



Hospital Policies and Procedures Manual

<b>Governance, Leadership, and Direction (GLD)</b>		Document Code: MMC-HPP-GLD-028	Rev. Code : 00
<b>Corporate Governance Performance of the Board</b>		Effective Date: September 13, 2022	Page 1 of 6
Issued by: <b>Compliance Department</b>	New <input checked="" type="checkbox"/>	Supersedes:	
<b>Approved by:</b> <i>(original document signed)</i> <b>Atty. German Q. Lichauco II</b> Corporate Secretary		<i>(original document signed)</i> <b>Manuel V. Pangilinan</b> Chair, MDI Board of Directors	
	Aug/23/2022 Date Signed (MMM/DD/YYYY)		Aug/30/2022 Date Signed (MMM/DD/YYYY)

**Objective:**

1. To assess the performance of the Board in relation to the Regulatory requirements, MMC/Medical Doctors' Inc. (MDI) By-Laws, Manuals, Charters, and governing policies.
2. To comply with SEC Corporate Governance for Public Companies and Registered Issuers Criteria #6 Page 26: Assessing Board Performance.

**Principle**

The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

**Recommendation 6.1**

The Board should conduct an annual self-assessment of its performance, including the performance of the Chairperson, individual members and committees.

**Explanation**

Board assessment helps the directors to thoroughly review their performance and understand their roles and responsibilities. The periodic review and assessment of the Board's performance as a body, the board committees, the individual directors, and the Chairperson show how the aforementioned should perform their responsibilities effectively. In addition, it provides a means to assess a director's attendance at board and committee meetings, participation in boardroom discussions and manner of voting on material issues.

**Recommendation 6.2**

The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for a feedback mechanism from the shareholders / members.

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**Explanation**

Disclosure of the criteria, process and individual and collective results of the assessment ensures transparency and allows shareholders and other stakeholders to determine if the directors are performing their responsibilities to the company. Companies are given the discretion to determine the assessment criteria and process, which should be based on the mandates, functions, roles and responsibilities provided in the Board and Committee Charters. In establishing the criteria, attention is given to the values, principles and skills required by the company. The Corporate Governance Committee oversees the evaluation process.”

**Scope:** All board members, officers, and shareholders.

**Policy:**

The Makati Medical Center (“MMC” or the “Company”) values receiving feedback and insights on its current governance structure, Board of Directors, various Committees, and top management in the context of Performance Improvement. The Company conducts regular comprehensive self-assessment through assessment questionnaires (self and by stakeholders). This is also in compliance to Securities and Exchange Commission (SEC) Code of Corporate Governance for Public Companies and Registered Issuers issue last Dec 19, 2019.

**Guidelines:**

1. Compliance Department manages the review and approval of the forms used for Performance Evaluation of the Board every second quarter of the year based on the revised charters, as applicable.
2. The draft of the performance evaluation form is distributed to the members of the Corporate Governance Committee for review and approval. Any significant change in the content of the forms are forwarded to Board of Directors for final approval.

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3. The approved performance evaluations forms, in digital form or hard copy, are distributed to the following as appropriate before the July annual stockholders' meeting:

<b>Form</b>	<b>Distributed to</b>
1. MDI Chairman of the Board Self-Assessment	MDI Chairman of the Board
2. President & CEO Performance Evaluation by the Board	MDI Board of Directors
3. Corporate Secretary Performance Evaluation by the Board	MDI Board of Directors
4. Compliance Officer Performance Evaluation	Corporate Governance and Compliance Committee members
5. Audit and Risk Committee Self-Assessment	Audit and Risk Committee members
6. Corporate Governance and Compliance Committee Self-Assessment	Corporate Governance and Compliance Committee members
7. Ethics Committee Self-Assessment	Ethics Committee members
8. Nomination and Election Committee Self-Assessment	Nominations and Election Committee members
9. Individual Performance by the Members of the Board Self-Assessment	MDI Board of Directors
10. Shareholders Assessment of the MDI Board of Directors	Shareholders

4. The identity of the raters is kept confidential.

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5. Once filled out by the appropriate member of the Board / stakeholder, the forms are submitted to and collated by the Compliance Department. The Compliance Officer summarizes the result of evaluation including all the comments.
6. A summary of the evaluation is given to all members of the Board for their perusal and performance improvement.
7. As deemed necessary by the Chairperson of the Board or by the Committee on Corporate Governance and Compliance, result of evaluation may be discussed during the following Board meeting.
8. Summary of performance evaluations are stored in digital copy for a duration of three (3) years and serves as reference of performance improvement.  
Individual performance evaluation forms are stored in digital copy for 1 year and 6 months.

**Responsibilities:**

Compliance Department

1. Manages annual review and approval of the Performance Evaluation of the Board forms.
2. Collates and summarizes the submitted performance evaluations.
3. Submits the summary of the performance evaluation to all Board Members.

Members of the Board and Shareholders

1. Answer the Performance Evaluation of the Board forms based on the set criteria.

**Attachment:**

Form Title	Form Code
Annex #1 MDI Chairman of the Board Self-Assessment	FM-MMC-CDO-006
Annex #2 President & CEO Performance Evaluation by the Board	FM-MMC-CDO-007
Annex #3 Corporate Secretary Performance Evaluation by the Board	FM-MMC-CDO-008

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Annex #4 Compliance Officer Performance Evaluation by the Corporate Governance and Compliance Committee	FM-MMC-CDO-009
Annex #5 Audit and Risk Committee Self-Assessment	FM-MMC-CDO-010
Annex #6 Corporate Governance and Compliance Committee Self-Assessment	FM-MMC-CDO-011
Annex #7 Ethics Committee Self-Assessment	FM-MMC-CDO-012
Annex #8 Nomination and Election Committee Self-Assessment	FM-MMC-CDO-013
Annex #9 Individual Performance by the Members of the Board Self-Assessment	FM-MMC-CDO-014
Annex #10 Shareholders Assessment of the MDI Board of Directors	FM-MMC-CDO-015

**Review:**  
This policy is reviewed by the Compliance Officer and the Corporate Governance Committee every three (3) years or as deemed necessary.

**Effectivity:**  
This Policy shall take effect immediately upon approval by the Board. All existing policies, corporate rules and related implementing guidelines concerning the same matters covered by this Policy are deemed superseded. In the event of any inconsistency between the policy and guidelines contained herein and the terms of other existing policies, corporate rules and related implementing guidelines, the policy and guidelines contained herein shall prevail.

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**Approval, Amendment or Alteration of Policy**

This Policy has been approved and adopted by the Medical Doctor's Inc. (MDI) Board of Directors. The Compliance Department, Leadership and the MDI Board of Directors has the overall responsibility to provide oversight on implementation, monitoring and periodic review (at least every 3 years) of this Policy.

This Policy shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by resolutions of the Board of Directors.

**Signatories:** *(original document signed)*  
**Author (s)** **Mary Milagros D. Uy, MD**  
 Compliance Officer

**Reviewed and Recommended for Approval:**

**Mr. Francisco A. Dizon**  
 Chair, Corporate Governance and Compliance Committee

- Members:**
- **Dr. Conrado Gabriel C. Lorenzo III**
  - **Ms. Ma. Susana A.S. Madrigal**
  - **Mrs. Judy A. Roxas**
  - **Mr. Manuel V. Pangilinan**
  - **Atty. German Q. Lichauco II**

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