because renewal is unlikely given that there are no economic incentives present upon renewal, and/or there are no significant leasehold improvements in the leased premises. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

#### *Where the Group is the lessor*

The Parent Company has various non-cancellable agreements for leases of clinics and commercial spaces located within the Hospital to doctors and concessionaires for a period of not more than 1 year and with renewal options for another year as mutually agreed by both parties. Refundable deposits from these lease agreements amounted to P5,259,328 as at December 31, 2021 (2020 - P4,344,665) which is presented as part of other current liabilities in the consolidated statements of financial position.

Rent income arising from these lease agreements amounted to P90,270,951 for the year ended December 31, 2021 (2020 - P82,070,622; 2019- P106,696,105). Rent receivable as at December 31, 2021 amounted to P13,929,619 (2020 – P17,983,075).

#### **Capital Commitments**

Capital expenditures which are relating to the on-going renovation of the buildings and equipment purchases contracted for at December 31, 2021 but not yet incurred amounted to P226,018,002 (2020- P262,012,031).

#### **Legal Proceedings**

The Parent Company, as the petitioner, filed a petition for review with the Court of Appeals vs Dr. Benjamin D. Adapon, for himself and on behalf of Computerized Imaging Institute, Inc. (Respondents), on the matter of an earlier notice of award issued by the Regional Trial Court of Makati (Civil Case no. 11-343) in favor of the Respondents. This is in relation to a complaint filed by Dr. Benjamin D. Adapon on April 25, 2011, for himself and as a minority stockholder of Computerized Imaging Institute, Inc., against The Medical Doctors Inc, for violation of the parties' non-compete agreement. On September 20, 2016, the Court of Appeals issued a Notice of Resolution effectively putting on hold the payment of the award issued by the RTC of Makati, but requiring the petitioner to post a bond equal to the award. As such the Parent Company, through Stronghold Insurance Company, Inc, has restricted cash amounting to P87,349,157.45 for purposes of posting the required bond. The bond was submitted to the court on September 29, 2016. On February 15, 2017, the Court of Appeals issued its decision vacating the Arbitration award in favor of the Parent Company. Dr. Adapon has elevated the case to the Supreme Court for further review. On August 24, 2020, the Parent Company renewed its bond valid from September 28, 2020 to September 29, 2021. The restricted cash is reflected as part of "Other noncurrent assets" in the balance sheet as of September 30, 2021.

On 14 June 2021, the Supreme Court granted the Petition filed by Dr. Adapon and reinstated the Order of the Regional Trial Court. The Parent Company has filed a Motion for Reconsideration of the 14 June 2021 Decision of the Supreme Court, which is now pending for resolution.

On 25 April 2016, Dr. Benjamin D. Adapon (Petitioner), claiming to represent himself and the Computerized Imaging Institute, Inc. (CII) filed a Petition for Interim Protective Measures in Aid of Arbitration with the Regional Trial Court of Makati. Petitioner prays for the issuance of a Temporary Order of Protection and an Injunction to direct the Parent Company to comply with the Letter of Intent and to remit to CII or to deposit with the Courts, pending arbitration, all

fees collected by the Parent Company from MRI and CT scans from 2011 up to present and beyond as they fall due, which fees, Petitioner claims pertain to CII.

The Group is a plaintiff or defendant in various other cases now pending before the courts and those arising out of its normal course of operations. In the opinion of management, based on advice of its legal counsels, the ultimate disposition of these cases will not have any significant effect on the Group's financial position, results of operations and cash flows as at December 31, 2021, 2020 and 2019.

## **Market for Issuer's Common Equity and Related Shareholder Matters**

### **Market Information**

The Parent Company's shares are not listed/traded in the stock exchange. Total authorized capital stock of the Parent Company is 4,000,000 shares of P100 par value per share, composed of 50,000 Preferred Shares and 3,950,000 Common Shares. As of May 31, 2022, none of the Preferred Shares have been issued.

As at **May 31, 2022**, the Parent Company has the following outstanding shares of common stock:

| <u>Title of Class</u> | <u>Number of Shareholders</u> | <u>Number of shares outstanding</u> |
|-----------------------|-------------------------------|-------------------------------------|
| <b>Common Shares</b>  | <b>1,455</b>                  | <b>3,420,737</b>                    |

The top twenty (20) shareholders and the respective number of shares held by each shareholder are as follows:

| <b>Rank</b> | <b>Name of Stockholders</b>           | <b>Kind of Share</b> | <b>Total Number of Shares</b> | <b>% to Total Outstanding shares</b> |
|-------------|---------------------------------------|----------------------|-------------------------------|--------------------------------------|
| 1           | Metro Pacific Hospital Holdings, Inc. | Common               | 1,141,819.00                  | 33.38%                               |
| 2           | Associated Holdings, Inc.             | Common               | 162,872.00                    | 4.76%                                |
| 3           | Suntay, Remedios, MD                  | Common               | 119,208.00                    | 3.48%                                |
| 4           | San Miguel Corporation                | Common               | 83,379.00                     | 2.44%                                |
| 5           | Alimurung, Benjamin N., MD            | Common               | 47,110.00                     | 1.38%                                |
| 6           | First Optima Realty Corporation       | Common               | 32,015.00                     | 0.94%                                |
| 7           | Antonio, Cristina, MD                 | Common               | 31,332.00                     | 0.92%                                |
| 8           | Progressive Development Corporation   | Common               | 29,492.00                     | 0.86%                                |
| 9           | Manahan, Constantino Jr. L.           | Common               | 17,954.00                     | 0.52%                                |
| 10          | Fuerte Holdings, Inc.                 | Common               | 17,708.00                     | 0.52%                                |
| 11          | Cabreira, Alvin Gubat                 | Common               | 15,421.00                     | 0.45%                                |
| 12          | Fores, Jose Amado                     | Common               | 15,192.00                     | 0.44%                                |
| 13          | Fores, Jorge A.                       | Common               | 15,192.00                     | 0.44%                                |
| 14          | Fores, Ma. Victoria A.                | Common               | 15,192.00                     | 0.44%                                |
| 15          | Fores, Margarita A.                   | Common               | 15,192.00                     | 0.44%                                |
| 16          | Fores-Legarda, Maria Mercedes A.      | Common               | 15,192.00                     | 0.44%                                |
| 17          | A. E. Cruz, Inc.                      | Common               | 10,890.00                     | 0.32%                                |
| 18          | Revilla, Vicente G.                   | Common               | 10,741.00                     | 0.31%                                |
| 19          | Philippine Airlines                   | Common               | 10,164.00                     | 0.30%                                |
| 20          | Madrigal, Ma. Susana A.S.             | Common               | 9,335.00                      | 0.27%                                |

## Dividends

The Parent Company's BOD authorized and approved the declaration and payment of cash dividends as follows:

| Declaration date  | Payment date     | Shareholder beneficiaries as of record date | From retained earnings as at December 31 | Dividend per share | Total dividends |
|-------------------|------------------|---|--|--------------------|-----------------|
| July 16, 2019     | August 23, 2019  | July 26, 2019                               | 2018                                     | 39.80              | 135,458,783     |
| December 18, 2019 | January 30, 2020 | December 31, 2019                           | 2018                                     | 39.80              | 136,085,433     |
| July 20, 2021     | August 30, 2021  | July 31, 2021                               | 2019                                     | 45.82              | 156,738,169     |
| December 2, 2021  | January 28, 2022 | December 31, 2021                           | 2019                                     | 37.49              | 128,243,430     |

In its meeting on July 3, 2012, the BOD of the Parent Company approved the allocation of 150,000 common shares for new and incoming physicians at P1,635/share as part of their requirements for accreditation into the hospital. Shareholders of the Parent Company shall have no pre-emptive right over all issues or dispositions of shares in favor of physicians credentialed by Makati Medical Center, provided, however, that the shares to be so issued without pre-emptive right shall not exceed 15% of the resulting outstanding shares of the company. On October 25, 2012 the SEC approved the exemption from registration of the above-mentioned common shares allocated to credentialed physicians. Subsequent issuance of shares, coming from the above-mentioned allocated common shares, to newly accredited physician of the hospital are as follows:

| Year Issued | Number of Shares |
|-------------|------------------|
| 2012        | 7,000            |
| 2013        | 11,360           |
| 2014        | 20,705           |
| 2015        | 18,832           |
| 2016        | 18,663           |
| 2017        | 29,272           |
| 2018        | 12,750           |
| 2019        | 29,750           |
| TOTAL       | 148,332          |

## CORPORATE GOVERNANCE

Makati Medical Center, together with the other Metro Pacific Hospital Holdings, Inc. (MPHHI) launched in 2021 Compliance Program in all its subsidiary hospitals as a commitment to continuous improvement in the governance practices. Eight policies related to compliance were approved by the Board e.g. (1) Antibribery and Anticorruption; (2) Gifts, Donations, Sponsorships and Grants; (3) Third Party Risk Management; (4) Government Interaction; (5) Conflict of Interest; (6) Petty Cash; (7) Travel and Per Diem; and (8) Whistleblowing. These policies strengthened and provided the processes to support the 2020 approved Code of Business Ethics. A roadshow of these policies was conducted to the different sectors of MakatiMed e.g. employees, Trainees, Medical Staff, Contracted Staff, Consultants and Vendors. All employees and trainees were required to submit adherence certificate to above policies. Likewise, they were required to submit a document on declaration of outside interests.

Evolving from culture of safety and culture of quality, MakatiMed launched its culture of compliance in 2021. The Culture of compliance builds on implementing the laws and rules promulgated by the regulatory bodies and the internal policies, procedures and programs in accordance with ethical practices. Likewise, it builds on compliance to international accreditation bodies' and specialty boards' requirements on best practices. Last November 2021, MakatiMed received its 4th JCI reaccreditation certificate based on the JCI 7th edition standards for Hospitals.

In compliance with the Revised Corporation Code and the issuance of the SEC Manual on Corporate Governance, the Makati Medical Center approved last September 2021 the following:

1. Appointment of two separate individuals as Corporate Secretary (Atty. Gernman Lichauco III) and Compliance Officer (Dr. Mary Milagros Uy).
2. Creation of MDI Committee on Corporate Governance and Compliance where the functions of corporate governance as stipulated in the SEC code of corporate governance, of the previous Committee on remuneration, and of compliance to regulatory requirements and business ethics were assigned.
3. Assignment of an independent director, Mr. Francisco Dizon, to chair the Committee on Corporate Governance and Compliance.

As Makati Medical Center (MMC) embraces the culture of compliance hospital-wide and at all levels, and as part of MMC's commitment to comply with the Corporate Governance, evaluation system of the Board of Directors will be implemented in 2022 for the year 2021. Also, an internal audit will be conducted to enhance the Company's compliance to SEC Code of Corporate Governance and compliance to MMC's approved policies and procedures. MMC, however, acknowledges that the aforementioned policies and procedures are in the process of initial implementation and, as such, are subject to continuous improvement. Periodic reviews will be conducted to ensure that the said policies and procedures remain relevant and are implemented effectively. Adjustments and tweaking may become necessary as a result of such exercise.

**Management's Discussion and Analysis of  
Financial Conditions and Results of Operations  
(For the First Quarter of 2022)**

**Introduction**

This discussion summarizes the significant factors affecting the consolidated statements of the financial position, statements of income, changes in equity and cash flows of Medical Doctors, Inc. and its subsidiary (the "Group") for the three months ended March 31, 2022 and 2021.

Medical Doctors, Inc. (the "Parent Company") was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on April 23, 1963 primarily to establish, operate, manage and own a hospital or hospitals, medical and chemical clinics and/or laboratories and such other enterprises that may have similar undertakings. The Parent Company operates under the trade name of Makati Medical Center (the "Hospital").

The Parent Company has 60% ownership in its subsidiary, Computerized Imaging Institute, Inc. (CIII).

**I. Consolidated Profit and Loss Statements**

Below is the consolidated P&L of the Group for the three months ended March 31, 2022 and 2021.

|                                 | YTD Mar 31           |                      | Variance            |                |
|---------------------------------|----------------------|----------------------|---------------------|----------------|
|                                 | 2022                 | 2021                 | Amount              | %              |
| <b>GROSS REVENUES</b>           | <b>1,812,166,943</b> | <b>1,876,648,279</b> | <b>(64,481,336)</b> | <b>(3.4%)</b>  |
| DISCOUNTS AND FREE SERVICES     | (236,157,716)        | (235,315,119)        | (842,597)           | 0.4%           |
| <b>NET REVENUES</b>             | <b>1,576,009,227</b> | <b>1,641,333,160</b> | <b>(65,323,933)</b> | <b>(4.0%)</b>  |
| COST OF SERVICES                | (1,023,832,840)      | (1,030,674,528)      | 6,841,688           | (0.7%)         |
| <b>GROSS PROFIT</b>             | <b>552,176,387</b>   | <b>610,658,632</b>   | <b>(58,482,245)</b> | <b>(9.6%)</b>  |
| ADMINISTRATIVE EXPENSES         | (410,453,891)        | (424,807,212)        | 14,353,321          | (3.4%)         |
| OTHER INCOME, net               | 15,998,807           | 20,235,102           | (4,236,295)         | (20.9%)        |
| <b>PROFIT FROM OPERATIONS</b>   | <b>157,721,303</b>   | <b>206,086,522</b>   | <b>(48,365,219)</b> | <b>(23.5%)</b> |
| FINANCE COSTS, NET              | (6,430,036)          | (11,490,998)         | 5,060,962           | (44.0%)        |
| <b>PROFIT BEFORE INCOME TAX</b> | <b>151,291,267</b>   | <b>194,595,524</b>   | <b>(43,304,257)</b> | <b>(22.3%)</b> |
| INCOME TAX EXPENSE              | (37,703,793)         | (92,674,269)         | 54,970,476          | (59.3%)        |
| <b>PROFIT FOR THE PERIOD</b>    | <b>113,587,474</b>   | <b>101,921,255</b>   | <b>11,666,219</b>   | <b>11.4%</b>   |

For the three months ended March 31, 2022, the Group's net profit after tax amounted to P113.6 million, 11.4% (P11.7 million) higher than the net profit of P101.9 million in the same period last year. This is mostly due to the gradual increase of outpatient census requiring use of supplies as the government implements a less strict community quarantine, rationalization of manpower, and close monitoring of other operating costs.

Inpatient revenues posted a decrease of 12% consistent with lower average occupied beds of 191 beds vs last year's 265 beds this is driven by less COVID-19 cases handled. Outpatient revenues grew by 7.4% due to gradual return of patients to the hospital, of which the major contributors include cancer center, radiology, women's wellness, emergency and heart station.

Average bed occupancy level of the Parent Company's hospital for the three months ended March 31, 2022 and 2021 are as follows:

| Particulars              | 2022 | 2021 | Variance | %    |
|--------------------------|------|------|----------|------|
| <b>Occupancy Parent</b>  |      |      |          |      |
| Bed Capacity (Available) | 494  | 489  | 5        | 1%   |
| Bed Occupied             | 191  | 265  | (75)     | -28% |
| Occupancy Rate           | 39%  | 54%  |          | -29% |

*\* To reflect a more accurate utilization of beds, closed rooms due to maintenance/renovation, social distancing, temporary space for donning and doffing of PPE, storage and other purpose were excluded in the bed capacity and beds paid for the day were included in the number of occupied beds even if patient has been discharged mid-day.*

#### Costs and expenses:

Combined cost of services and administrative expenses of the Group for the three months ended March 31, 2022 and 2021 are as follows:

| Account                                       | YTD Mar 31           |                      | Increase (Decrease) |             |
|---|----------------------|----------------------|---------------------|-------------|
|   | 2021                 | 2021                 | Amount              | %           |
| Medicines, Dietary, Linen, Laundry & Supplies | 451,558,827          | 495,566,550          | (44,007,723)        | (9%)        |
| Salaries and Benefits                         | 358,556,187          | 345,974,775          | 12,581,412          | 4%          |
| Depreciation                                  | 168,407,364          | 164,063,685          | 4,343,679           | 3%          |
| Contracted Services                           | 114,235,233          | 121,312,648          | (7,077,415)         | (6%)        |
| Professional Services                         | 120,728,915          | 106,283,339          | 14,445,576          | 14%         |
| Provision for Impairment of Receivables       | 54,412,457           | 56,216,566           | (1,804,109)         | (3%)        |
| Utilities                                     | 40,578,781           | 40,969,626           | (390,845)           | (1%)        |
| Repairs and Maintenance                       | 38,909,757           | 38,259,118           | 650,639             | 2%          |
| Security and Janitorial Services              | 28,951,972           | 30,556,012           | (1,604,040)         | (5%)        |
| Commission                                    | 8,956,503            | 8,667,031            | 289,472             | 3%          |
| Communication                                 | 3,572,237            | 3,423,370            | 148,867             | 4%          |
| Advertising                                   | 2,471,568            | 2,476,730            | (5,162)             | (0%)        |
| Rent  | 2,534,719            | 1,761,452            | 773,267             | 44%         |
| Others  | 40,412,211           | 39,950,837           | 461,374             | 1%          |
| <b>Total</b>                                  | <b>1,434,286,731</b> | <b>1,455,481,739</b> | <b>(21,195,008)</b> | <b>(1%)</b> |

#### Significant movements in cost and operating expenses are as follows:

- 1) *Medicines, Dietary, Linen, Laundry and supplies* (decreased by P44.0 million or 9%) This is mainly due lower inpatient census due to less COVID-19 cases handled.
- 2) *Contracted services* (decreased by P7.1 million or 6%) Mainly due to the decrease in outsourcing fees of the clinical laboratory operations as a result of lower demand for COVID-19 tests. Outsourcing fees are based on

the type and volume of processed laboratory tests. These were partially offset by higher facility maintenance for the period.

- 3) *Professional services* (increased by P14.4 million or 14%) Mainly due to higher availments of medical and surgical packages and retainers fees offset by lower reader's fees.
- 4) *Security and Janitorial* (decreased by P1.6 million or 5%) – Due to reduced headcount of housekeeping personnel.
- 5) *Rent* (increased by P0.8 million or 44%) Due to higher rental fee for ventilators.

## II. Material Changes Per Line of Accounts

### Balance Sheet (as against December 31, 2021)

#### Statement of Financial Position

|   | <u>1Q-2022</u>        | <u>2021</u>           | <u>Increase<br/>(Decrease)</u> | <u>% Inc<br/>(Dec)</u> |
|---|-----------------------|-----------------------|--------------------------------|------------------------|
| <b><u>Current Assets</u></b>              |                       |                       |                                |                        |
| Cash                                      | 676,142,065           | 597,867,389           | 78,274,676                     | 13%                    |
| Receivables, net                          | 1,160,929,968         | 1,290,038,219         | (129,108,251)                  | (10%)                  |
| Inventory, net                            | 227,681,845           | 276,036,613           | (48,354,768)                   | (18%)                  |
| Prepayment and other current assets       | 46,616,498            | 21,991,388            | 24,625,110                     | 112%                   |
| <b>Total Current Assets</b>               | <b>2,111,370,376</b>  | <b>2,185,933,609</b>  | <b>(74,563,233)</b>            | <b>(3%)</b>            |
| <b><u>Non-Current Assets</u></b>          |                       |                       |                                |                        |
| Property and equipment, net               | 9,234,646,885         | 9,313,701,190         | (79,054,305)                   | (1%)                   |
| Other non-current assets                  | 145,427,468           | 136,685,891           | 8,741,577                      | 6%                     |
| <b>Total Non-Current Assets</b>           | <b>9,380,074,353</b>  | <b>9,450,387,081</b>  | <b>(70,312,728)</b>            | <b>(1%)</b>            |
| <b>TOTAL ASSETS</b>                       | <b>11,491,444,729</b> | <b>11,636,320,690</b> | <b>(144,875,961)</b>           | <b>(1%)</b>            |
| <b><u>Current Liabilities</u></b>         |                       |                       |                                |                        |
| Trade and other payables                  | 1,041,530,846         | 1,140,413,564         | (98,882,718)                   | (9%)                   |
| Provision for claims                      | 39,776,398            | 39,776,398            | -                              | 0%                     |
| Income tax payable                        | 132,955,800           | 77,304,410            | 55,651,390                     | 72%                    |
| Borrowings, current portion               | 45,000,000            | 110,000,000           | (65,000,000)                   | (59%)                  |
| Dividends payable                         | 32,805,805            | 157,704,166           | (124,898,361)                  | (79%)                  |
| Lease liabilities, current                | 103,367,580           | 105,207,275           | (1,839,695)                    | (2%)                   |
| Other current liabilities                 | 14,860,223            | 15,151,320            | (291,097)                      | (2%)                   |
| <b>Total Current Liabilities</b>          | <b>1,410,296,652</b>  | <b>1,645,557,133</b>  | <b>(235,260,481)</b>           | <b>(14%)</b>           |
| <b><u>Non-Current Liabilities</u></b>     |                       |                       |                                |                        |
| Borrowings, net of current                | 45,000,000            | 45,000,000            | -                              | 0%                     |
| Provisions                                | 150,317,074           | 145,949,616           | 4,367,458                      | 3%                     |
| Retirement benefit obligation             | 557,776,822           | 537,917,053           | 19,859,769                     | 4%                     |
| Deferred income tax liabilities, net      | 770,604,668           | 789,362,058           | (18,757,390)                   | (2%)                   |
| Lease liabilities, net of current portion | 154,059,718           | 183,542,798           | (29,483,080)                   | (16%)                  |
| <b>Total Non-Current Liabilities</b>      | <b>1,677,758,282</b>  | <b>1,701,771,525</b>  | <b>(24,013,243)</b>            | <b>(1%)</b>            |

|                                      |                       |                       |                      |             |
|--------------------------------------|-----------------------|-----------------------|----------------------|-------------|
| <b>TOTAL LIABILITIES</b>             | <b>3,088,054,934</b>  | <b>3,347,328,658</b>  | <b>(259,273,724)</b> | <b>(8%)</b> |
| <b><u>Shareholders' Equity</u></b>   |                       |                       |                      |             |
| Share capital                        | 342,861,700           | 342,861,700           | -                    | 0%          |
| Capital in excess of par value       | 1,701,610,449         | 1,701,610,449         | -                    | 0%          |
| Treasury shares                      | (15,035,660)          | (15,035,660)          | -                    | 0%          |
| Revaluation surplus                  | 3,302,013,379         | 3,304,442,756         | (2,429,377)          | (0%)        |
| Remeasurement on retirement benefits | (92,246,551)          | (92,247,051)          | 500                  | (0%)        |
| Retained earnings                    | 3,140,663,850         | 3,023,832,378         | 116,831,472          | 4%          |
| Minority interest                    | 23,522,628            | 23,527,460            | (4,832)              | (0%)        |
| <b>SHAREHOLDERS' EQUITY</b>          | <b>8,403,389,795</b>  | <b>8,288,992,032</b>  | <b>114,397,763</b>   | <b>1%</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>  | <b>11,491,444,729</b> | <b>11,636,320,690</b> | <b>(144,875,961)</b> | <b>(1%)</b> |

*Cash* (increased by P78.3 million or 13%) from P597.9 million as of end of 2021 to P676.1 million as of March 31, 2022, mainly due to increasing daily collection from outpatient services and collection from HMOs and corporate accounts.

*Receivables, net* (decreased by P129.1 million or 10%)- This is mainly a result of extensive collection efforts on HMO and corporate accounts.

*Inventories* (decreased by P48.4 million or 18%)- Due to utilization of buffer stocks of medical supplies and PPE such as coveralls, gowns, masks previously made in anticipation of increased cases of COVID-19.

*Prepayment and other current assets* (increased by P24.6 million or 112%) These are creditable withholding tax received for the period that has not yet been applied to income tax payable. Higher advance payments for IT projects also contributed to the increase.

*Other noncurrent assets* (increased by P8.7 million or 6%). Due to higher down payments for the purchase of medical equipment.

*Trade and other payables* (decreased by P98.9 million or 9%) This is mainly due updating of accounts with pharmaceutical and vendors of medical supplies.

*Income tax payable* (increased by P55.7 million or 72%) Due to higher taxable income as of 1<sup>st</sup> quarter of 2022.

*Borrowings, current portion* (decreased by P65.0 million or 59%) Due to payment of principal amortization.

*Dividends payable* (decreased by P124.9 million or 79%) Due to payment of dividends last January 28, 2022.

*Lease liabilities, net of current portion* (decreased by P29.5 million or 16%) due to quarterly lease payments.

*Stockholders' Equity* movement includes (i) net profit after tax of P113.6 million (ii) Depreciation appraisal surplus P3.2 million

*Minority interest* refers to the proportionate share of the owner of Computerized Imaging Institute, Inc. (CIII), a 60% owned subsidiary of the center.

## II. Key Performance Indicators (March 31, 2022 vs. December 31, 2021)

|                          | March 2022 | December 2021 |
|--------------------------|------------|---------------|
| Gross Profit margin      | 30.5%      | 32.0%         |
| Net Profit (Loss) margin | 6.3%       | 6.17%         |
| Return on Equity         | 1.4%       | 5.70%         |
| Current ratio            | 1.50:1     | 1.32:1        |
| Interest rate coverage   | 24.53:1    | 18.18:1       |
| Debt to equity ratio     | 0.37:1     | 0.41:1        |
| Debt ratio               | 0.27:1     | 0.29:1        |
| Asset-to-equity ratio    | 1.37:1     | 1.41:1        |

The manner by which the Group calculates the above indicators is as follows:

| <b><u>KPI</u></b>      | <b><u>Formula</u></b>   |
|------------------------|---|
| Gross Profit margin    | Gross Profit / Revenues   |
| Net Profit margin      | Net Income available to common shareholders / Revenues  |
| Return on Equity       | Net Income available to common shareholders / Shareholders' Equity                            |
| Current ratio          | Current Assets / Current Liabilities  |
| Interest rate coverage | Earnings before interest and taxes / Interest Expense   |
| Debt to equity ratio   | (Borrowings - Cash) / Shareholders' Equity  |
| Debt ratio             | EBITDA (Profit from Operation before Depreciation and Amortization)/(Loan + Interest Payment) |
| Asset-to-equity ratio  | Total Assets / Total Equity   |

## IV. Other Matters

- a) The Parent Company, as the petitioner, filed a petition for review with the Court of Appeals vs Dr. Benjamin D. Adapon, for himself and on behalf of Computerized Imaging Institute, Inc. (Respondents), on the matter of an earlier notice of award issued by the Regional Trial Court of Makati (Civil Case no. 11-343) in favor of the Respondents. On September 20, 2016, the Court of Appeals issued a Notice of Resolution effectively putting on hold the payment of the award issued by the RTC of Makati, but requiring the petitioner to post a bond equal to the award. As such the Parent Company, through Stronghold Insurance Company, Inc, has restricted cash amounting to P87,349,157.45 for purposes of posting the required bond. The bond was submitted to the court on September 29, 2016. On February 15, 2017, the Court of Appeals issued its decision vacating the Arbitration award in favor of the Parent Company. Dr. Adapon has elevated the case to the Supreme Court for further review. On August 24, 2020, the Parent Company renewed its bond valid from September 28, 2020 to September 29, 2021. The restricted cash is reflected as part of "Other noncurrent assets" in the balance sheet as of September 30, 2021.

On 14 June 2021, the Supreme Court granted the Petition filed by Dr. Adapon and reinstated the Order of the Regional Trial Court. The Parent Company has filed a Motion for Reconsideration of the 14 June 2021 Decision of the Supreme Court, which is now pending for resolution.

On 25 April 2016, Dr. Benjamin D. Adapon (Petitioner), claiming to represent himself and the Computerized Imaging Institute, Inc. (CII) filed a Petition for Interim Protective Measures in Aid of Arbitration with the Regional Trial Court of Makati. Petitioner prays for the issuance of a Temporary Order of Protection and an Injunction to direct the Parent Company to comply with the Letter of Intent and to remit to CII or to deposit with the Courts, pending arbitration, all fees collected by the Parent Company from MRI and CT scans from 2011 up to present and beyond as they fall due, which fees, Petitioner claims pertain to CII.

The Group is a plaintiff or defendant in various other cases now pending before the courts and those arising out of its normal course of operations. In the opinion of management, based on advice of its legal counsels, the ultimate disposition of these cases will not have any significant effect on the Group's financial position, results of operations and cash flows as of March 31, 2022.

The Parent Company are also in receipt of Letters of Authority from the Bureau of Internal Revenue (BIR) for a regular audit of their tax receipts for taxable years 2018, 2019 and 2020. A Notice of Discrepancy was received last September 2, 2021, September 9, 2021 and April 6, 2020 for taxable years 2018, 2019 and 2020 respectively. On February 10, 2022 and March 8, 2022, the Parent Company received the amended NOD's for the years 2018 and 2019 which includes new and lower discrepancies for reconciliation. The Parent Company has submitted its position papers and supporting documents to the BIR last Oct 1 and Oct 8, 2021. Revised schedules and additional documents were also submitted to support the updated reconciliations related to the amended NODs.

- b) There are no unusual items as to nature and amount affecting assets, liabilities, equity, net income or cash flows, except those discussed in the notes to financial statements and in the Stockholders' Equity portion of Management Discussion.
- c) Funding for the Modernization plans of the Parent Company are financed from operating funds, supplier's credits and bank loans. Except for the continuing impact of the COVID-19 pandemic and the implementation of community quarantine in the NCR as disclosed in Note 1 of the interim consolidated financial statements, there are no other known trends, demands, commitments, events or uncertainties that would have material adverse effect on the Group's liquidity. Considering that the COVID-19 pandemic is continuing and evolving, the Parent Company will continue to assess its impact to its financial position, performance and cash flows.
- d) In 2020, the Parent Company availed various short-term bank loans amounting to P200.0 million for working capital requirements. The loans were unsecured and are payable within one year with interest ranging from 4.70% to 4.85%. These were fully settled in 2021.
- e) There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the period.
- f) The Parent Company has issued various purchase orders and commitments related to the modernization of its facilities and equipment aggregating to about P338.9 million. These are mostly contractors for renovation projects and suppliers of medical equipment which will all be funded by its operations. On July 20, 2021, the Board of Directors approved a proposal to establish an outpatient clinic and diagnostic center in Quezon City the expected to be operational by second quarter of 2022. Total investment for this facility is expected to be at least P100 million.
- g) Except for the continuing impact of the COVID-19 pandemic and the implementation of community quarantine in NCR as earlier disclosed, there are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.
- h) There are no significant elements of income or loss that did not arise from the company's continuing operations.
- i) There are no seasonal aspects that had a material effect on the financial condition or results of operations during the period.

j) There are no repurchases of equity securities.

k) The Parent Company's BOD authorized and approved the declaration and payment of cash dividends as follows:

| Declaration date  | Payment date     | Shareholder<br>beneficiaries as of<br>record date | From retained<br>earnings as at<br>December 31 | Dividend<br>per share | Total<br>dividends |
|-------------------|------------------|---|--|-----------------------|--------------------|
| December 18, 2019 | January 30, 2020 | December 31, 2019                                 | 2018   | 39.80                 | 136,085,633        |
| July 20, 2021     | August 30, 2021  | July 31, 2021                                     | 2019   | 45.82                 | 156,738,169        |
| December 2, 2021  | January 28, 2022 | December 31, 2021                                 | 2019   | 37.49                 | 128,243,430        |

l) There are no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

m) All approvals and resolutions made by the Board of Directors during the reporting period including all other matters requiring disclosure by SEC has been made through Form 17C within the prescribed time of reporting.

**Management's Discussion and Analysis of  
Financial Conditions and Results of Operations  
(For the Year 2021)**

The following discussion should be read in conjunction with the accompanying consolidated financial statements and notes thereto, which form part of the Report. The consolidated financial statements and notes thereto have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

**1. Results of Operations**

The Parent Company management has designed a business segmentation of the Group's operation. It has organized its reporting structure based on the grouping of similar services, resulting in two main business segments as follows:

- (1) Hospital services – This segment is involved in providing healthcare services to hospital patients. Included in this segment is the Parent Company's subsidiary Computerized Imaging Institute, Inc. (CIII), a company primarily engaged in owning, operating and maintaining a tomography center and provide professional medical and surgical services and other similar undertakings.
- (2) Educational services – This segment is involved in the operation of a wholly owned nursing school, known as Makati Medical Center College, Inc. (MMCCI). In 2013, the Parent Company sold its investment in MCCI to Philippine Women's University.

With the divestment of MMCCI, the Group's operations is now a single business segment. The activities of its sole subsidiary, CIII, are similar to the services being offered by the Parent Company. More particularly, CIII supplements the radiology services offered by the Parent Company. As earlier stated, the Board of Directors of CIII approved the cessation of its operations effective December 31, 2018 based on its deteriorating financial situation.

The financial information as at and for the three years ended December 31, 2021, 2020 and 2019 are as follows:

|                                       | 2021                 | 2020                 | 2019                 |
|---------------------------------------|----------------------|----------------------|----------------------|
| <b>GROSS REVENUES</b>                 | <b>7,663,464,988</b> | <b>6,308,103,477</b> | <b>7,771,476,950</b> |
| DISCOUNTS AND FREE SERVICES           | (976,579,710)        | (741,128,506)        | (841,004,870)        |
| <b>NET REVENUES</b>                   | <b>6,686,885,278</b> | <b>5,566,974,971</b> | <b>6,930,472,080</b> |
| COST OF SERVICES                      | (4,231,295,170)      | (3,958,145,892)      | (4,353,589,964)      |
| <b>GROSS PROFIT</b>                   | <b>2,455,590,108</b> | <b>1,608,829,079</b> | <b>2,576,882,116</b> |
| ADMINISTRATIVE EXPENSES               | (1,715,784,319)      | (1,656,287,868)      | (1,829,616,122)      |
| OTHER INCOME, net                     | (7,196,724)          | 94,577,590           | 125,480,060          |
| <b>PROFIT FROM OPERATIONS</b>         | <b>732,609,065</b>   | <b>47,118,801</b>    | <b>872,746,054</b>   |
| FINANCE COSTS                         | (40,293,953)         | (52,351,170)         | (59,288,232)         |
| <b>PROFIT(LOSS) BEFORE INCOME TAX</b> | <b>692,315,112</b>   | <b>(5,232,369)</b>   | <b>813,457,822</b>   |
| INCOME TAX EXPENSE                    | (219,457,453)        | (363,991)            | (243,473,736)        |
| <b>PROFIT(LOSS) FOR THE YEAR</b>      | <b>472,857,659</b>   | <b>(5,596,360)</b>   | <b>569,984,086</b>   |

Comparison of the Group's results of operations is as follows:

**2021 Compared to 2020**

|                                    | 2021               | 2020               | Variance           |                 |
|------------------------------------|--------------------|--------------------|--------------------|-----------------|
|                                    |                    |                    | Amount             | %               |
| Net Revenues- Hospital services    | 6,686,885,278      | 5,566,974,971      | 1,119,910,307      | 20%             |
| Gross income                       | 2,455,590,108      | 1,608,829,079      | 846,761,029        | 53%             |
| EBITDA                             | 1,397,447,957      | 678,543,802        | 718,904,155        | 106%            |
| EBIT                               | 732,609,065        | 47,118,801         | 685,490,264        | 1,455%          |
| <b>Net income after tax (NIAT)</b> | <b>472,857,659</b> | <b>(5,596,360)</b> | <b>478,454,019</b> | <b>(8,549%)</b> |

The Group's net profit after tax amounted to P472.8 million, 8549% (P478.4 million) higher than the net loss of P5.6 million in the same period last year. This is mostly due to increase in COVID related services and the gradual increase of outpatient census as the government implements a less strict community quarantine.

Despite lower patient census, inpatient revenues posted an increase of 22% mainly due to increase in COVID admissions requiring critical care. At the same time, outpatient revenues also grew by 21% due to gradual return of patients to the hospital, of which the major contributors include laboratory, radiology, cancer center and heart station

**2020 Compared to 2019**

|                                    | 2020               | 2019               | Variance             |               |
|------------------------------------|--------------------|--------------------|----------------------|---------------|
|                                    |                    |                    | Amount               | %             |
| Net Revenues- Hospital services    | 5,566,974,971      | 6,930,472,080      | (1,363,497,109)      | (20%)         |
| Gross income                       | 1,608,829,079      | 2,576,882,116      | (968,053,037)        | (38%)         |
| EBITDA                             | 678,543,802        | 1,474,121,344      | (795,577,542)        | (54%)         |
| EBIT                               | 47,118,801         | 872,746,054        | (825,627,253)        | (95%)         |
| <b>Net income after tax (NIAT)</b> | <b>(5,596,360)</b> | <b>569,984,086</b> | <b>(575,580,446)</b> | <b>(101%)</b> |

The implementation of an enhanced community quarantine throughout the island of Luzon on March 16, 2020 to contain the COVID-19 outbreak resulted in a lower inpatient and outpatient census as only patients with emergency cases are permitted to seek medical attention in the hospital. Selected outpatient services in the hospital were closed until the later part of the second quarter when a less strict modified enhance community quarantine was in effect. Growth in patient census was experience in the second half of the year under the general community quarantine but still below the census for the same period in the previous year.

As a result of these community quarantines, inpatient census is lower by 48% compared to same period last year. Outpatient census decreased by 41%, while emergency department census decreased by 68%. As a result, net hospital revenues decreased by P1.4 billion or 20% compared to previous year. Inpatient, outpatient and emergency department revenues decreased by 13.2%, 22.9% and 34.5% respectively.

In addition, the hospital incurred additional expenses in its fight against the pandemic such as personal protective equipment and testing for healthcare workers, medical equipment, additional allowances, meals and other supplies

Lower revenue performance and additional expenses directly accounts for the net loss for the year of P5.6 million versus the P570.0 million net profit for the same period last year.

## 2. Plan of Operation

For 2022, the Group plans to continue with its program of creating and promoting a safe environment that will encourage patient to return to the hospital. This is further complemented by additional services which include:

- Completion of the outpatient diagnostics center at Manhattan Plaza in Cubao
- Acquisition of an additional MRI machine
- Expand services in the Wellness Center (Ayala North Exchange) to include 2D echo/Doppler services and new aesthetic services
- Promote organ transplantation
- Expand and enhance surgical services in main OR. Investment in equipment for MIS and Spine Surgeries.

The Group estimates that the steady increase of patient census along with the additional services above will result in gross revenues and profit growth for 2022.

### 3. Financial Conditions

| Amounts in Philippine Peso | 2021           | 2020           |
|----------------------------|----------------|----------------|
| Total Assets               | 11,636,320,691 | 11,460,089,401 |
| Total Liabilities          | 3,347,328,658  | 3,657,591,551  |
| Shareholder's Equity       | 8,288,992,033  | 7,802,497,850  |

#### **Assets:**

The Group's total assets as at December 31, 2021 increased by P176.2 million compared to last year mainly due to the Parent Company's higher cashflow from operating activities as a result of increasing collections and lower debt servicing.

#### **Borrowings:**

- On July 21, 2011, the Parent Company availed of a loan amounting to P140 million from a major shareholder and key officer to partly finance the modernization of its medical equipment. The loan is unsecured and is payable in equal quarterly installments over 10 years. Interest is at a fixed annual rate of 7% payable on a quarterly basis. Subsequently, on February 18, 2013, the parties agreed to a reduction of interest rate from 7% to 4.28%.

The loan was settled in full on July 31, 2021.

- In 2014, the Parent Company availed of various loans amounting to P230 million from a major shareholder and key officer for general corporate purposes. Out of the total loan proceeds, P23,245,613 was used to refinance a restructured loan existing as at December 31, 2013 also with the same major shareholder. This loan is secured by the participation of the lender in the MTI. Of the total amount of loans, P5,000,000 was settled on March 31, 2015 and the balance of P225,000,000 is payable in 7 years ending in 2021 with a two year grace period on principal repayment. Interest is at a fixed annual rate of 5% to 5.3%.

The loan was settled in full on January 12, 2021 and March 31, 2021.

- Also in 2014, the Parent Company availed various bank loans amounting to P775 million. Out of the total loan proceeds, P317,045,454 and P272,722,596 were used to refinance the SBC loans (item b above) and an outstanding balance of restructured loans existing as at December 31, 2013, respectively. Net cash proceeds from these loans, after refinancing existing loans, amounted to P185,231,950. These loans have a term of 7

years and indicative fixed interest rates ranging from 5.30% to 5.48%. Principal payments for these loans started in the second quarter of 2016.

The loans were settled in full on January 13 & 29, 2021, March 16, 2021 and August 28, 2021,

- d. In 2016, the Parent Company availed another loan amounting to P300 million for the purchase of medical equipment. The loan is secured and is payable in equal quarterly installments over 7 years at 4.8750% fixed annual interest rate. Principal payments will start in the 3rd quarter of 2018.
- e. In 2020, the Parent Company availed of various short-term bank loans amounting to a total of P200 million for working capital requirements. The loans were unsecured and are payable within one year at 4.70% and 4.85% fixed annual interest rate. Principal payments are due in June, October and November of 2021. All short-term loans were settled in 2021.

The credit agreements related to these bank loans provide, among others, that for as long as any loan remain outstanding, the Parent Company is subject to certain negative covenants requiring prior approval of the creditors for specified corporate acts such as: (i) assume, guarantee, endorse or otherwise become directly or contingently liable in connection with any obligation of any other person, firm or corporation; (ii) sell, lease or otherwise dispose or convey all or substantially all of the borrowers assets; (iii) make advances or loans to any borrower's affiliates, subsidiaries, stockholders, directors and officers except in compliance with formally established and existing fringe benefit program of the borrower; (iv) suspend its business operation or dissolve its affairs; (v) enter into merger or consolidation with any person, unless the Parent Company is the surviving entity; and (vi) make or permit any material change in the character of its business from that being carried as of the date hereof or engage in any business operation or activity other than as allowed by its Article of Incorporation. The Parent Company has complied with the above covenants as at December 31, 2021 and 2020.

#### 4. Sources and Uses of Cash as at December 31:

|                                       | 2021               | 2020               | 2019               |
|---------------------------------------|--------------------|--------------------|--------------------|
| Net Cash from Operating Activities    | 1,130,794,975      | 685,957,918        | 1,268,642,884      |
| Net Cash Used in Investing Activities | (344,297,713)      | (579,859,403)      | (625,910,907)      |
| Net Cash Used in Financing Activities | (577,699,678)      | (330,298,545)      | (585,469,423)      |
| Net (Decrease) Increase in Cash       | 208,797,584        | (224,200,030)      | 57,262,554         |
| Cash, January 1                       | 389,069,805        | 613,267,835        | 556,005,381        |
| <b>Cash, December 31</b>              | <b>597,867,389</b> | <b>389,067,805</b> | <b>613,267,835</b> |

The Group's generates significant cash flows from its operating activities and is able to meet all its cash requirements for its operations. Depending on the timing of its expansion and renovation plans, the Group may take on some financing activity in the next 12 months..

Significant cash outflows include capital expenditures amounting to P363 million, P559 million and P604 million for the years 2021, 2020 and 2019 respectively. In addition, the Parent Company paid interest and principal amortization on its outstanding loans amounting to P303 million, P300 million and P310 million for the years 2021, 2020 and 2019. Finally, the Parent Company paid dividends amounting to P164 million, P130 million and P230 million for the years 2021, 2020 and 2019 respectively.

## 5. Material Changes per Line of Account

### Statement of Financial Position

|   | 2021                  | 2020                  | Increase<br>(Decrease) | %            |
|---|-----------------------|-----------------------|------------------------|--------------|
| <b><u>Current Assets</u></b>                    |                       |                       |                        |              |
| Cash  | 597,867,389           | 389,067,805           | 208,799,584            | 54%          |
| Receivables, net                                | 1,290,038,220         | 1,020,921,219         | 269,117,001            | 26%          |
| Inventory, net                                  | 276,036,613           | 281,055,241           | (5,018,628)            | (2%)         |
| Prepayments and other current assets            | 21,991,388            | 31,547,938            | (9,556,550)            | (30%)        |
| <b>Total Current Assets</b>                     | <b>2,185,933,610</b>  | <b>1,722,592,203</b>  | <b>463,341,407</b>     | <b>27%</b>   |
| <b><u>Non-Current Assets</u></b>                |                       |                       |                        |              |
| Property and equipment, net                     | 9,313,701,190         | 9,590,247,803         | (276,546,613)          | (3%)         |
| Other non-current assets                        | 136,685,891           | 147,249,395           | (10,563,504)           | (7%)         |
| <b>Total Non-Current Assets</b>                 | <b>9,450,387,081</b>  | <b>9,737,497,198</b>  | <b>(287,110,117)</b>   | <b>(3%)</b>  |
| <b>TOTAL ASSETS</b>                             | <b>11,636,320,691</b> | <b>11,460,089,401</b> | <b>176,231,290</b>     | <b>2%</b>    |
| <b><u>Current Liabilities</u></b>               |                       |                       |                        |              |
| Trade and other payables                        | 1,180,189,962         | 1,158,375,678         | 21,814,284             | 2%           |
| Income tax payable                              | 77,304,410            | -                     | 77,304,410             | 0%           |
| Borrowings, current portion                     | 110,000,000           | 335,500,000           | (225,500,000)          | (67%)        |
| Dividends payable                               | 157,704,166           | 37,052,613            | 120,651,553            | 326%         |
| Lease liabilities, current portion              | 105,207,275           | 86,298,617            | 18,908,658             | 22%          |
| Other current liabilities                       | 15,151,320            | 15,237,658            | (86,338)               | (1%)         |
| <b>Total Current Liabilities</b>                | <b>1,645,557,133</b>  | <b>1,632,464,566</b>  | <b>13,092,567</b>      | <b>1%</b>    |
| <b><u>Non-Current Liabilities</u></b>           |                       |                       |                        |              |
| Borrowings, net of current                      | 45,000,000            | 105,000,000           | (60,000,000)           | (57%)        |
| Provision                                       | 145,949,616           | 104,953,132           | 40,996,484             | 39%          |
| Retirement benefit obligation                   | 537,917,053           | 556,754,261           | (18,837,208)           | (3%)         |
| Deferred income tax liabilities, net            | 789,362,058           | 1,004,532,305         | (215,170,247)          | (21%)        |
| Lease liabilities, net of current portion       | 183,542,798           | 253,887,287           | (70,344,489)           | (28%)        |
| <b>Total Non-Current Liabilities</b>            | <b>1,701,771,525</b>  | <b>2,025,126,985</b>  | <b>(323,355,460)</b>   | <b>(16%)</b> |
| <b>TOTAL LIABILITIES</b>                        | <b>3,347,328,658</b>  | <b>3,657,591,551</b>  | <b>(310,262,893)</b>   | <b>(8%)</b>  |
| <b><u>Shareholders' Equity</u></b>              |                       |                       |                        |              |
| Equity attributable to owners of Parent Company |                       |                       |                        |              |
| Share capital                                   | 342,861,700           | 342,861,700           | -                      | 0%           |
| Capital in excess of par value                  | 1,701,610,449         | 1,701,610,449         | -                      | 0%           |
| Treasury stock                                  | (15,035,660)          | (15,035,660)          | -                      | 0%           |
| Revaluation surplus                             | 3,304,442,756         | 3,091,590,458         | 212,852,298            | 7%           |
| Remeasurements on retirement benefits           | (92,247,051)          | (165,056,841)         | 72,809,790             | (44%)        |
| Retained earnings                               | 3,023,832,879         | 2,822,708,245         | 201,124,634            | 7%           |
|   | 8,265,465,073         | 7,778,678,351         | 486,786,722            | 6%           |
| Non-controlling interest                        | 23,526,960            | 23,819,499            | (292,539)              | (1%)         |
| <b>SHAREHOLDERS' EQUITY</b>                     | <b>8,288,992,033</b>  | <b>7,802,497,850</b>  | <b>486,494,183</b>     | <b>6%</b>    |
| <b>TOTAL LIABILITIES AND EQUITY</b>             | <b>11,636,320,691</b> | <b>11,460,089,401</b> | <b>176,231,290</b>     | <b>2%</b>    |

*Cash and cash equivalents* (increased by P209 million or 54%) from P389 million as of end of 2020 to P598 million as of end of 2021, mainly due to higher collection from operations, offset by lower debt servicing, payment of cash dividends and payment to various pharmaceutical suppliers and contractors

*Receivables* (increased by P269 million or 26%) – This is mainly due to longer collection on Philhealth and private patient receivables.

*Prepayments and Other current assets* (decreased by P10 million or 30%) – Due to lower prepayments for the year and recognition of excess tax credits in 2020.

*Other non-current assets* (decreased by P11 million or 7%)-This is due to deferral of capex plans resulting in less down payments to suppliers.

*Income tax payable* (increased by P77 million or 100%)-This is due to taxable income recognized this year.

*Borrowings, current portion* (decreased by P226 million or 67%) – Due to payment of principal amortization and reclassification from noncurrent to current.

*Dividends payable* (increased by P121 million or 326%) - Due to cash dividends declared in December 2021 for payment on January 28, 2022.

*Lease liabilities, current portion* (increased by P19 million or 22%) Due to additional lease contract for a Dialysis and Diagnostic center entered by the hospital.

*Borrowings, net current portion* (decreased by P60 million or 57%) – Due to payment of principal amortization and reclassification to current liabilities.

*Provisions* (increased by P41 million or 39%) – Due to additional provision related to pending unresolved claims such as provision for legal cases.

*Deferred income tax* (decreased by P215 million or 21%) Due to decrease in corporate tax rate as a result of CREATE bill passed into law last March 26, 2021.

*Lease liabilities, net of current portion* (decreased by P70 million or 28%) Due to reclassification from noncurrent to current lease and quarterly payments.

*Revaluation surplus* (increased by P213 million or 7%) -Due to adjustment recognized as a result of the change in corporate tax rate.

*Remeasurements* (decreased by P73 million or 44%) -Due to the recognition of actuarial gains pursuant to the revised PAS 19 actuarial report.

*Non-controlling interest* refers to the proportionate share of the other owners of Computerized Imaging Institute, Inc., a 60% owned subsidiary of the Parent Company.

## **Cost and Expenses**

The components of expenses for each of the three years in the period ended December 31 are as follows:

|   | <b>2021</b>   | <b>2020</b>   | <b>2019</b>   |
|---|---------------|---------------|---------------|
| Medicines, Dietary, Linen, Laundry & Supplies | 1,933,793,924 | 1,917,190,425 | 2,135,706,546 |
| Salaries and benefits                         | 1,343,259,012 | 1,240,878,137 | 1,345,834,496 |
| Depreciation                                  | 664,838,892   | 631,425,001   | 601,375,290   |
| Contracted services                           | 484,072,176   | 440,088,943   | 483,209,475   |
| Professional services                         | 458,265,503   | 401,350,662   | 519,771,936   |
| Provision for impairment of receivables       | 275,362,092   | 217,272,455   | 203,822,593   |

|                                  |                      |                      |                      |
|----------------------------------|----------------------|----------------------|----------------------|
| Utilities                        | 177,383,001          | 169,493,978          | 225,242,314          |
| Repairs and maintenance          | 147,165,013          | 131,581,052          | 162,221,446          |
| Security and janitorial services | 116,965,742          | 124,875,607          | 141,466,289          |
| Retirement benefit               | 94,186,502           | 76,816,297           | 57,072,593           |
| Taxes and licenses               | 48,372,261           | 51,255,485           | 72,878,319           |
| Commission                       | 37,660,684           | 29,688,171           | 33,719,069           |
| Communication                    | 14,379,197           | 13,855,497           | 13,220,782           |
| Rent                             | 12,284,121           | 8,340,015            | 13,453,441           |
| Advertising                      | 11,796,586           | 8,009,660            | 23,554,831           |
| Transportation                   | 4,022,587            | 40,329,773           | 3,731,421            |
| Others                           | 123,271,696          | 111,982,602          | 146,924,246          |
| <b>Total</b>                     | <b>5,947,078,989</b> | <b>5,614,433,760</b> | <b>6,183,205,087</b> |

Significant year-on-year variances on expenses are as follows:

**2021 Compared to 2020**

| Account                                       | December 31          |                      | Increase (Decrease) |           |
|---|----------------------|----------------------|---------------------|-----------|
|   | 2021                 | 2020                 | Amount              | %         |
| Medicines, Dietary, Linen, Laundry & Supplies | 1,933,793,924        | 1,917,190,425        | 16,603,499          | 1%        |
| Salaries and benefits                         | 1,343,259,012        | 1,240,878,137        | 102,380,875         | 8%        |
| Depreciation                                  | 664,838,892          | 631,425,001          | 33,413,891          | 5%        |
| Contracted services                           | 484,072,176          | 440,088,943          | 43,983,233          | 10%       |
| Professional services                         | 458,265,503          | 401,350,662          | 56,914,841          | 14%       |
| Provision for impairment of receivables       | 275,362,092          | 217,272,455          | 58,089,637          | 27%       |
| Utilities                                     | 177,383,001          | 169,493,978          | 7,889,023           | 5%        |
| Repairs and maintenance                       | 147,165,013          | 131,581,052          | 15,583,961          | 12%       |
| Security and janitorial services              | 116,965,742          | 124,875,607          | (7,909,865)         | (6%)      |
| Retirement benefit                            | 94,186,502           | 76,816,297           | 17,370,205          | 23%       |
| Taxes and licenses                            | 48,372,261           | 51,255,485           | (2,883,224)         | (6%)      |
| Commission                                    | 37,660,684           | 29,688,171           | 7,972,513           | 27%       |
| Communication                                 | 14,379,197           | 13,855,497           | 523,700             | 4%        |
| Rent  | 12,284,121           | 8,340,015            | 3,944,106           | 47%       |
| Advertising                                   | 11,796,586           | 8,009,660            | 3,786,926           | 47%       |
| Transportation                                | 4,022,587            | 40,329,773           | (36,307,186)        | (90%)     |
| Others  | 123,271,696          | 111,982,602          | 11,289,094          | 10%       |
|   | <b>5,947,078,989</b> | <b>5,614,433,760</b> | <b>332,645,229</b>  | <b>6%</b> |

*Salaries and Benefits* (increased by P102 million or 8%) Due to payout of one-time appreciation pay to employees.  
*Depreciation* (increased by P33 million or 5%) Mainly due to investment on new services such as the PET CT and the Wellness Center. In addition, the hospital increased its inventory of medical equipment that will allow it to be more prepared in case of surges of COVID cases.

*Contracted services* (increased by P44 million or 10%) Mainly due to the increase in outsourcing fees of the clinical laboratory operations. These were partially offset by security and janitorial as part of the cost cutting plan of the hospital.

*Professional services* (increased by P57 million or 14%) Mainly due to higher readers fees, professional fees on packages and retainers fees.

*Provision for impairment of receivables* (increased by P58 million or 27%) Due to additional provision for long outstanding receivables from Philhealth and private patients.

*Utilities* (increased by P8 million or 5%) Due to higher power consumption of electricity as a result of opening of several outpatient centers and doctors' clinics and partially offset by lower water consumption.

*Repairs and maintenance* (increased by P16 million or 12%) Due to increase in consumables and one time repair of medical equipment.

*Security and Janitorial services* (decreased by P8 million or 6%) Due to reduced headcount of housekeeping personnel as a result of limited operation of the hospital during the enhanced community quarantine.

*Retirement benefit* (increased by P17 million or 23%) Higher expense provision as determined by an actuarial report.

*Taxes and licenses* (decreased by P3 million or 6%) Due to lower business tax for 2021.

*Commission* (increased by P8 million or 27%) Due to increased credit card transactions during the year.

*Rent* (increased by P4 million or 47%) - Due to higher rental fee for ventilators and rental of mobile x-ray van.

*Advertising* (increased by P4 million or 47%) Due to higher advertising service fees paid in 2021.

*Transportation expense* (decreased by P36 million or 90%) Due to payment for shuttle services provided to employees in 2020 and none in 2021.

*Others* (increased by P11 million or 10%) Due to higher computer program support expenses and corporate events offset by lower photocopying and insurance expenses for the year.

### **2020 Compared to 2019**

*Medicines, Dietary, Linen and Laundry supplies* (decreased by P218 million or 10%) Attributable to the decrease in hospital revenues and patient census.

*Salaries and Benefits* (decreased by P105 million or 8%) Mainly due to decrease in headcount driven by limited supply of nurses in the industry.

*Depreciation* (increased by P30 million or 5%) This is due to additional capital expenditures purchased this year.

*Contracted services* (decreased by P43 million or 9%) Mainly due to the decrease in outsourcing fees of the clinical laboratory operations. Outsourcing fees are based on the type and volume of processed laboratory tests. The implementation of the enhanced community quarantine for the entire Luzon resulted in lower outpatient census for the laboratory. A reduction in the headcount of outsource personnel, as part of a cost cutting plan, was also implemented starting in the month of June which partly contributed to the decrease

*Professional services* (decreased by P118 million or 23%) Mainly due to lower professional fees paid to doctors as a result of lower availment of medical packages and outpatient diagnostic procedures with reader's fees. The Outpatient centers were closed in the months of March to May due to the implementation of community quarantine in NCR.

*Provision for impairment of receivables* (increased by P13 million or 7%) Due to additional provision for outstanding receivables from Philhealth and private patients.

*Utilities* (decreased by P56 million or 25%) Due to lower consumption of electricity as a result of temporary closure of several outpatient centers and doctors' clinics during the enhanced community quarantine

*Repairs and maintenance* (decreased by P31 million or 19%) Mainly due to lower utilization and maintenance cost of both medical and office equipment.

*Security and Janitorial services* (decreased by P17 million or 12%) Due to reduced number of guards and housekeeping personnel as a result of limited operation of the hospital during the enhanced community quarantine.

*Retirement benefit* (increased by P20 million or 35%) Higher expense provision as determined by an actuarial report.

*Taxes and licenses* (decreased by P22 million or 30%) Due to settlement of local taxes that was previously accrued.

*Transportation expense* (increased by P37 million or 981%) Due to payment for shuttle services provided to employees.

*Commission* (decreased by P4 million or 12%) Due to decreased credit card transactions during the year.

*Communication* (increased by P0.6 million (or 5%) Due to upgrade of internet bandwidth.

*Rent* (decreased by P5 million or 38%) - 2019 is higher because of a one-time adjustment as part of adapting the new reporting standard (PFRS 16) which started on January 1, 2019.”

*Advertising* (decreased by P16 million or 66%) Due to lower media placements for the year.

*Others* (decreased by P35 million or 24%) Due to lower representation, photocopying and training expenses for the year.

#### **Other Matters:**

- Except as otherwise disclosed in the consolidated financial statements, the Group has no other material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships with unconsolidated entities or other persons created during the reporting period.
- As disclosed in Note 21 of the consolidated financial statements, commitment for purchase of capital expenditures comprising mostly of renovation of facilities and purchase of equipment amounts to **P226,018,002**. as at December 31, 2021.
- Except as otherwise disclosed in the consolidated financial statements, there are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on the net revenues or income from continuing operations.
- The Parent Company has outsourced its clinical laboratory services to its related party starting September 2017. The Parent Company has a yearly minimum commitment of P408,189,000 worth of laboratory services.

#### **6. Key Performance Indicators**

The following are the major performance measures that the Group uses. Analyses are employed by comparisons and measurements based on the financial data of the current period against the same period of previous year.

| <b>Details</b>              | <b>2021</b> | <b>2020</b> |
|-----------------------------|-------------|-------------|
| Liquidity:<br>Current Ratio | 1:3:1       | 1:1:1       |

|  |        |          |
|--|--------|----------|
| Solvency:<br>Debt to Equity Ratio                | 0.40   | 0.47     |
| Profitability:<br>Return on Shareholders' Equity | 6.13%  | (0.07%)  |
| Operating Efficiency:<br>Revenue Growth          | 20.12% | (19.67%) |
| Operating Margin                                 | 10.96% | 0.85%    |

The manner by which the Parent Company calculates the above indicators is as follows:

KPI

Formula

Current Ratio

Current Assets/Current Liabilities

Debt to Equity Ratio

Total Liabilities (Current + Non-Current)/Shareholders' Equity

Return on Shareholders' Equity

Net Profit for the year/ Average Shareholders' Equity

Revenue Growth

(Current period Net Revenues/Prior Period Net Revenues)-1

Operating Margin

Profit from Operations /Net Revenues

**Financial Statements**

The Financial Statements and the auditors' PTR, name of certifying partner and address are attached as **ANNEX "D"**.

There were no changes in and disagreements with accountants on accounting and financial disclosure.



**MEDICAL DOCTORS, INC.**  
ANNUAL STOCKHOLDERS’ MEETING

**GUIDELINES FOR PARTICIPATION IN THE ANNUAL STOCKHOLDERS’ MEETING VIA REMOTE COMMUNICATION AND VOTING IN ABSENTIA**

Please be advised that the Annual Stockholders’ Meeting (ASM) of MEDICAL DOCTORS, INC (MDI or the Company). will be held on Tuesday, **July 19, 2022, 5:00 p.m.**

In order to ensure the safety and welfare of our stockholders in light of the COVID-19 situation, the Company will dispense with the physical attendance of stockholders at the meeting. Instead, attendance, participation and voting by stockholders shall be conducted via remote communication and in absentia pursuant to Sections 23 and 57 of the Revised Corporation Code of the Philippines and Securities and Exchange Commission (SEC) Memorandum Circular No. 6-2020.

**I. REGISTRATION**

1. Stockholders may participate in the ASM via remote communication, and may cast their votes in absentia by:
  - (a) registering online at <**asm2022.makatimed.net.ph**> (the “Website”) from June 15 to July 15, 2022; or
  - (b) by sending the documentary requirements listed under Item 3 below, with transmittal letter to the Finance Division, Makati Medical Center, 5<sup>th</sup> Floor Keyland Centre 143 Dela Rosa corner Adelantado St, Legaspi Village, Makati City not later than **5:00 P.M. on July 15, 2022**; or
  - (c) by emailing scanned copies of the documentary requirements listed under Item 3 below to **mmcfinance@makatimed.net.ph** not later than 5:00 P.M. on July 15, 2022.
2. Subject to validation of the documentary requirements, only Stockholders who are able to register through any of the methods provided in Item 1 will be allowed to participate in the ASM by remote communication and to cast their votes in absentia.
3. To register, the Stockholder will be required to provide the following documents and information:

**Individual Stockholders**

- (a) Copy of Stockholder’s valid government-issued ID (such as passport, driver’s license, or unified multipurpose ID)
- (b) Stockholder’s valid and active e-mail address and contact number
- (c) Stockholder’s registered address
- (d) Stockholder’s citizenship/nationality

**MMC Doctors**

- (a) Copy of Stockholder’s valid government issued ID (such as passport, driver’s license, or unified multipurpose ID) and or Medical Doctors Inc. ID
- (b) Stockholder’s valid and active e-mail address and contact number

- (c) Stockholder's registered address
- (d) Specialty / clinic room number

#### Corporate Stockholders

- (a) Copy of Secretary's Certificate quoting the board resolution authorizing the corporate officer to participate by remote communication for, and on behalf of the Corporation/Partnership.
- (b) Copy of the authorized representative's valid government issued ID (such as passport, driver's license, or unified multipurpose ID)
- (c) Authorized representative's valid and active e-mail address and contact number

The Company shall verify the information and details submitted through its online registration, via courier/personal delivery or email starting **June 20, 2022**.

After verification of complete submission of the required information and documents, the Stockholder shall receive an email through the Stockholder's registered email address confirming the registration. Such email confirmation shall also contain the log-in details per Stockholder and instructions on how to participate in the ASM.

4. Stockholders who wish to assign a proxy for matters that will be voted upon in this meeting may download the proxy form available at the Website. Accomplished and signed proxy form may then be submitted by emailing a scanned copy to <[mmcfinance@makatimed.net.ph](mailto:mmcfinance@makatimed.net.ph)>.
5. To avoid last minute changes that may lead to delay, cancellation of proxies will not be allowed from **July 16, 2022** up to the end of the Annual Stockholders Meeting on **July 19, 2022**.
6. At all times, the right of the Stockholder to the privacy of his/her personal data as provided in the Data Privacy Act shall be ensured.

#### Online Registration Procedure

1. Register online through the "Website". Please ensure that you have prepared the necessary information and scanned copies of the documentary requirements such as MMC or government IDs.
2. Read the Data Privacy Notice on the Website. If you agree to its terms, please check the box signifying your consent to the processing of your personal information which shall be used only for purposes of the ASM.
3. Enter the information required in the respective fields and upload the digital copy of your valid ID. When all information and documents have been uploaded, please click the "Submit" button.
4. A Stockholder's online registration cannot be completed if any of the mandatory requirements are not submitted.

## II. PARTICIPATION VIA REMOTE COMMUNICATION

1. Only the Stockholders, or their proxies, who have successfully registered, and have logged in, to the Website may be given access to the ASM Live Portal, a livestream video service that will allow Stockholders or their proxies to participate in the ASM.

2. Video recordings of the ASM will be adequately maintained by the Company and will be made available to participating Stockholders upon request.

### III. VOTING IN ABSENTIA

1. Stockholders who have successfully registered and have been notified via email of their registration may exercise their right to vote in absentia on the Agenda items by accomplishing the print-out of MDI's ballot form. The ballot form can be accessed and downloaded from the Website. Alternatively, Stockholders may also request for a ballot form by sending an email request to [<mmcfinance@makatimed.net.ph>](mailto:mmcfinance@makatimed.net.ph).
2. Once the MDI ASM ballot form is completed, the Stockholder or his proxy may submit the ballot by uploading the file via the Website or by emailing a scanned copy of the same to [<mmcfinance@makatimed.net.ph>](mailto:mmcfinance@makatimed.net.ph) not later than **5:00 P.M. on July 19, 2022**.

### IV. OPEN FORUM

During the ASM questions submitted by Stockholders will be read in an Open Forum, where representatives of the Company will endeavor to answer as many questions as time will allow.

Stockholders may send their questions in advance by sending an email with the subject "ASM 2022 Open Forum" to [<mmcfinance@makatimed.net.ph>](mailto:mmcfinance@makatimed.net.ph) not later than **3:00 pm on July 19, 2022**. A section for Stockholder comments/questions or a "chatbox" shall also be provided in the livestreaming platform.

Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by MDI through the Stockholders' email addresses.

For any clarification or other ASM-related queries, Stockholders may contact MDI at [<mmcfinance@makatimed.net.ph>](mailto:mmcfinance@makatimed.net.ph).

## ANNEX "F"

**MEDICAL DOCTORS, INC. (MAKATI MEDICAL CENTER)**  
**ANNUAL MEETING OF THE STOCKHOLDERS**  
**Tuesday, July 19, 2022, 5:00PM**

**PROXY**


I, the undersigned stockholder of **MEDICAL DOCTORS, INC.** (the "Company"), appoint:

Number of Shares Represented

**The Chairman of the Board of Directors of the Company, or in his absence; The Vice-Chairman of the Board of Directors of the Company, or in his absence**  
**The President of the Company, or in his absence; The Chairman of the July 19, 2022 Annual Meeting of Stockholders**

as my proxy, to represent me at the regular meeting of the stockholders of the Company on Tuesday, July 19, 2022 at 5:00 p.m. via video conference, and any of its adjournment(s), and for all special or regular stockholders' meeting thereafter as fully as I could do if present and voting in person, ratifying all action taken on matters that may properly come before such meeting or its adjournment(s). I direct my proxy to vote shares which I own, or may hereafter own, and such shares as I am authorized to vote in my capacity as Administrator, Executor or Attorney-in-Fact, on the agenda items I have marked below. If I fail to indicate my vote on the items specified below, I authorize my proxy to exercise full discretion to act and I understand that my proxy shall vote in accordance with the recommendation of Management. Furthermore, if I fail to indicate the number of votes I will cast in favor of my nominees for directors as indicated below or should any of the nominee/s hereunder withdraw his or her nomination/s, I hereby authorize my proxy to exercise full discretion to accordingly allocate and distribute votes to any of the said nominees or remaining nominees, as the case may be, as he/she deems best. Management recommends a "FOR" vote for the nominees in proposal 1 through 6 and 7A.

|   | FOR                      | AGAINST                  | ABSTAIN                  |
|---|--------------------------|--------------------------|--------------------------|
| 1. Approval of the Minutes of the Regular Stockholders' Meeting of July 20, 2021                    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Approval of the Annual Report of the Company for the year ended December 31, 2021                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Approval of the Amendments to the Articles of Incorporation and By Laws.                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Ratification of all the acts of the Board of Directors and Officers since July 20, 2021          | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Approval of the extension of term of Mr. Francisco A. Dizon                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Re-appointment of Isla Lipana & Co / Pricewaterhouse Coopers as external auditors of the Company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| 7. Election of the Registrant Corporation's Nominees as Directors for the ensuing year                                   | ACTION |
|--|--------|
| <input type="checkbox"/> A) Vote equally for all nominees or distribute or cumulate my shares to nominee/s listed below: |        |
| 1. Alimurung, Benjamin N., M.D.  |        |
| 2. Almira, Pilar Nenuca P., LLB  |        |
| 3. Cochangco, Reymundo S.  |        |
| 4. Fores, Jose Amado A.  |        |
| 5. Gisbert, Victor L., M.D.  |        |
| 6. Lim, Jose Ma. K.  |        |
| 7. Lorenzo III, Conrado Gabriel, M.D.  |        |
| 8. Madrigal, Ma. Susana A. S.  |        |
| 9. Palisoc Jr., Augusto P.   |        |
| 10. Pangilinan, Manuel V.  |        |
| 11. Roxas, Judy A.   |        |
| 12. Suntay, Remedios G., M.D.  |        |
| Independent Directors are:   |        |
| 1. Aguilar, Diana P.   |        |
| 2. Dizon, Francisco A.   |        |
| 3. Sandejas, Francisco S. A.   |        |

☐ B) Withhold authority to vote for all nominees listed above

☐ C) Withhold authority to vote for nominees listed below

This proxy shall be effective for five (5) years from the date of its issuance or until such time as the proxy is withdrawn by me through notice in writing delivered to the Corporate Secretary but shall not apply in instances where I personally attend the meeting.

In WITNESS WHEREOF, the undersigned stockholder has executed this proxy this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

PRINTED NAME OF SHAREHOLDER

SIGNATURE OF SHAREHOLDER/AUTHORIZED SIGNATORY

**THIS PROXY IS BEING SOLICITED ON BEHALF OF THE REGISTRANT CORPORATION**  
**YOU ARE RESPECTFULLY REQUESTED TO SEND THE REGISTRANT CORPORATION THIS COPY**  
 Please send accomplished proxy form not later than 5pm, June 30, 2022 at the Finance Division, Makati Medical Center, Keyland Centre, No. 143 Dela Rosa St., Legaspi Village, Makati City OR email scanned copy to [mmcfinance@makatimed.net.ph](mailto:mmcfinance@makatimed.net.ph)

### CERTIFICATION OF INDEPENDENT DIRECTOR

I, Diana Pardo Aguilar , Filipino, of legal age and a resident of 205 Cadena de Amor St., Ayala Alabang Village, Muntinlupa City , after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Medical Doctors, Inc. and have been its independent director since July 2018 (where applicable).
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporation):

| Company  | Position                            | Period of Service         |
|--|-------------------------------------|---------------------------|
| Social Security System   | Commissioner                        | August 2010 to present    |
| Security Bank Corporation  | Director                            | April 2017 to present     |
| SB Capital Investment Corp   | Chairperson                         | August 2016 to present    |
| La Salle Greenhills  | Board of Trustees                   | September 2019 to present |
| De La Salle Philippines  | Member, Investment Comm             | July 2018 to present      |
| DSL-College of Saint Benilde, Inc.   | Member, Executive Comm of the Board | July 2020 to present      |
| La Salle East Asia District Board's LEAD Economic Council and Investment Board | Member                              | August 2020 to present    |
| De La Salle Medical and Health Sciences Institute                              | Board of Trustees                   | October 2020 to present   |
| Science Park of the Philippines Inc  | Director                            | June 2020 to present      |
| Employers Confederation of the Philippines                                     | Governor                            | January 2017 to present   |
| PXP Energy Corporation   | Director                            | February 2018 to present  |
| Philippine Seven Corp  | Consultant Advisor to the Board     | January 2015 to present   |
| Capital Markets Dev't Board of PCCI-ECOP                                       | Board Member                        | 2013 to present           |

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Medical Doctors, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

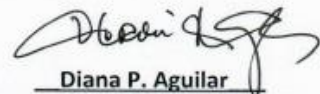
| NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER | COMPANY | NATURE OF RELATIONSHIP |
|--|---------|------------------------|
| N/A  |         |                        |
|  |         |                        |
|  |         |                        |

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/ I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

| OFFENSE CHARGED/INVESTIGATED | TRIBUNAL OR AGENCY INVOLVED | STATUS |
|------------------------------|-----------------------------|--------|
| N/A                          |                             |        |
|                              |                             |        |
|                              |                             |        |
|                              |                             |        |

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the Social Security Commission/SSS to be independent director in Medical Doctors, Inc., pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Medical Doctors, inc. of any changes in the abovementioned information within five days from its occurrence.

Done this \_\_\_\_\_ day of \_\_\_\_\_, at \_\_\_\_\_

  
Diana P. Aguilar

Affiant

JUN 08 2022

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, affiant exhibited to me his

\_\_\_\_\_ issued at \_\_\_\_\_ on \_\_\_\_\_.

NOTARY PUBLIC

**ATTY. GERVACIO B. ORTIZ JR.**

Notary Public City of Makati  
Until December 31, 2022

IBP No. 05729-Lifetime Member

MCLE Compliance No. V1-0024312

Appointment No. M-82-(2021-2022)

PTR No. 8852511 Jan. 3, 2022

Makati City Roll No. 40091

101 Urban Ave. Campos Rueda Bldg.

Brgy. Pio Del Pilar, Makati City

Doc. No. 410  
Page No. 83  
Book No. X41  
Series of 2022.

### CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Francisco San Agustin Sandejas**, Filipino, of legal age and a resident of 181 Guava Drive Ayala Alabang Village, Alabang Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Medical Doctors, Inc. and have been its independent director since July 2021 (where applicable).
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporation):

| Company                   | Position             | Period of Service |
|---------------------------|----------------------|-------------------|
| Sunlife of Canada (Phils) | Independent Director | 2015 to present   |
| Sunlife Asset Management  | Independent Director | 2015 to present   |
|                           |                      |                   |
|                           |                      |                   |

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Medical Doctors, Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

| NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER | COMPANY | NATURE OF RELATIONSHIP |
|--|---------|------------------------|
| N/A  |         |                        |
|  |         |                        |
|  |         |                        |

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/ I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

| OFFENSE CHARGED/INVESTIGATED | TRIBUNAL OR AGENCY INVOLVED | STATUS |
|------------------------------|-----------------------------|--------|
| N/A                          |                             |        |
|                              |                             |        |
|                              |                             |        |
|                              |                             |        |

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be independent director in \_\_\_\_\_, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Medical Doctors, Inc. of any changes in the abovementioned information within five days from its occurrence.


Done this \_\_\_\_\_ day of \_\_\_\_\_, at \_\_\_\_\_

  
Francisco SA Sandejas  
Affiant

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of JUN 08 2022, affiant exhibited to me his

\_\_\_\_\_ issued at \_\_\_\_\_ on \_\_\_\_\_

Doc. No. 412  
Page No. 84  
Book No. 548  
Series of 2018

  
Gervacio E. ORTIZ JR.  
Notary Public  
Until December 31, 2022  
IBP No. 05729-Lifetime Member  
MCLE Compliance No. VI-0024312  
Appointment No. M-82-(2021-2022)  
PTR No. 8852511 Jan. 3, 2022  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

# CERTIFICATION OF INDEPENDENT DIRECTOR

I, **FRANCISCO F. DIZON**, Filipino, of legal age and a resident of **Unit 602 Greenbelt Mansion Condominium, 106 Perea Street, Legaspi Village, Makati City**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **Medical Doctors, Inc.** and have been its independent director since **July 2005**.
2. I am affiliated with the following companies or organizations:

| Company                                 | Position               | Period of Service |
|---|------------------------|-------------------|
| Pacific Northstar, Inc.                 | Chairman and President | 1995 to present   |
| Project Quest Corporation               | Chairman and President | 1995 to present   |
| Fleetwood Holdings, Inc.                | Chairman and President | 1999 to present   |
| Phoenix One Knowledge Solutions Inc.    | Chairman               | 2001 to present   |
| Business Process Outsourcing Intl. Inc. | Chairman               | 2004 to present   |
| Medical Doctors, Inc.                   | Independent Director   | 2005 to present   |
| Sun Savings Bank, Inc.                  | President              | 2011 to present   |
| Sunstar Publishing, Inc.                | Director               | 1992 to present   |
| Sunstar Davao Publishing, Inc.          | Director               | 2007 to present   |
| Sunstar Pampanga Publishing, Inc.       | Director               | 2007 to present   |
| Capitolstar Development Corp            | Chairman & President   | 2014 to present   |
| Laura Vicuna Foundation, Inc.           | Trustee                | 1991 to present   |
| Chamber of Thrift Banks                 | Director               | 2016 to present   |
| Joygrowth Holdings, Inc.                | Director               | 2017 to present   |
| Diz Shoreline Holdings, Inc.            | Chairman & President   | 2018 to present   |
| Joyzend Corporation                     | Corporate Secretary    | 2019 to present   |

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of **Medical Doctors, Inc.**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of the following other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

| NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER | COMPANY | NATURE OF RELATIONSHIP |
|--|---------|------------------------|
|--|---------|------------------------|

|     |  |  |
|-----|--|--|
| N/A |  |  |
|     |  |  |
|     |  |  |

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/ I disclose that I am the subject of the following criminal/administrative investigation or proceeding:

| OFFENSE<br>CHARGED/INVESTIGATED | TRIBUNAL OR AGENCY<br>INVOLVED | STATUS |
|---------------------------------|--------------------------------|--------|
| N/A                             |                                |        |
|                                 |                                |        |

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the \_\_\_\_\_ to be independent director in \_\_\_\_\_, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of **Medical Doctors, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done this \_\_\_\_\_ day of \_\_\_\_\_, at \_\_\_\_\_

  
**FRANCISCO A. DIZON**  
 Affiant

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of **JUN 08 2022**, affiant exhibited to me his

\_\_\_\_\_ issued at \_\_\_\_\_ on \_\_\_\_\_.

Doc. No. **411**  
 Page No. **84**  
 Book No. **XVI**  
 Series of 2022.

**ATTY. GERVACIO B. ORTIZ JR.**  
 Notary Public City of Makati  
 Until December 31, 2022  
 IBP No. 05729/Lifetime Member  
 MCLE Compliance No. VI-0024312  
 Appointment No. M-82-(2021-2022)  
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