

**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 16, 2024**

**5:00 PM**

**Medical Doctors Inc. Website: [asm2024.makatimed.net.ph](http://asm2024.makatimed.net.ph)**

8. Approximate date on which the Information Statement is first to be sent or given to security holders

**June 24, 2024**

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, 2024)
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<b>Common</b>	<b>3,420,737</b>
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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 ANNUAL MEETING  
OF STOCKHOLDERS  
July 16, 2024**

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 16, 2024 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 held on July 18, 2023
4. Presentation of the Annual Report and approval of the 2023 Audited Financial Statements
5. Open Forum
6. Ratification of Acts and Proceedings of the Board of Directors and Corporate Officers
7. Election of the Board of Directors
8. Approval for the Extension of Term of Independent Director, Mr. Francisco A. Dizon
9. Appointment of External Auditors
10. Other Matters
11. Adjournment


The ASM will be streamed live, and stockholders may attend and participate via remote communication and vote in absentia, using the Company website, <[asm2024.makatimed.net.ph](http://asm2024.makatimed.net.ph)>. The guidelines for participation via remote communication and voting in absentia is set forth in Annex “D” of the Definitive Information Statement.

For the purpose of this meeting, only stockholders of record at the close of business on **May 31, 2024** 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 “D” 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, 2024**. MMC Finance shall turnover all Proxy Form to the Corporate Secretary. Validation of proxies shall be held on **July 05, 2024** 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.

The Definitive Information Statement, Proxy Form, 2023 Management Report, Annual Report for the year ended December 31, 2023 in SEC Form 17-A, Quarterly Report for the first quarter of 2024 in SEC Form 17-Q, and other pertinent documents shall be made available in the Company website, <[asm2024.makatimed.net.ph](http://asm2024.makatimed.net.ph)> before the meeting.

**MEDICAL DOCTORS, INC.**

By:

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

## BRIEF DESCRIPTION OF THE AGENDA ITEMS

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 II, will certify that copies of the Notice of the Meeting were sent to Stockholders of record as of May 31, 2024, 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 18, 2023.** 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 made available to all stockholders as of record date along with the Definitive Information Statement through the website, <[asm2024.makatimed.net.ph](http://asm2024.makatimed.net.ph)>. 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 18, 2023.”*

4. **Presentation of the Annual Report and Audited Financial Statements.** The Report presents the milestones and achievements of the Company for the year 2023. 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 2023 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, 2023 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 16, 2024. Questions which cannot be read and answered during the meeting will be replied to by the Company through the stockholder’s email address.
6. **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 18, 2023 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 18, 2023 up to the date of this meeting be, as they are hereby confirmed, ratified and approved.”*

7. **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. Mr. Raymundo S. Cochangco

4. Mr. Jose Amado A. Fores
5. Dr. Victor L. Gisbert
6. Mr. Jose Ma. K. Lim
7. Dr. Jay Arnold F. Famador
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. Agripino A. Javier

*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.

**8. 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 2024-2025.

**9. Appointment of External Auditors.** The Company's external auditors for 2024-2025, 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 2024-2025."*

**10. 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.

**11. 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 16, 2024 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 24, 2024.**

##### 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, 2024**, 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, 2024**. Only stockholders of record at the close of business on **May 31, 2024** 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, 2024**, 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, 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 17, 2024, the deadline thereof, shall be recognized and may be voted upon during the July 16, 2024 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 17, 2024, the deadline thereof, shall be recognized and may be voted upon during the July 16, 2024 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, 2024** 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 5, 2024 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 and Management

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

As of **May 31, 2024**, the Company knows of no one who beneficially owns in excess of 5% of its common stock, except as set forth below:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record owner	Citizenship	Number of Shares Held	Percent (%)
Common	Metro Pacific Hospital Holdings, Inc (MPHHI) 5/F Tower 1, Rockwell Business Center, Ortigas Avenue, Ugong, Pasig City. MDI is an associate of MPHHI	Manuel V. Pangilinan 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, 2024**:

Title of Class	Name of Owner	Nature of Ownership	No. of Shares	Amount	Citizenship	Percent of Class
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	Agripino A. Javier, MD	Direct	1,548	154,800	Filipino	0.04%
Common	Jay Arnold F. Famador, MD	Direct	1,510	151,000	Filipino	0.04%
Common	Mary Milagros Uy, MD	Direct	1,500	150,000	Filipino	0.04%
Common	Saturnino P. Javier, MD	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	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.
Isidro M. Perfecto	Vice President for Information and Communications Technology
Eda Bernadette P. Bodegon	Chief Nursing Officer and Vice President for Nursing & Patient Care Services
Reynaldo J. Lim	Vice President for Service Operations Division

Dr. Artemio C. Salvador	Vice President for Quality Management Division
Helene Bernice G. Uy	Assistant Vice President for Supply Chain Management Division

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, 2024 is 200,396 shares or approximately 5.86% of outstanding shares.

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

**(4) 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.

**(e) 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, MD, 78, 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 Vice Chairman of the Ethics Committee and member of the Audit & Risk Committee of the Board. He was the Medical Director of the MDI 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 to present; 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



***Jay Arnold F. Famador, MD, 56, Filipino***

Jay Arnold F. Famador is a nominee for regular director position. He is currently a consultant in the Department of Obstetrics and Gynecology at the University of the East, Ramon Magsaysay Memorial Medical Center; Consultant/Head, Section of Gynecologic Oncology, Department of Obstetrics and Gynecology of MDI; Consultant, Section of Gynecologic Oncology in St. Luke's Medical Center-Global City. He is a member of American Brachytherapy Society; European Society of Gynaecological Oncology; International Gynecologic Cancer Society; European Society of Gynaecological Oncology; Fellow, Society of Gynecologic Oncologists of the Philippines and Philippine Obstetrical and Gynecological Society.

He had his fellowship training in Gynecologic Oncology at University of the Philippines and residency training in Obstetrics and Gynecology in MDI. He earned his Doctor of Medicine at the University of the East/Ramon Magsaysay Memorial Medical Center and Bachelor of Arts and Economics in Ateneo de Manila University.

***Jose Amado A. Fores, 63, 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, MD, 70, 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, 72, 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 & Risk Committee and the Ethics Committee of MDI. Mr. Lim 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., 61, Filipino***

Dr. Conrado C. Lorenzo III is an incumbent regular director. 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 Vice President of Makati Medical Center's Medical Staff Association

***Ma. Susana A.S. Madrigal, 66, 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., 66, 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 Corporate Governance & Compliance and the Nomination & Election Committee of the Board. He has been with the First Pacific group of companies for 39 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, 78, 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 and CEO 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, 90, 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, MD, 97, 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.

***Agripino A. Javier, MD, 59, Filipino***

Agripino Beng A. Javier, M.D. is a nominee for regular director position. He is currently a member of the Corporate Governance & Compliance Committee of MDI. He was former training officer at the Department of Orthopaedics and Co-Director of Spine Center of the Hospital. He was team physician/consultant at San Beda Red Lions (Men's Basketball Team); Consultant, Department of Orthopaedics at Asian Hospital and Medical Center and in Medical Center Paranaque; Head Physician, Philippine Team to the 5<sup>th</sup> Asian Indoor & Martial Arts Games Ashgabat Turkmenistan 2017.

He is currently affiliated with Makati Medical Society, Manggagamot ng Bayan President from 2007 to present, and International affiliate member of American Academy of Orthopaedics Surgeons. Dr. Javier graduated in the College of Medicine, University of Perpetual Help in Binan Laguna in 1990, and had his residency training in Orthopaedics at Makati Medical Center. He went to Queen Elizabeth Hospital in Adelaide Australia for Spine Surgery Fellowship in 1999 and at University of California, Los Angeles Medical Center from 2002-2003.

***Reymundo S. Cochangco, 58, 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, 74, 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 & Risk 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. 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, 61, 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 & Risk Committee and member of the Nomination & Election 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 serving as a Commissioner in the Social Security System since 2010 representing the private sector 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, 57, Filipino***

Francisco (Paco) Sandejas is a nominee for independent director position. He has been a member of the MDI board since 2021. He is currently the Chairman of the Ethics Committee and a member of the Audit & Risk 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 Silscape.

***Arnold C. Ocampo, 51, Filipino***

Mr. Arnold C. Ocampo, Senior 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, 51, 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, 50, 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.

***Isidoro M. Perfecto, 60, Filipino***

Isidoro M. Perfecto, Vice President for Information and Communications Technology, has 35 years of experience in Information Technology. He was with the regional technology office of Citibank for 23 years, and managed diverse projects such as ATM software development and implementation for Citibank branches in several Asia Pacific countries, office space restacking, and rollout of alternative workplace strategy. Mr. Perfecto started working at the Makati Medical Center in 2012 as part of the ICT Project Management Office and played a key role in the implementation of the current hospital information system. He has assumed bigger responsibilities in the division, promoted to AVP in charge of the Business Systems Development and Support department in 2014, and became OIC for the entire division in 2021.

***Eda Bernadette P. Bodegon, 48, 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, MD, 56, 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.

***Saturnino P. Javier, MD, 66, Filipino***

Saturnino P. Javier, MD, Medical Director. Dr. Javier is a clinical cardiologist and US-trained interventional cardiologist. He obtained his doctorate degree in Medicine from the University of Santo Tomas. Prior to his appointment as Medical Director in 2019, he served as Chair of the MMC Institutional Review Board [for nearly 15 years] and concurrent head of the MMC Fellowship Training Program. He is a past president of the Philippine Heart Association, past president of the Philippine Society for Cardiovascular Catheterization and Interventions, past chair [founding] of the Philippine Health Research Ethics Network, past governor of the American College of Cardiology [Philippine Chapter] and past editor-in-chief of the Philippine Journal of Cardiology. He is a Fellow of the Philippine College of Physicians, Fellow of the Philippine College of Cardiology and Fellow of the American College of Cardiology. He has been in active clinical practice for more than 25 years.

***Reynaldo J. Lim, 47, Filipino***

Reynaldo J. Lim, Vice President for Service Operations Division, Mr. Lim has 26 years of experience in customer service and has been with Makati Medical Center since 2009. He started as MakatiMed On Call Team Leader and also co-lead process improvement projects. He assumed bigger responsibilities as the head of Centralized Outpatient Services and established the Operations Support Services which becomes the lead support of all Service Operations Departments and Units (2013). He was also identified as Cluster Head of Outpatient Services as his concurrent position (2015). He was promoted as AVP for Operations Support Services and Outpatient Services last (2017) and took the responsibility as In Charge for Service Operations Division last 2021. He was named as the new Vice President for Service Operations last November 2022. Prior to his employment in Makati Medical Center, he was connected with Solidbank Corporation as Collateral Custodian, Quorum Lanier Phils as Operations Supervisor and ePLDT Ventus as Senior Team Leader.

***Artemio C. Salvador, MD, 45, Filipino***

Dr. Artemio C. Salvador, Vice President for Quality Management Division, Dr. Salvador had his internship training in Medical Technology (1999) and in Medicine (2004) in Makati Medical Center (MMC). He also had his residency training in Emergency Medicine in MMC and finished in 2014. He started his professional career in MMC as a Consultant for the Electronic Medical Records (EMR) project in 2015 and continued on to lead it until 2019. In July of 2017, he was hired to be the Assistant Director of Medical Services to handle the Clinical Safety and Risk Management Department. And the year after, April 2018, he was assigned to be the Division Head of the Quality Management Division.

***Helene Bernice G. Uy, 46, Filipino***

Helene Bernice G. Uy, Assistant Vice President for Supply Chain Management Division. Ms. Uy is an Industrial Engineer by profession and has more than 20 years of experience in Supply Chain Management. She has been with Makati Medical Center since 2010 starting as Senior Manager for Supply Chain Management. She assisted the previous Supply Chain Management Division Head in drafting the Supply Chain Manual, which covered both Procurement and Inventory Management functions. She was then appointed as the Department Manager of Inventory Management and expanded her scope from managing Central Stores to all the satellite storerooms in all major units such as the Operating Room, Delivery Room, Emergency Department, Radiology, Renal Care, Pharmacy Inventory Management Unit and the inventory of our Outpatient Pharmacy (MedExpress). Prior to her employment in Makati Medical Center, she was with the Supply Chain team of St. Luke's Medical Center and was involved in setting up a new hospital as part of their expansion project in Bonifacio Global City. She is also a part time professor of De La Salle University Manila under the Gokongwei College Of Engineering, Department of Industrial and Systems Engineering.

**(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 17, 2024. 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	- Diana P. Aguilar
Member	- Jose Amado A. Fores
Member	- Victor L. Gisbert, MD
Member	- Conrado Gabriel C. Lorenzo III, MD
Member	- Augusto P. Palisoc Jr.
Member (non-voting)	- Atty. German Q. Lichauco II

### **Independent Directors**

The nominees for election as independent directors of the Board of Directors on **July 16, 2024** 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	Noemi M. Sarabia, M.D.	None
Francisco S. A. Sandejas	Eusebio H.Tanco	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.

Each nominee for election to the Board of Directors should have at least one (1) share registered in their name 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 17, 2024.

#### **(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			Outstanding balances as of	
		December 31			December 31	
Terms and conditions		2023	2022	2021	2023	2022
(A) Rental income						
Key officers	The Parent Company charges its key officers for the usage of clinic including electricity and water consumption. The rental income earned from key officers is presented as part of gross revenues.	1,383,324	946,116	1,296,387	16,128	17,385
	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.					
(B) Collection on behalf of related parties						
Key officers	The Parent Company pays its key officers for professional fees collected from patients.	47,873,653		52,191,931	7,392,107	20,493,180
	Outstanding balances are unguaranteed, unsecured, non-interest bearing, payable on demand and presented as part of other accruals.		45,462,128			
(C) Professional services						
Key officers	The Parent Company pays its key officers for readers fees and professional fees included on medical packages. The amount is recognized as part of professional services presented in cost of services.	9,627,257	6,968,632	6,846,699	398,378	353,377
	Outstanding balances are unguaranteed, unsecured and non-interest bearing, payable on demand and presented as part of accruals for professional services.					

		Transactions for the years ended			Outstanding balances as of	
		December 31			December 31	
	Terms and conditions	2023	2022	2021	2023	2022
(D) Dividend payments	The Parent Company paid dividends to its shareholders, net of the applicable withholding tax. Amounts are settled in cash.					
<i>Entity with significant influence</i>		131,263,512	121,729,738	52,318,147	-	-
<i>Key officers</i>		25,542,158	22,766,684	9,144,985	-	-
		156,805,670	144,496,422	61,463,132	-	-
(E) Borrowings and interest expense						
<i>Key officer</i>	The Parent Company availed of various loans from a key officer which were payable based on contract terms and subject to interest at rates ranging from 5.00% to 5.30%. The loans from a key officer were fully settled in 2021.			-	-	-
<i>Principal</i>		-	-	303,667	-	-
<i>Interest</i>						
		-		303,667	-	-
(F) Shared expenses						
<i>Shareholder with significant influence</i>	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.	1,100,000	1,100,000	1,100,000	3,300,000	2,200,000
	These are payable within fifteen (15) days after receipt of billing. Outstanding balances are unguaranteed, unsecured, non-interest bearing, payable on demand and are presented as part of accruals for contracted services.					
(G) Contributions to plan assets						
<i>Post-employment benefit plan</i>	The Parent Company maintains a non-contributory retirement benefit plan covering all of its regular employees.	36,000,000	18,000,000	224,000	-	-

		Transactions for the years ended December 31			Outstanding balances as of December 31	
Terms and conditions		2023	2022	2020	2023	2022
(H) Compensation of key management						
<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.	53,331,343	46,193,073	32,670,397	-	-
<i>Professional fees</i>	Professional fees are paid to doctor consultants holding key management positions in the Hospital.	21,820,739	18,028,815	16,329,040	-	-
<i>Retirement benefit</i>	Retirement benefits are determined and payable in accordance with the Company's policies disclosed in Note 24.18. 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.	3,652,834	(706,092)	(1,140,573)	19,914,518	16,276,074
	The Group has not granted any share-based compensation and termination benefits to its key management personnel for each of the three years.					
		78,804,916	63,515,796	47,858,864	19,914,518	16,276,074
		Transactions for the years ended December 31			Outstanding balances as of December 31	
Terms and conditions		2023	2022	2021	2023	2022
(I) Revenues						
<i>Key Officers</i>	The Parent Company recognized revenue for hospital services provided to certain key officers and for hospital services provided to entities under common control for patient referrals from its partnerships with other hospitals.	395,328	923,015	780,619	94,243	250,140
<i>Entities under common control</i>	Amounts are settled in cash on a net basis. These are unguaranteed, unsecured, non-interest bearing and are collectible on or before the 30th day of the following month. These are presented as part of patient receivables.	1,867,040	1,755,561	921,720	-	422,730
		2,262,368	2,678,576	1,702,339	94,243	672,870
(K) Contracted services						
<i>Entity with common control</i>	The Parent Company outsourced certain clinical laboratory services to its related party presented as part of contracted services under administrative expenses.	42,905	-	1,645,620	-	-
	Amounts are settled in cash on a net basis. These are unguaranteed, unsecured, non-interest bearing and are payable on demand. These were fully paid as at reporting period.					

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.
3. No parents of the Group showing the basis of control and as each parent;
4. No transactions with promoters, issuers organized within the last five (5) years; and
5. 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, President & CEO Arnold C. Ocampo, SVP Finance  Arlyn L. Songco, SVP Marketing & Sales Services  Eda Bernadette Bodegon, VP Nursing Services  Bitá Sigari Avendaño, VP Human Resources  Aggregate for above named officers.	2022	38,772,423	13,609,484	5,225,002
Atty Pilar Nenuca P. Almira, President & CEO Arnold C. Ocampo, SVP Finance  Arlyn L. Songco, SVP Marketing & Sales Services  Eda Bernadette Bodegon, VP Nursing Services  Artemio C. Salvador MD, VP Quality Management  Aggregate for above named officers.	2023	38,283,070	18,548,577	7,427,816
	2024 (Estimate)	40,197,224	13,911,432	6,685,034
All Directors & Officers as a group unnamed.	2022	42,945,129	14,768,485	6,508,274
	2023	45,736,718	20,159,758	9,255,606
	2024 (Estimate)	48,023,553	15,119,818	8,330,045

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 2023 and 2022 amounts to P4,724,902 and P4,230,000 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, 2023 and 2022

## **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, 2023 and 2022 of the Group.

The aggregate fees billed and paid for each of the last two years for professional services rendered by the Company's external auditors are summarized below:

Nature of Services rendered		Aggregate Fees	
		2023	2022
Audit fees	Annual audit of the Company's consolidated financial statements, separate financial statements of the Parent Company and its subsidiary Computerized Imaging Institute Inc. in connection with statutory and regulatory findings; review of the Company's income tax returns and its attachments for filing with the BIR and internal control recommendations.	2,828,000	2,699,200
Tax fees	Review of the findings raised by the Bureau of Internal Revenue ("BIR") in the Notice of Discrepancy (NOD) for taxable year 2018, 2019 & 2020. Conduct detailed tax health check of the Company for the year 2022	246,400	375,108
All other fees	Other consultancy services	none	none

The engagement partner of the Group for the year 2023 is Mr. Jan Michael L. Reyes. He will be replaced by Mr. Paul Chester U. See as engagement partner for the year 2024.

The Audit & Risk Committee approves all types of engagement with external auditors. Annual Audit plans are presented for approval of the Audit & Risk Committee prior to the conduct of the audit.

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 SRC Rule 68 latest revision by the Commission en banc on August 19, 2019 (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 Annual Stockholder's Meeting to respond to appropriate questions concerning the 2023 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.

## **C. ISSUANCE AND EXCHANGE OF SECURITIES**

### **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 or 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, 2023, attached hereto as **ANNEX "C"**.

The audited Consolidated Financial Statements of the Company for the period ended December 31, 2023 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 2023 Annual Stockholders' Meeting

The Minutes of the ASM of the Company in 2023 ("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 2023 ASM include the following:

- a) Approval of the Minutes of the 2022 Annual Regular Stockholders' Meeting.
- b) Presentation of the 2022 Annual Report and approval of the 2022 Audited Financial Statements;
- c) Approval of the Amendments to Article III, Section 10 of the By-Laws
- d) Ratification of all acts of the Board of Directors and Officers since the 2022 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**

Not Applicable

**Item 18. Other Proposed Action**

1. Minutes of the 2023 Regular Stockholders' Meeting is attached hereto as **ANNEX "A"**.
2. Summary of Acts of the Board and Management for Ratification by the Stockholders is attached hereto as **ANNEX "B"**
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 2024-2025.

**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 "D"** 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.

**PART II**  
**INFORMATION REQUIRED IN A PROXY FORM**

**Item 1. Identification**

The proxy is solicited by the Company. 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 16, 2024 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 "E"**. 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 5, 2024 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 14, 2024. 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 P50,000.

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.

**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. At the discretion of management, a charge may be made for exhibits provided such charge is limited to reasonable expenses incurred by the Company in furnishing such exhibits.

**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, 2024.

**MEDICAL DOCTORS, INC.**

By:

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

**MINUTES OF THE  
2023 ANNUAL STOCKHOLDERS' MEETING  
OF THE  
MEDICAL DOCTORS, INC. (MDI)  
Held on 18 July 2022, 5:00pm  
Via remote communication**

**I. CALL TO ORDER**

Chairman Manuel V. Pangilinan welcomed the stockholders and guests to the Annual Stockholders' Meeting. He informed the stockholders that the Board of Directors decided to conduct the 2023 Annual Stockholders' Meeting via remote communication in order to ensure everyone's safety and health, as well as to continue with Company's best practices. Further, the 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.

**II. CERTIFICATION OF NOTICE AND QUORUM**

Atty. German Q. Lichauco II, Corporate Secretary, upon the request of the 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 2023, 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 2,458,549 common shares representing 71.87% of the Company's total outstanding capital stock were present in person or by proxy. There being a quorum, the Chairman declared the meeting duly convened and open for the transaction of business.

Upon request of the 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 <asm2023.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 5 July 2023.

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.

**III. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF THE STOCKHOLDERS HELD ON 19 JULY 2022**

The Chairman informed the stockholders that a copy of the minutes of the Annual Stockholders' Meeting of the Company held on 19 July 2022 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 19 July 2022 was approved.

**IV. PRESIDENT'S REPORT**

The 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 2022, and covering too January to June 2023. Her presentation is summarized as follows:



During her presentation, Atty. Almira started with the central message of the 2022 annual report which is **"Reimagining the Future of Patient Care"** – a testament to the hospital's resolve to adapt and innovate as it navigates through the uncertain times. For 2022, MMC acknowledge the significance of taking initiative and embracing a forward-looking approach in addressing the needs of both MMC's patients and the community.

MMC's focus is delivering compassionate, personalized, and holistic healthcare. The priority is excellence in clinical practice and patient experience. MMC recognizes the importance of patient-centered care, especially in the present times. MMC is committed to transforming and innovating healthcare delivery.

Atty. Almira also expressed how proud she is with MMC's progress and went on to say that she is confident that the hospital will continue to lead in reimagining patient care and healthcare in general.

The past year has been remarkable for MMC. As the country and the rest of the world slowly regained its footing, MMC also saw a gradual return to its pre-pandemic performance levels, and even exceeding expectations.

For 2022, MMC has surpassed the pre-pandemic revenue performance with Php 8.4 billion in revenues in 2022, a 10% increase from the previous year. The hospital was able to increase functional bed capacity by 22%, allowing MMC to cater to the 32% increase in inpatient admissions compared to 2021, particularly in both the Departments of Medicine and Surgery.

Atty. Almira also reported that patient's confidence in returning to the hospital was evident with a 20% rise in outpatient census and nearly doubled visits to the Emergency Department.

MMC's strong revenue performance resulted in an EBITDA of Php 2 billion, a 25% increase from 2021. The hospital's cost-saving measures, including streamlining outsourced services and optimizing medical supplies, contributed to the hospital's improved profitability.

With the strong EBITDA performance, MMC prioritized upgrading its medical equipment with a Php 177 million investment, followed by IT, office equipment and renovation projects.

MMC also settled its outstanding bank loans of Php 155 million and declared cash dividends of Php 236 million.

Efforts to collect from Philhealth, corporate accounts, and HMOs resulted in a reduction of outstanding receivables by 37%, and cash generated from outstanding performance and good collection efforts resulted in an increase in cash balance to Php 1.8 billion by the end of 2022.

The long-term partnerships nurtured by the Creative, Communications and Sales Services Division grew by 29% versus 2021, reaching nearly Php 4 billion in revenues.

According to Atty. Almira, these business segments had double-digit revenue growth performances.

The HMO segment contributed 81% in the total target of CCSD or about 38% of total MMC revenues. Patient census-wise, these segments contributed 43% of 2022's inpatient census, 47% of outpatient census, and 66% of the Emergency Department census.

MMC's Procurement Department contributed a total negotiated savings of Php 199.9 million for the year 2022. The said amount includes Php 157.7 million saved on a total purchase value of Php 2.135 billion, compared to Php 2.075 billion in 2021.

An additional Php 42 Million in savings came from various contracts, such as Preventive Maintenance, Third-Party Service Providers, Tie-up, and Warehousing Agreements.

Atty. Almira reported that reimagining the future of patient care also means continuously enhancing the patient experience through a strong culture of care that prioritizes patients' needs, improves service quality and fosters a work environment where employees can thrive.

MMC's Pathology and Laboratories has implemented lean management strategies as part of an initiative called The Closer The Better. Under this initiative, the Point of Care Testing (POCT) and Inpatient Phlebotomy units were merged to reduce the turnaround time of tests done at the POCT Section and provide testing services at various nursing floors.

Pathology and Laboratories also partnered with the Center for Regenerative Medicine and Cordlife Philippines to offer Non-Invasive Prenatal Testing (NIPT), for a highly accurate prenatal screening analyzing fetal DNA in maternal blood for potential fetal chromosomal abnormalities.

The Pulmonary Laboratory has introduced an automated dashboard to improve operational efficiency and streamline the monitoring of medical equipment status, rental usage, and cost accuracy.

Atty. Nuca also stated that reimagining the future of patient care, of course, entails innovation.

In 2022, MMC launched the TESLA MRI. This cutting-edge technology superior image quality, increased efficiency, and optimized workflow, and would thereby improve diagnostic results and enhance patient care.

MMC's Heart Station successfully reduced costs and increased efficiency by processing ECG results for offsite centers in 2022.

MMC also hired Echo Technologist Consultants or ETCs to sustain manpower needs, extend operating hours to cater to more patients, and sent technologists to attend basic echocardiography training.

Towards the third quarter of last year, the Heart Station acquired GE View Point 6, a cardiovascular information system or CVIS for echocardiogram procedures to improve charting of in-patients on cardiac rehabilitation.

Knowledge and skills improvement trainings were also administered for all echo technologists to ensure that they stay up to date with new processes and approaches to keep up with evolving patient care.

The Vascular & Lymphedema Center or VLC, also made enhancements to streamline operations and provide better services to patients by extending its services during holidays to reduce schedule lag time. The center also introduced Upper Extremity Deep Vein Thrombosis or DVT, which helps differentiate from Lower Extremity DVT.

Further, in reimagining the future of patient care, it also means increasing access to quality healthcare.

In March of last year, Makati Medical Center Care Access opened a new outpatient center in Araneta City, a strategic location convenient for a lot of patients in terms of transportation and proximity. It is the first satellite medical facility outside of Makati offering health screening services, diagnostic imaging services, and hemodialysis treatment.



Recognizing the healthcare needs of our overseas Filipino workers, MMC Care Access Discovery Primea collaborated with different institutions to issue medical certificates and offer packages for OFWs. This move significantly increased their patient census from an average of 131 per month to 318 per month.

In terms of patient census, despite facing another Covid-19 outbreak at the start of 2022, the hospital observed an increase in patient visits. The patient census for 2022 exceeded expectations, with a 24% growth compared to the previous year, surpassing the target by 5%. Additionally, the procedure census exhibited a 16% rise compared to the previous year.

Along with the expansion in both patient and procedure census, the centers managed by the Service Operations Division achieved a consolidated Gross revenue of P4.259B. This exceeds the target by 5% and represents a 15% growth compared to 2021 and a 14% increase compared to 2019. Additionally, the Division concluded the year with a Net Income of Php 2.094 Billion, surpassing the target by 13% and showing a 13% rise compared to 2021 and an 11% increase compared to 2019.

For MMC, the hospital values hard work and dedication. MMC makes sure the efforts of its employees do not go unnoticed, and that the best ones serve as inspirations whose footsteps the rest can follow.

The Service Operations Division implemented several activities to help build a strong culture of performance and excellence within the organization.

Atty. Almira pointed out that the Nursing and Patient Care Services are the cornerstone of healthcare delivery. Throughout 2022, the Division remained steadfast and resilient in the face of the COVID-19 pandemic's challenges. Atty. Almira highlighted MMC's accomplishments in Nursing care through the reduction of pressure injury prevalence rates, optimization of inpatient room utilization, and management of the dynamic inpatient occupancy rate.

In 2022, MMC's pressure injury prevalence rate decreased by 40% compared to 2021, reaching a rate of 1.13 per 100 patients. MMC has effectively implemented prevention strategies and minimized the occurrence of pressure injuries among the hospital's patients.

When it comes to utilization of inpatient rooms, MMC's team implemented a consistent strategy of pulling admissions from the Emergency Department (ED) and prioritizing timely discharges from the Regular Inpatient Units.

With the close coordination between the hospital's bed managers, the ED Team and the Admissions Unit, MMC was able to effectively assign and deck rooms based on utilization patterns. Not only did MMC ensure smooth patient flow, the hospital also maximized the utilization of unoccupied beds.

Throughout 2022, MMC maintained an average inpatient occupancy rate of 54%. The highest occupancy rate of 61% occurred in September, while the lowest rate of 48% was observed in May. MMC's total bed capacity is 534, with July having the highest number of available beds at 470, and the lowest availability occurring in January with 306 beds.

The allocation of beds between COVID and Non-COVID units fluctuated monthly based on the demand for patient admission and diagnosis. In 2022 the attrition rate of nurses rose to 18.4%.

This why MMC's Nursing and Patient Care Services Division made it a top priority to enhance training programs, provide robust support for nurses' mental well-being, and implement measures to provide overall job satisfaction.



MMC want to ensure that nurses have the knowledge and skills they need to provide exceptional care to the patients. It is all about going the extra mile to support the hospital's dedicated nurses and enhance the quality of care the hospital delivers.

Atty. Almira also pointed out that MMC is proud to have equipped the hospital with the latest techniques to provide top-notch care to our patients.

In October 2022, MMC officially established an academic partnership with St. Paul University Manila for the Master of Science in Nursing (MSN) Program. This collaboration aims to enrich the knowledge and skills of selected nursing leaders from MMC through SPUM's program.

MMC also had the honor of celebrating twelve outstanding nurses with the prestigious DAISY Award, acknowledging their exceptional contributions to patient care and fostering a culture of gratitude for their unwavering dedication.

The division also sought to empower newly hired nurses through various programs to assist new graduate nurses transitioning to professional practice.

Through the Nursing-Licensure Educational Assistance Program where two groups received comprehensive exam preparation and extensive review sessions, resulting in passing rates of 81% and 73% respectively.

The Graduate Studies Assistance Program or GSAP provided full scholarships to 43 qualified nursing leaders, partnering with St. Paul University Manila and University of Makati to enhance skills, knowledge, performance, and career advancement.

MMC's Leadership Enhancement Advancement and Development Program offered a six-week program for new nurse managers and those in the succession plan, benefiting employee development, performance, job satisfaction, and organizational success.

At this point, Atty. Almira pointed out that, as it has been always recognized that MMC's nurses play such a significant part in the grand scheme of things at the hospital, and among the many ways that MMC can empower the nurses is through continuous improvement, professional development and proper recognition. Through these efforts, MMC continue to uphold the highest standards of nursing practice, and nurture a healthy work environment where the hospital's healthcare professionals can thrive and give the best care to its patients.

Atty. Almira then moved on to the next point of her report which is reimagining the future of healthcare means keeping employees engaged, driving motivation, innovation, and collaboration, while fostering a compassionate and patient-centered work culture.

In 2022, MMC organized several virtual events to celebrate the hospital's amazing employees and their accomplishments. MMC recognized its dedicated consultants and house staff who received well-deserved awards, published studies, and achieved significant milestones in their careers. Through quarterly Town Halls and All Hands meetings, MMC's executives kept everyone informed about the hospital's operations and ensured open communication with all employees.

MMC also prioritized the mental well-being of its staff by partnering with the Makati Med Wellness Center to offer free psychological consultations and support during Mental Health Month, emphasizing the importance of self-care and providing the resources needed for their overall well-being.

MMC's Employee Well-being Clinic took care of our employees' health needs by introducing a convenient Face to Face E-Queuing system and hosting webinars on alcoholism, ergonomics, and mental health in the workplace.

In 2022, the EWC handled over 31,000 consultations, including face-to-face and teleconsultations, and effectively managed 2,363 COVID-19 cases. The Clinic also had 8 vaccination programs for various ailments, adding up a total of 2,297 administered vaccines.

Innovation in the Learning & Development Department led to the adoption of blended learning and the launch of the Learning Management System (LMS) in 2021. And in 2022, despite challenges, LDD successfully organized 291 training programs, reaching over 5,800 employees vs 5,100 in 2021. Leadership development was also a key focus, with strategic planning sessions and specialized training sessions attended by 74 MMC leaders.

In 2022, MMC experienced a high attrition rate of 31.59%. To address this issue, MMC embarked on Investors in People with the goal of achieving the highest level of accreditation in 2023.

The Career Architecture Program (CAP) provides a comprehensive and transparent job structure for each division.

There were also Organization Development Department (ODD) activities in 2022 included the following:

- 217 developmental assignments
- 670 lateral transfers
- Updating 25 organization charts and creating 3 new ones
- Updating 98 job descriptions, and creating 37 new positions.

Furthermore, in the Human Resources space, the Career Architecture Program offers a clear job structure for each division. The following are some noteworthy milestones for 2022:

- ODD accomplished 217 developmental assignments and 670 lateral transfers
- 1,525 new hires by Talent Acquisition
- Claiming of One COVID-19 Allowance and Special Risk Allowance from the Department of Health

Moving on to the next point of her report, Atty. Almira proceeded with MMC's reimagining of the future of patient care by embracing technology.

2022 was a year of change for the Information and Communications Technology Division. MMC shifted gears from pandemic-related projects and pointed their attention to fulfilling the unique needs of different divisions within the hospital. They had a busy year, completing a total of 130 projects.

Some notable accomplishments were the impressive revamp of the Makati Medical Center website and the much anticipated opening of the MMC Care Access - Araneta City offsite clinic.

On to the next point of her report, Atty. Almira discussed that reimagining the future of patient care entails maintain a safe, efficient and sustainable hospital environment.

In 2022, the Facilities Management and Engineering Division completed 102 facility-related projects worth PhP111M.

These projects include:



- The expansion to a new outpatient services facility at Araneta City, Cubao, to better cater to patients' needs.
- Transforming the Maxicare Area on the 3rd floor Tower 1 into a modern doctors' clinic with six rooms.
- A makeover of three Maternity Patient Rooms on the 5th floor Tower 1, including one suite and two spacious private rooms.
- The upgrade of Cooling Towers 1 to 3, bringing cost savings and improved efficiency to the hospital.
- Ensuring safety by completing Wide shot of new and improved facilities structural retrofitting works for Tower 1 and 2.
- Enhancing accessibility by overlaying the Main Driveway and Emergency Area with new asphalt.
- Implementing waterproofing measures for CP Manahan and Utility Deck areas.
- Improving comfort and functionality by replacing 18 aircon/fan coil units in various locations.

And that's not all, FMED has also pulled off some impressive savings. MMC managed to save a whopping 244,901 kilowatt-hours, which means the hospital saved around Php 2.5M compared to last year, despite having had more patients and equipment to power.

Not only did MMC save on energy, but the hospital also made a significant impact on waste reduction. MMC's hazardous waste production dropped by a massive 60,610 kilograms, saving us approximately Php892K.

Not to forget water conservation, MMC decreased its water consumption by a remarkable 27,774 cubic meters, saving the hospital a total of Php 4.2M compared to last year.

And finally, the last point of her report, Atty. Almira moved on with reimagining the future of patient care by highlighting that it involves giving back to the community where possible.

In 2022, MMC fulfilled its corporate social responsibilities beyond the mission of providing quality healthcare. The following list is a glimpse of the heartwarming work that MMC did with the partners led by different units within the hospital:

- Our Service Operations staff surprised food delivery riders by handing off their food orders, showing appreciation for the community's service during the pandemic.
- MMC also entered into a partnership with Child Haus to support cancer-stricken children. MMC's service Operations Team, in cooperation with the Managers council, provided medicines, coloring books, crayons, and hygiene kits to the center.
- Representatives from different outpatient departments distributed essential items such as milk, rice, medicines, diapers, and cleaning packs to support children and caregivers at Concordia Children's Services.
- And lastly, our Wellness Center, along with partners, distributed 600 bags of school supplies to Aeta children through our Aeta Community, contributing to their education and empowerment and thereby showcasing our commitment to supporting marginalized communities.

The growth trajectory MMC had in 2022 continued in the first half of 2023.

As the community slowly returns to pre-pandemic normal, patients continue to return to the hospital for their health care needs.

This is evident in MMC's census growth continuing in 2023 with inpatient census growing by 38% and outpatient by 19% compared to 2022.

As a result, MMC's revenues for the first half of 2023 amounted to Php 4.7 billion which is a 20% higher than the first 6 months of 2022.

The resulting EBITDA reached over Php 1 Billion or 43% better compared to the same period previous year.

Finally, MMC's net profit for the first half reached Php 563 million which is almost twice the profit that the hospital had last year.

In the first six months of 2023, MMC also completed the following projects:

- DMER and NERD at Auditorium Mezzanine
- The construction of an Outpatient Surgical Suit
- The expansion of our Outpatient Health Hub; and
- The renovation of 28 patient rooms.

Looking ahead, MMC is excited to explore new opportunities to enhance its healthcare services and improve patient outcomes. MMC aim to leverage the latest technology, advance research, and foster collaboration among healthcare professionals to deliver innovative and evidence-based care.

The challenges MMC faced in the past year have shown us that resilience, adaptability, and teamwork are essential in navigating through difficult times. MMC is grateful for the unwavering support and trust of the patients, partners, and stakeholders who have been with us in this journey.

As closing, Atty. Almira expressed her deepest appreciation to the hospital's dedicated healthcare professionals, staff, and volunteers who have shown exceptional dedication and compassion in providing care to our patients – with their continued commitment and the support of our community, Atty. Almira expressed that she is confident that Makati Medical Center will continue to reimagine the future of patient care and deliver outstanding healthcare services for years to come.

After the presentation of Atty. Almira, the Chairman informed the stockholders that MDI will proceed to answer the questions emailed by the stockholders to [asm2023@makatimed.net.ph](mailto:asm2023@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 floor was then opened for questions and Atty. Lichauco read the questions submitted by the stockholders.

*The first question was submitted by Dr. Mimi Sarabia. Her question was "There has been a lot of discussion in the doctors' community about the health benefits proposal authored by the current President/CEO which has been unanimously rejected and refused by the doctors. May we know the status and future plan of action of the President on this matter?"*

*Chairman Pangilinan answered: "This was raised during the board meeting and I asked the board to defer the discussion on the incremental benefits of the doctors since it requires further consultation and discussion with the doctors and management. Currently, this has been postponed."*

*The second question was from Jana Montenegro. Her question was "What are the timelines of the expansion plans of MMC: new tower, new offsite facility? Additionally, are offsite a profitable investment for Makati Medical Center?"*



Atty. Almira answered: *"The timeline for the expansion of the offsite facility in the South is for completion this year and opening in the first quarter of 2024. The planning for Tower 4 is starting this year 2023 and onwards to the completion of this year and then by next year the government requirements and permits for the construction shall be completed and obtained. Thereafter, construction shall be started. MMC hopes to complete the tower by 2027 and at the same time accelerate the project so it can be operational by 2027."*

Atty. Lichauco asked if there are any more questions, to which no one answered. He then turned over the floor to the Chairman.

The 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 2022 President's Report and the 2022 Audited Financial Statements, the same are hereby declared adopted and approved.

Furthermore, the Chairman announced that, upon approval by the Board of Directors on 18 July 2023, the Company has declared the distribution of cash dividends in the amount of Php 114.96/share to all stockholders of record as of 31 July 2023.

The dividends will be paid on 31 August 2023, either by crediting to the stockholder's account or by issuance of check.

#### **V. APPROVAL OF THE AMENDMENTS TO ARTICLE III, SECTION 10 OF THE BY-LAWS**

The Chairman proceeded to the next item on the agenda. He informed the stockholders that the Amendments to Article III, Section 10 of the By-Laws have been provided in Annex "A" of the Definitive Information Statement.

The 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 By-Laws, the same are hereby declared ratified and approved.

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

The 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 2022 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 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 2021 are hereby ratified and confirmed.

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

Next, the Chairman requested the Corporate Secretary to announce the persons nominated as directors for the year 2023.

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

##### *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 C. 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. Agripino A. Javier

*Independent Directors*

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

Atty. Lichauco, as Corporate Secretary and member 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 Chairman declared the following director elected:

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. Dr. Agripino A. Javier
13. Mr. Francisco A. Dizon
14. Mrs. Diana P. Aguilar
15. Mr. Francisco S.A. Sandejas

The Chairman congratulated the duly elected directors of MDI for the year 2023-2024. He also took the opportunity to express his gratitude to outgoing regular Director Mr. Reymundo C. Cochangco, for his service to MDI and introduced the new regular director, Dr. Agripino A. Javier.

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

The 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 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.

#### **IX. APPOINTMENT OF EXTERNAL AUDITORS**

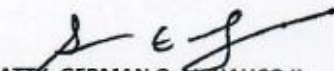
The Chairman proceeded with the appointment of the external auditors, and informed the stockholders of the voting results. He reported that stockholders holding more than a majority of the outstanding voting stocks of MDI voted to approve the re-appointment of Isla Lipana & Company as the company's external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


#### **X. ADJOURNMENT**

The 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 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 the Regular Meeting are thereby approved and carried and the meeting was thereby adjourned.

**CERTIFIED TRUE AND CORRECT:**

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

  
**MANUEL V. PANGILINAN**  
Chairman

## ANNEX “B”

### SUMMARY OF RELEVANT RESOLUTIONS APPROVED BY THE BOARD OF DIRECTORS (For the period 22 September 2023 to 19 April 2024)

#### REGULAR BOARD MEETING

22 September 2023

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              | - Dr. Saturnino P. Javier & Mr. Arnold C. Ocampo as Co-CEOs |
| 3. Vice President               | - All VPs of functional groups                              |
| 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 & Risk 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. Benjamin N. Alimurung   |

#### 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              | - Mr. Augusto P. Palisoc, Jr.        |
| Member              | - Dr. Agripino A. Javier             |
| Member (non voting) | - Atty. German Q. Lichauco II        |

#### Ethics Committee:

- |               |                                |
|---------------|--------------------------------|
| Chairman      | - Mr. Francisco S.A. Sandejas  |
| Vice Chairman | - Dr. Benjamin N. Alimurung    |
| Member        | - Ms. Ma. Susana A.S. Madrigal |
| Member        | - Mr. Jose Ma. K. Lim          |



Member	- Mr. Jose Amado A. Fores
Member	- Dr. Victor L. Gisbert

**Nomination & Election Committee:**

Chairman	- Mr. Manuel V. Pangilinan
Member	- Mr. Augusto P. Palisoc, Jr.
Member	- Dr. Conrado Gabriel C. Lorenzo III
Member	- Dr. Victor L. Gisbert
Member	- Mr. Jose Amado A. Fores
Member	- Ms. Diana P. Aguilar
Member (non voting)	- Atty. German Q. Lichauco II

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

**MDI**

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

2. Approved the concept of offering the Tower 4 auditorium to a person for naming rights
3. Approved the medical staff member's upgrade of status, new applications, renewal and withdrawal of membership
4. Approved the proposed budget for 2024
5. Approved update of bank checks signatory
6. Authorized Dr. Benjamin N. Alimurung, Dr. Saturnino P. Javier, Dra. Remedios G. Suntay, Dr. Victor L. Gisbert, and Mr. Arnold C. Ocampo as representative and signatories for onboarding on BPI online banking, to designate system administrators, to transact with PETNET and avail Forex Solutions Services
7. Authorized Ms. Arlyn L. Songco as representative and signatory for Memorandum of Agreement with Doctor Anywhere Philippines Inc
8. Authorized Dr. Saturnino P. Javier, Dr. Victor L. Gisbert, and Mr. Arnold C. Ocampo as signatories to enter into Metrobank's Merchant Program
9. Authorized Dr. Saturnino P. Javier and Mr. Arnold C. Ocampo as signatories for all contracts of lease entered into by the hospital
10. Authorized Mr. Arnold C. Ocampo as signatory for the sale of motor vehicle (Subaru 2018 model)
11. Authorized Dr. Maria Rosario P. Marin to manage the hospital's CPD program
12. Authorized Mr. Joy Vincent E. Oconer, Ms. Janet T. Medina, Mr. Jose Dennis Nimesdes, Ms. Grace Dela Paz, and Mr. Jonathan Del Rosario as representatives to file small claims cases on behalf of Makati Medical Center
13. Authorized Dr. Saturnino P. Javier, Mr. Arnold C. Ocampo, and/or the law firm of SyCip Salazar Hernandez & Gatmaitan, or any of its attorneys as representatives regarding the case of Ms. Rhodora M. Ledesma

**REGULAR BOARD MEETING**

**01 December 2023**

1. Approved the medical staff member's upgrade of status, new applications, renewal and non-renewal of membership
2. Approved the proposed additional budget to fast track upgrading of the scopes of endoscopy units
3. Approved the proposed reversal of the P2 billion retained earnings appropriation and the appropriation of P3.5 billion for the tower four building
4. Approved the proposed two-month discretionary bonus for MMC employees

5. Authorized Mr. Arnold C. Ocampo as representative and signatory for the Corporation's Engagement Contract with PwC
6. Authorized Mr. Reinaldo B. Baltero as representative to process the Corporation's application for annual registration and licensing with the Optical Media Board
7. Appoints Ms. Sabrina Bacani-Murillo as Data Protection Officer (DPO) in compliance with the provisions of the Data Privacy Act of 2012
8. Authorized Mr. Arnold C. Ocampo as representative and signatory for the sale of the Honda City Hatchback 1.5RS CVT (NEQ 4041)
9. Authorized Mr. Arnold C. Ocampo as signatory for all outgoing verified pleadings for cases of whatever nature, civil, criminal or administrative, where MMC is named a respondent
10. Authorized Mr. Reynaldo J. Lim and Mr. Arnold C. Ocampo as representative and signatories in Memorandums of Agreement (MOAs) entered into by MakatiMed Wellness Center
11. Authorized Dr. Saturnino P. Javier as signatory for all Memorandums of Agreement (MOAs) entered into by Blood Bank and Transfusion Services for direct distribution of blood to and from Makati Medical Center
12. Authorized Ms. Arlyn L. Songco as representative and signatory for its Memorandum of Agreement with Ospital ng Makati (OSMAK)
13. Authorized Eng. Gerry E. Cunanan as representative and signatory to all construction permits application with the local government
14. Approved the writing off of MMC Foundation's outstanding balance to Makati Medical Center

## **REGULAR BOARD MEETING**

**25 March 2024**

1. Approved the 2023 Audited Financial Statements, including the proposed write-off of accounts receivable for the Taxable Year 2023 amounting to Php 238,725,334.00

## **REGULAR BOARD MEETING**

**19 April 2024**

1. Approved the medical staff member's upgrade of status, new applications, renewal and non-renewal of membership
2. Approved the proposed Hospital Information System, IQVIA Arcus Air.
3. Authorized Mr. Arnold C. Ocampo and Dr. Saturnino P. Javier as signatories for the contract renewal of RICOH (Philippines) Inc
4. Authorized Dr. Mary Milagros Uy as representative and signatory for its Medical Tourism Accreditation application with the Department of Tourism
5. Authorized the name of Mr. Arnold C. Ocampo, Co-President and CEO and CFO to appear as the Business Owner representative in its application for the Business Permit of MakatiMed Care Access-Araneta
6. Authorized Mr. Reynaldo M. Mata Jr., Ms. Armyla B. Palomar, and Mr. Joel S. Navarro as representative of Medical Doctors Inc to process applications and registrations, submit requirements, and transact with the Bureau of Internal Revenue, Local Government of Makati and Quezon City for the year 2024
7. Authorized Dr. Benjamin N. Alimurung, Dr. Saturnino P. Javier, Dr. Remedios G. Suntay, Dr. Victor L. Gisbert, and Mr. Arnold Ocampo as representatives and signatories for the following:
  - To attest that MDI and Makati Medical Center are the same entity; to accept check deposit under Makati Medical Center – Security Bank
  - UnionBank renewal of credit line
  - Closure of Metro Bank and RCBC accounts
  - Update of signatories for Union Bank, BDO, Equicom, LBP, RCBC, and Security Bank
8. Authorized Engr. Gerry E. Cunanan as representative and signatory to all construction permits application with Makati LGU
9. Authorized Ms. Angelita P. Gaarcia as representative and signatory to execute, sign and deliver all documents pertaining and relevant to the MMC Malasakit Fun Run 2024, and Mr. Mark Angelo D. Ulanday to transact with the Makati City Government in securing clearance and necessary permits for the MMC Malasakit Fun Run 2024

## 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”).

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, 2023 the Parent Company has 1,122 shareholders (2022 - 1,120) 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 at December 31, 2023 and 2022 as follows:

Metro Pacific Health Corporation	33.38%
Associated Holdings, Inc.	4.76%
Dr. Remedios Suntay	3.48%
San Miguel Corporation	2.44%
Dr. Benjamin N. Alimurung	1.38%
	45.44%

As at December 31, 2023, and 2022, the remaining 54.56% 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 3,420,737 outstanding shares in 2023, 220,686 shares or 6.45% are owned by the Company’s directors, officers and employees (2022 - 3,420,737 outstanding shares, 212,057 shares or 6.20%).

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, 2023, 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 include 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 three satellite clinics, two of which are located at the central business district of Makati City and the other one located in the Araneta City business center in Quezon 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., Globo Asiatico Enterprises, and B Braun Avitum Phils., and Lifelink Inc.

The Group is not dependent upon any single customer or few customers as sources of its revenues. Among its major customers include Maxicare, Mediacard, 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 pages 18-20.

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>2023</b>	<b>2022</b>	<b>2021</b>
Clinical Trial Fees	2,907,537	2,649,509	2,067,370
Gross Hospital Revenues	9,638,480,987	8,440,818,290	7,663,464,998
% to Gross Hospital Revenues	0.03%	0.03%	0.02%

The following are new services of Makati Medical Center that have been launched in 2023 :

- MakatiMed invested in a new MRI machined called GE 3 Tesla Signa Architect for superior MRI screenings. The Department of Health and the Food and Drug Administration has accordingly given the machines its appropriate accreditation and the machine was made operational on January 12, 2023.
- In March 2023, Makati Med offers Precision Oncology Cancer Genetics Testing. This innovative service aims to provide personalized care to high-risk individuals based on their genetic profile.
- MakatiMed made a significant investment in its diagnostic testing capabilities by acquiring the Atellica VTLi Patient-Side Analyzer from Siemens Healthineers. This system is a cutting-edge technology that allows faster and more accurate diagnostic testing and MakatiMed is the first hospital in the Philippines and the ASEAN region to acquire this advanced equipment.
- MakatiMed launched its newest facility, the Outpatient Surgical Suite (OSS). The OSS is set to handle minor surgeries that do not require general anesthesia and is equipped with three (3) Operating Rooms with more affordable procedures.
- MakatiMed inaugurated its Esketamine Care Center to underscore the hospital's commitment to addressing the profound challenges posed by depression, particularly the complexities of Treatment-Resistant Depression (TRD) and Major Depressive Order with imminent Suicide Intent.
- In October 2023, MakatiMed opens its expanded Cardiovascular Diagnostic Laboratory or Heart Station. In its new location, the Heart Station can now serve more patients and offers new services like the Pediatric Echocardiogram Room and the Cardiopulmonary Exercise Test Machine (CPET).

Major achievement and activities of the Group in 2023 includes:

- In July 2023, MakatiMed has been recognized for its commitment to exceptional people management practices by achieving the Sixth Generation Investor in People (IiP) Gold Accreditation.
- MakatiMed was certified as an Acute Stroke Ready Hospital by the Stroke Society of the Philippines.
- MakatiMed's Section of Neurology Stroke Team has been honored with the prestigious Diamond award from the World Stroke Organization (WSO) Angels Awards.
- MakatiMed Surgeon is the First and only Asian Woman accepted to the prestigious Les Compagnons Hepato-Biliares Society
- MakatiMed earns Hall of Fame distinction at the 2023 DOH Hospital Star Awards for consistently surpassing the highest standards set by the Department of Health.
- MakatiMed nurse leaders won two (2) of the three (3) award categories in the 1<sup>st</sup> Soledad Velez-Pangilinan – Nurses Excellence Awards conducted by Metro Pacific Health.

The Group has 3,342 regular employees as of December 31, 2023, as follows:

	Number of Employees
Operational	2,774
Administrative	568
Total	3,342

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 the 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

## Item 2. 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. As of December 2022, the Parent Company has settled all outstanding loans, and the properties are free from any encumbrances.

#### (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:

Date of appraisal	Appraised value (in million Pesos)
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 consolidated statements of total comprehensive income and in the consolidated 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 of December 31, 2023 would amount to P2,306,196,465 (2022 - P2,376,250,393).

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

	2023	2022
Land	3,046,902,000	3,046,902,000
Buildings	238,105,745	247,823,252
	3,285,007,745	3,294,725,252

#### (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, 2023, and 2022 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 Parent Company paid the required refundable security deposit in relation to the foregoing lease agreement amounting to P13,383,760 as of December 31, 2023 (2022 - 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*

On January 25, 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, 2023, and 2022 amounting to P14,100,417. 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 P4,530,778 as at December 31, 2023 (2022- 4,350,950) 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, 2023, on short-term leases and low-value assets are presented under cost of services and administrative expenses amounted to P12,869,034 (2022 – P11,364,588). Accrued rent relating to leases of short-term and low-value assets as at December 31, 2023, amounted to P1,006,445 (2022 – P869,496).

(iv) 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, 2023	December 31, 2022
<u>Right-of-use asset, net</u>		
Office and parking spaces	77,749,797	166,417,867
<u>Lease liabilities</u>		
Current	2,742,744	121,403,415
Non-current	73,313,685	76,056,429
	76,056,429	197,459,844
Deferred tax asset on:		
Right-of-use asset	26,251,064	56,601,917
Lease liabilities	(19,437,449)	(41,604,467)
	6,813,615	14,997,450

The movements in lease liabilities for the years ended December 31 are as follows:

	2023	2022
Beginning of the year	197,459,844	288,750,073
Additions during the year		-
Principal and interest payments	(133,054,542)	(110,118,903)
Accretion of interest	11,651,127	18,828,674
End of the year	76,056,429	197,459,844

(iv) Amounts recognized in the consolidated statements of total comprehensive income.

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

	Notes	2023	2022	2021
Depreciation of right-of-use assets				
Office and parking spaces	6	88,668,070	88,668,070	83,326,631
Interest expense (included in finance costs)		11,651,127	18,827,674	23,903,561
Expense relating to leases of low-value assets and short-term leases (included in cost of services and administrative expenses)	15	12,869,034	11,364,588	12,284,121
		113,188,231	118,860,332	119,514,313

The total cash outflow for leases, including short-term leases and leases of low-value assets, as at December 31, 2023, is P133,266,004 (2022 - P120,613,995).

(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.

(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.

*Where the Parent Company 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 P9,781,654 as at December 31, 2023 (2022 – P5,341,491) 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 P109,325,428 for the year ended December 31, 2023 (2022 – P85,249,784 ; 2021- P90,270,951). Rent receivable as at December 31, 2023 amounted to P18,944,023 (2022 – P9,596,027).

### **Capital Commitments**

Capital expenditures which are relating to the on-going renovation of the buildings and equipment purchases contracted for at December 31, 2023, but not yet incurred amounted to P549,819,476 (2022- P397,389,911).

### **Item 3. 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. 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 22, 2023, to September 21, 2024. The restricted cash is reflected as part of "Other non-current assets" in the balance sheet as of December 31, 2023, 2022 and 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, 2023, 2022 and 2021.

## 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, 3,949,978 Common Shares and 22 Founders' shares. As of December 31, 2023, none of the Preferred Shares have been issued.

As at **December 31, 2023**, 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>1,453</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 Shareholders</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	33.38%
2	Associated Holdings, Inc.	Common	162,872	4.76%
3	Suntay, Remedios, MD	Common	119,208	3.48%
4	San Miguel Corporation	Common	83,379	2.44%
5	Alimurung, Benjamin N., MD	Common	47,110	1.38%
6	Antonio, Cristina, MD	Common	31,332	0.92%
7	Progressive Development Corporation	Common	29,492	0.86%
8	Manahan, Constantino Jr. L.	Common	17,954	0.52%
9	Madrigal, Ma. Susana A.S.	Common	16,418	0.48%
10	Cabreira, Alvin Gubat	Common	15,421	0.45%
11	Fores, Jose Amado	Common	15,192	0.44%
12	Fores, Ma. Victoria A.	Common	15,192	0.44%
13	Fores, Margarita A.	Common	15,192	0.44%
14	Fores-Legarda, Maria Mercedes A.	Common	15,192	0.44%
15	Tanco, Eusebio H.	Common	14,939	0.44%
16	Fores, Jorge A.	Common	14,192	0.41%
17	A. E. Cruz, Inc.	Common	10,890	0.32%
18	Warns, Vicente Gustav P.	Common	10,602	0.31%
19	Philippine Airlines	Common	10,164	0.30%
20	Richardsons Realty Corporation	Common	9,289	0.27%

### Dividends

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

<b>Declaration date</b>	<b>Payment date</b>	<b>As of record date</b>	<b>Dividend per share</b>	<b>Total dividends</b>
July 20, 2021	August 30, 2021	July 31, 2021	45.82	156,738,169
December 2, 2021	January 28, 2022	December 31, 2021	37.49	128,243,430
July 19, 2022	August 26, 2022	July 30, 2022	69.12	236,441,341
July 18, 2023	August 31, 2023	July 31, 2023	114.96	393,247,926

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
<b>TOTAL</b>	<b>148,332</b>

## CORPORATE GOVERNANCE

The thrusts of Compliance activities for 2023 were effective implementation of programs and policies related to antibribery and anticorruption and conflict of interest, and ensure continuous compliance to all regulatory requirements, amidst the new administrative ordinances from the local government.

### 1. Effective Implementation of Antibribery and Anticorruption and Conflict of Interest policies

Guidelines were created to streamline processes related to:

1. Whistleblowing Report and Investigation Process ([Effective Feb 2023](#))
2. Processing of Donation by MMC (as Donor) ([Effective May 2023](#))
3. Providing Hospitality to a Government Official and/or Private Individual Conducting Survey (regulatory or accreditation survey) in MMC ([Effective Sep 2023](#))

The SEC mandated Annual Corporate Governance Report was submitted to SEC last [June 2023](#).

The Corporate Governance and Compliance Committee of the Board met, and reviewed processes related to Corporate Governance Policies including:

1. Board Diversity
2. Board Remuneration
3. Orientation and Training of the Board
4. Nomination and Election of the Board
5. Succession Planning of the Board

The same Committee met in August and September 2023 to discuss whistleblowing case submitted by the Compliance Officer.

The Ethics Committee of the Board met and discussed the Summary Report on Quality Data including Sentinel Events

The Performance Assessment of the Board and Return of Results was [Aug 2023 / Sep 2023](#).

Makati Medical Center participated in the Metro Pacific Healthcare (MPH)-initiated Joint Compliance Summit held on October 4-6, 2023, at Summit Ridge Tagaytay. Likewise, MDI Directors and Officers participated in the 2023 Annual Corporate Governance Enhancement Session (For Directors, Advisory Board Members and Officers), A hybrid seminar held on November 9, 2023 at the Rizal Ballroom of Makati Shangri-La Hotel (in-person and virtual) with the theme: “Governance Imperatives, Opportunities and Challenges in the Age of AI” by Dr. Max Tegmark

Through MMC Procurement, letters were sent to all vendors and contractors on Nov 2023 reminding them of MMC’s policy on “Non-acceptance of gifts from MMC Service Providers/Contractors”.

As of year-end 2023, Corporate Governance policies roll-out was 100% for Directors, Officers and Employees and Trainees, 100% for contracted services and vendors and 90% for medical staff.

For continuous process improvement, Compliance Department, in coordination with Information Technology Division and Human Resources Management Division, initiated online access and accomplishment of Employee Anti-Corruption Certification and Declaration of Outside Interest and Employment Forms along with CG compliance policies orientation/re-training for all employees ([Dec 2023](#))

A total of 89 Gifts, 14 Donations, 59 Sponsorships and 1 Grant were processed in 2023. Six whistleblowing reports, sent via anonymous emails, were reviewed and all were dismissed for absence of substantial evidence after a thorough investigation together with Human Resources and Management Division for one case, with Internal Financial Audit department for another case and with Corporate Governance and Compliance Committee of the Board for another case.

## **2. Compliance to local regulatory requirements and ordinances**

1. Continuous compliance to regulatory requirements is monitored and validated by the Hospital Compliance, License and Accreditation Division. Regulatory compliance is monitored thru scheduled pre-survey licensing internal audits. The hospital was inspected by sixteen (16) regulatory bodies last 2023, and licenses/permits were issued accordingly.
2. To ensure compliance to new/revised regulations, the Division created a tracker to monitor issuances from regulatory bodies and track the progress of the action items prior to the implementation of the regulatory issuance. 149 applicable issuances were released by the Regulatory Bodies last 2023; all issuances were cascaded, and actions implemented to ensure continuous compliance.
3. The hospital has a dashboard to monitor and maintain the 144 permits and licenses. Last year, all applicable permits and licenses were applied and renewed before its expiration. Likewise in 2023, 191 required reports were included in the dashboard for monitoring on time compliance to regulatory standards.

## Management's Discussion and Analysis of Financial Conditions and Results of Operations (For the Year 2023)

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 are 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, 2023, 2022 and 2021 are as follows:

	2023	2022	2021
<b>GROSS REVENUES</b>	<b>9,638,480,987</b>	<b>8,440,818,290</b>	<b>7,663,464,988</b>
DISCOUNTS AND FREE SERVICES	(1,232,780,279)	(1,050,333,940)	(976,579,710)
<b>NET REVENUES</b>	<b>8,405,700,708</b>	<b>7,390,484,350</b>	<b>6,686,885,278</b>
COST OF SERVICES	(4,968,380,068)	(4,167,454,020)	(4,231,295,170)
<b>GROSS PROFIT</b>	<b>3,437,320,640</b>	<b>3,223,030,330</b>	<b>2,455,590,108</b>
ADMINISTRATIVE EXPENSES	(1,894,901,454)	(2,184,711,221)	(1,715,784,319)
OTHER INCOME, net	90,940,759	36,488,725	(7,196,724)
<b>PROFIT FROM OPERATIONS</b>	<b>1,633,359,945</b>	<b>1,074,807,834</b>	<b>732,609,065</b>
FINANCE COSTS	(11,651,127)	(23,188,849)	(40,293,953)
<b>PROFIT(LOSS) BEFORE INCOME TAX</b>	<b>1,621,708,818</b>	<b>1,051,618,985</b>	<b>692,315,112</b>
INCOME TAX EXPENSE	(410,948,054)	(265,148,065)	(219,457,453)
<b>PROFIT(LOSS) FOR THE YEAR</b>	<b>1,210,760,764</b>	<b>786,470,920</b>	<b>472,857,659</b>

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

**2023 Compared to 2022**

	2023	2022	Variance	
			Amount	%
Net Revenues- Hospital services	8,405,700,708	7,390,484,350	1,015,216,358	14%
Gross income	3,437,320,640	3,223,030,330	214,290,310	7%
EBITDA	2,314,746,375	1,740,851,115	573,895,260	33%
EBIT	1,633,359,945	1,074,807,834	558,552,111	52%
<b>Net income after tax (NIAT)</b>	<b>1,210,760,764</b>	<b>786,470,920</b>	<b>424,289,844</b>	<b>54%</b>

The Group continued to experience growth in patient census achieving an almost pre-pandemic levels. Inpatient grew by 14% and outpatient grew by 16%, this resulted in gross revenues of P8.4 billion or growth of P1 billion or 14% compared to last year. Initiatives such as the acquisition of an MRI, the expansion of the Heart Station and the launching of an Outpatient Surgical Suite all contributed toward revenue growth. At the same time, the Group continued to maintain strict inventory management of supplies which lead to a lower cost of services. In addition, personnel costs continue to be below target despite establishing manpower pool of nurses and other medical allied professionals to ensure that beds are available to patients. These have further contributed to increase in net profit after tax of P1.2 billion, which is P424 million higher or 54% compared to 2022.

**2022 Compared to 2021**

	2022	2021	Variance	
			Amount	%
Net Revenues- Hospital services	7,390,484,350	6,686,885,278	703,599,072	11%
Gross income	3,223,030,330	2,455,590,108	767,440,222	31%
EBITDA	1,740,851,115	1,397,447,957	343,403,158	25%
EBIT	1,074,807,834	732,609,065	342,198,769	47%
<b>Net income after tax (NIAT)</b>	<b>786,470,920</b>	<b>472,857,659</b>	<b>313,613,261</b>	<b>66%</b>

The continuous decline of COVID-19 cases in 2022 has prompted patients to return to the hospital for consultation with their doctors and other healthcare needs. As a result, total patient census increased by about 24% as compared to 2021. As such, the Group's net profit after tax reached P786.5 million, 66% (P313.6 million) higher than the net profit of P472.8 million in the same period last year. Outpatient revenues is 27% higher vs last year, while inpatient revenues posted a 31% increase vs last year. Cost saving initiatives on facilities maintenance, supplies inventory utilization and increase in personnel cost were continuously managed vis-à-vis the growth in patient census. Such initiative has further contributed to the profit growth for the year.

## 2. Plan of Operation

In 2024, the Group will focus on key specialties that are expected to bring higher revenue growth. This will involve investments on expansion of some service units and the upgrading of medical equipment. Also, the group expects to start realizing revenues from investment made in 2023 including robotics and minimally invasive surgery, endoscopic and endobronchial ultrasound and expansion of selected outpatient service units.

The Group will also continue with its plans to improve patient experience to further grow its existing services. This will include, among others, improvement of turn-around-time for outpatient services, faster admission and discharge time for inpatients and investment in technology to improve processes.

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 2024.

### 3. Financial Conditions

Amounts in Philippine Peso	2023	2022
Total Assets	12,774,765,402	12,035,805,405
Total Liabilities	3,073,904,135	3,099,832,774
Shareholder's Equity	9,700,861,267	8,935,972,631

#### **Assets:**

The Group's total assets as at December 31, 2023, increased by P739.0 million compared to last year mainly due to the Parent Company's higher cashflow from operating activities as a result of higher patient census, better receivable collections and effective cost management.

#### **Borrowings:**

- a. 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.

- b. 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.

- c. 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.



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 of December 31, 2022 and 2021.

All loans were settled in full in 2022.

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

	2023	2022	2021
Net Cash from Operating Activities	2,082,892,244	2,169,343,928	1,130,797,975
Net Cash Used in Investing Activities	(659,272,867)	(374,213,904)	(344,298,713)
Net Cash Used in Financing Activities	(513,997,117)	(622,768,681)	(577,699,678)
Net (Decrease) Increase in Cash	909,622,260	1,172,361,343	208,799,584
Cash, January 1	1,770,228,732	597,867,389	389,067,805
<b>Cash, December 31</b>	<b>2,679,850,992</b>	<b>1,770,228,732</b>	<b>597,867,389</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 P577 million, P343 million and P363 million for the years 2023, 2022 and 2021 respectively. In addition, the Parent Company paid interest and principal amortization on its outstanding loans amounting to P160 million and P303 million for the years 2022 and 2021.

Finally, the Parent Company paid dividends amounting to P381 million, P353 million and P164 million for the years 2023, 2022 and 2021 respectively.

#### 5. Material Changes per Line of Account

##### Consolidated Statements of Financial Position

	2023	2022	Increase (Decrease)	%
<b>Current Assets</b>				
Cash and cash equivalents	2,679,851,408	1,770,228,648	909,622,760	51%
Receivables, net	625,021,386	814,875,524	(189,854,138)	(23%)
Inventories, net	285,645,510	290,124,523	(4,479,013)	(2%)
Prepayments and other current assets	29,521,834	25,085,557	4,436,277	18%
<b>Total current assets</b>	<b>3,620,040,138</b>	<b>2,900,314,252</b>	<b>719,725,886</b>	<b>25%</b>
<b>Non-Current Assets</b>				
Property and equipment, net	8,900,590,259	8,965,656,878	(65,066,619)	(1%)
Other non-current assets	254,135,005	169,834,275	84,300,730	50%
<b>Total non-current assets</b>	<b>9,154,725,264</b>	<b>9,135,491,153</b>	<b>19,234,111</b>	<b>0%</b>
<b>TOTAL ASSETS</b>	<b>12,774,765,402</b>	<b>12,035,805,405</b>	<b>738,959,997</b>	<b>6%</b>
<b>Current Liabilities</b>				
Trade and other payables	1,202,344,209	1,293,006,577	(90,662,368)	(7%)
Provisions for claims	120,082,395	60,305,998	59,776,397	99%
Income tax payable	21,515,647	61,301,365	(39,785,718)	(65%)

Dividends payable	53,508,502	41,204,151	12,304,351	30%
Lease liabilities, current portion	2,742,744	121,403,415	(118,660,671)	(98%)
Other current liabilities	16,744,351	20,755,321	(4,010,970)	(19%)
<b>Total current liabilities</b>	<b>1,416,937,848</b>	<b>1,597,976,827</b>	<b>(181,038,979)</b>	<b>(11%)</b>
<b>Non-Current Liabilities</b>				
Provisions	192,793,380	192,587,748	205,632	0%
Retirement benefit obligation	615,600,232	487,088,930	128,511,302	26%
Deferred income tax liabilities, net	775,259,490	746,122,840	29,136,650	4%
Lease liabilities, net of current portion	73,313,185	76,056,429	(2,743,244)	(4%)
<b>Total non-current liabilities</b>	<b>1,656,966,287</b>	<b>1,501,855,947</b>	<b>155,110,340</b>	<b>10%</b>
<b>TOTAL LIABILITIES</b>	<b>3,073,904,135</b>	<b>3,099,832,774</b>	<b>(25,928,639)</b>	<b>(1%)</b>
<b>Equity</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 shares	(15,035,660)	(15,035,660)	-	0%
Revaluation surplus	3,285,006,745	3,294,725,252	(9,718,507)	(0%)
Remeasurements on retirement benefits	(54,399,074)	1,463,800	(55,862,874)	(3,816%)
Retained earnings	4,417,341,802	3,586,864,500	830,477,302	23%
	9,677,385,962	8,912,490,041	764,895,921	9%
Non-controlling interest	23,475,305	23,482,590	(7,285)	(0%)
<b>EQUITY</b>	<b>9,700,861,267</b>	<b>8,935,972,631</b>	<b>764,888,636</b>	<b>9%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>12,774,765,402</b>	<b>12,035,805,405</b>	<b>738,959,997</b>	<b>6%</b>

*Cash and cash equivalents* (increased by P910 Million or 51%) from P1.7 billion as of end of 2022 to P2.7 billion as of end of 2023, mainly due to increasing daily collections from increasing inpatient and outpatient services, and collections from Philhealth, HMOs and corporate accounts.

*Receivables* (decreased by P190 million or 23%) – This is mainly a result of extensive collection efforts from Philhealth, HMOs and corporate accounts.

*Prepayments and other current assets* (increased by P4 million or 18%) – Mainly due to payments of advance rentals, computer program and support and insurance.

*Other non-current assets* (increased by P84 million or 50%)- Due to higher down payments for the purchase of medical equipment.

*Trade and other payables* (decreased by P91 million or 7%) This is mainly due to the release of allowances from DOH to the healthcare workers for the year 2023. Liquidation of an advance payment from Philhealth also contributed to the decrease.

*Provision for claims, current* (increased by P60 million or 99%) This includes an increase in the provision for contingencies for ongoing tax assessments.

*Income tax payable* (decreased by P40 million or 65%)-Mainly due to higher creditable withholding tax applied against current income tax.

*Dividends payable* (increased by P12 million or 30%) - Due to declaration of dividend last July 2023.

*Lease liabilities, current portion & noncurrent* (decreased by P121 million or 61%) Due to quarterly lease payments.

*Other current liabilities* (decreased by P4 million or 19%) Due to decrease in security deposits from HMO accounts.

*Retirement Benefit Obligation* (increased by P129 million or 26%) – Due to recognition of actuarial loss during the year based on the latest actuarial report.

*Remeasurements* (decreased by P56 million or 3816%) -Due to the recognition of actuarial loss based on the latest actuarial report.

*Non-controlling interest* refers to the proportionate share of the minority stockholders 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:

	2023	2022	2021
Medicines, Dietary, Linen, Laundry & Supplies	2,085,324,528	1,903,285,233	1,933,793,924
Salaries and benefits	1,879,508,557	1,523,675,809	1,343,259,012
Depreciation	681,386,429	666,043,281	664,838,892
Professional services	623,344,001	589,593,124	458,265,503
Contracted services	541,009,764	490,933,778	484,072,176
Utilities	235,812,368	257,713,380	177,383,001
Repairs and maintenance	191,877,012	177,960,168	147,165,013
Security and janitorial services	125,246,416	109,659,508	116,965,742
Retirement benefit	90,027,469	93,718,196	94,186,502
Provision for impairment of receivables	82,372,031	273,899,244	275,362,092
Taxes and licenses	63,395,261	56,042,451	48,372,261
Commission	50,494,584	42,707,773	37,660,684
Advertising	29,290,213	17,339,868	11,796,586
Communication	15,366,122	15,018,233	14,379,197
Rent	12,869,034	11,364,588	12,284,121
Others	155,957,732	123,210,607	127,294,283
<b>Total</b>	<b>6,863,281,521</b>	<b>6,352,165,241</b>	<b>5,947,078,989</b>

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

### 2023 Compared to 2022

Account	December 31		Increase (Decrease)	
	2023	2022	Amount	%
Medicines, Dietary, Linen, Laundry & Supplies	2,085,324,528	1,903,285,233	182,039,295	10%
Salaries and benefits	1,879,508,557	1,523,675,809	355,832,748	23%
Depreciation	681,386,429	666,043,281	15,343,148	2%
Professional services	623,344,001	589,593,124	33,750,877	6%
Contracted services	541,009,764	490,933,778	50,075,986	10%
Utilities	235,812,368	257,713,380	(21,901,012)	(8%)
Repairs and maintenance	191,877,012	177,960,168	13,916,844	8%
Security and janitorial services	125,246,416	109,659,508	15,586,908	14%
Retirement benefit	90,027,469	93,718,196	(3,690,727)	(4%)
Provision for impairment of receivables	82,372,031	273,899,244	(191,527,213)	(70%)
Taxes and licenses	63,395,261	56,042,451	7,352,810	13%
Commission	50,494,584	42,707,773	7,786,811	18%
Advertising	29,290,213	17,339,868	11,950,345	69%
Communication	15,366,122	15,018,233	347,889	2%
Rent	12,869,034	11,364,588	1,504,446	13%
Others	155,957,732	123,210,607	32,747,125	27%
	<b>6,863,281,521</b>	<b>6,352,165,241</b>	<b>511,116,280</b>	<b>8%</b>

*Medicines, Dietary, Linen, Landry and Supplies* (increased by P182 million or 10%) -This is partly attributable to the increase in hospital revenues and partly due to the mix of patient cases that requires more supplies. Inpatient census has increased by 23% compared to same period last year.

*Salaries and Benefits* (increased by P356 million or 23%) This is mainly due higher headcount, mostly nurses, to address the increasing patient census brought about by the gradual easing of community quarantines. Hiring costs, employee retention programs and performance-based adjustments further added to the costs.

*Professional services* (increased by P34 million or 6%) -Mainly due to higher availments of medical and surgical packages and readers fees on outpatient services.

*Contracted services* (increased by P50 million or 10%) -Mainly due to the increase in outsourcing fees of its clinical laboratory operations. Outsourcing fees are based on the type and volume of processed laboratory tests. Also, higher headcount of temporary personnel contributed to the increase.

*Utilities* (decreased by P22 million or 8%) -Due to lower electricity consumption and lower rates.

*Repairs and maintenance* (increased by P14 million or 8%) -Mainly due to availment of comprehensive preventive maintenance for most of the radiology equipment.

*Security and Janitorial services* (increased by P16 million or 14%) -Due to additional headcount of housekeeping personnel.

*Provision for impairment of receivables* (decreased by P192 million or 70%) -Lower provision as a result of increased collection from Philhealth and lower private patient receivables.

*Taxes and licenses* (increased by P7 million or 13%) -Due to higher business tax for 2023.

*Commission* (increased by P8 million or 18%) -Due to increased credit card transactions during the year.

*Advertising* (increased by P12 million or 69%) -Due to higher brand equity/ print ad placements for the period.

*Rent* (increased by P2 million or 13%) - Due to rental of additional 50 parking slots.

*Others* (increased by P33 million or 27%) - Due to higher training, representation and IT related expenses.

#### ***2022 Compared to 2021***

*Salaries and Benefits* (increased by P180 million or 13%) Mainly due to salary adjustments pursuant to the Collective Bargaining Agreement with the employee union, additional headcount and performance-based incentives.

*Professional services* (increased by P131 million or 29%) Mainly due to higher readers fees, professional fees on packages and retainer's fees.

*Utilities* (increased by P80 million or 45%) Mainly due to the fuel cost recovery adjustment passed on by the electric company to consumers.

*Repairs and maintenance* (increased by P31 million or 21%) Due to increase in consumables and one time repair of medical equipment.

*Security and Janitorial services* (decreased by P7 million or 6%) Due to reduced headcount of housekeeping personnel and security guards as part of cost management.

*Taxes and licenses* (increased by P8 million or 16%) Due to higher business tax for 2022.

*Commission* (increased by P5 million or 13%) Due to increased credit card transactions during the year.

*Advertising* (increased by P6 million or 47%) Due to higher print ad placements paid in 2022.

*Rent* (decreased by P1 million or 7%) - Due to lower rental fee for ventilators offset by higher rental of parking slots.

#### **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 **P549,819,476** as at December 31, 2023.
- 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.

#### **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>2023</b>	<b>2022</b>
Liquidity: Current Ratio	2:6:1	1:8:1
Solvency: Debt to Equity Ratio	0.32	0.35
Profitability: Return on Shareholders' Equity	12.48%	8.80%
Operating Efficiency: Revenue Growth	13.74%	10.52%
Operating Margin	19.43%	14.54%

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

#### KPI

Current Ratio  
Debt to Equity Ratio  
Return on Shareholders' Equity  
Revenue Growth  
Operating Margin

#### Formula

Current Assets/Current Liabilities  
Total Liabilities (Current + Non-Current)/Shareholders' Equity  
Net Profit for the year/ Average Shareholders' Equity  
(Current period Net Revenues/Prior Period Net Revenues)-1  
Profit from Operations /Net Revenues

#### **Financial Statements**

The Financial Statements and the auditors' PTR, name of certifying partner and address are attached as **"ANNEX C.1"**.

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

## Management's Discussion and Analysis of Financial Conditions and Results of Operations (For the First Quarter of 2024)

### 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, 2024 and 2023.

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, 2024 and 2023.

	YTD Mar 31		Variance	
	2024	2023	Amount	%
<b>GROSS REVENUES</b>	<b>2,551,494,713</b>	<b>2,337,422,752</b>	<b>214,071,961</b>	<b>9.2%</b>
DISCOUNTS AND FREE SERVICES	(337,334,944)	(301,799,594)	(35,535,350)	11.8%
<b>NET REVENUES</b>	<b>2,214,159,769</b>	<b>2,035,623,158</b>	<b>178,536,611</b>	<b>8.8%</b>
COST OF SERVICES	(1,331,533,137)	(1,232,426,620)	(99,106,517)	8.0%
<b>GROSS PROFIT</b>	<b>882,626,632</b>	<b>803,196,538</b>	<b>79,430,094</b>	<b>9.9%</b>
ADMINISTRATIVE EXPENSES	(467,184,583)	(446,703,852)	(20,480,731)	4.6%
OTHER INCOME, net	49,243,735	37,357,865	11,885,870	31.8%
<b>PROFIT FROM OPERATIONS</b>	<b>464,685,784</b>	<b>393,850,551</b>	<b>70,835,233</b>	<b>18.0%</b>
FINANCE COSTS, NET	(1,650,882)	(3,716,453)	2,065,571	(55.6%)
<b>PROFIT BEFORE INCOME TAX</b>	<b>463,034,902</b>	<b>390,134,098</b>	<b>72,900,804</b>	<b>18.7%</b>
INCOME TAX EXPENSE	(108,195,778)	(95,660,344)	(12,535,434)	13.1%
<b>PROFIT FOR THE PERIOD</b>	<b>354,839,124</b>	<b>294,473,754</b>	<b>60,365,370</b>	<b>20.5%</b>

For the three months ended March 31, 2024, the Group's net profit after tax amounted to P354.8 million, 20.5% (P60.4 million) higher than the net profit of P294.5 million in the same period last year. This is attributable to higher inpatient census which grew by 9% and outpatient census which grew by 8% vs last year. The rationalization of manpower and close monitoring of other operating costs further contributed to the profit growth.

Inpatient revenues posted an increase of 10% consistent with higher average occupied beds of 285 beds vs last year's 263 beds this is driven by the return of the regular cases. In the meantime, outpatient revenues grew by 8% due to the return of patients to their doctors for consultation, of which the major contributors include laboratory, emergency, pharmacy, and radiology.

Average bed occupancy level of the Parent Company's hospital for the three months ended March 31, 2024 and 2023 are as follows:

Particulars	2024	2023	Variance	%
<b>Occupancy Parent</b>				
Bed Capacity (Available)	532	539	(7)	-1%
Bed Occupied	285	263	22	9%
Occupancy Rate	54%	49%		10%

*\* 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, 2024 and 2023 are as follows:

Account	YTD Mar 31		Increase (Decrease)	
	2024	2023	Amount	%
Medicines, Dietary, Linen, Laundry & Supplies	571,002,564	521,622,510	49,380,054	9%
Salaries and Benefits	493,531,507	427,929,035	65,602,472	15%
Depreciation	177,729,364	167,080,490	10,648,874	6%
Professional Services	159,864,880	172,794,552	(12,929,672)	(7%)
Contracted Services	136,139,396	128,653,028	7,486,368	6%
Repairs and Maintenance	62,303,888	48,124,527	14,179,361	29%
Utilities	54,842,041	56,018,549	(1,176,508)	(2%)
Security and Janitorial Services	32,153,465	30,988,526	1,164,939	4%
Provision for Impairment of Receivables	25,413,970	54,873,440	(29,459,470)	(54%)
Commission	12,427,904	12,889,142	(461,238)	(4%)
Advertising	6,734,785	3,855,023	2,879,762	75%
Communication	3,853,265	3,827,588	25,677	1%
Rent	3,266,270	3,161,271	104,999	3%
Others	59,454,421	47,312,791	12,141,630	26%
<b>Total</b>	<b>1,798,717,720</b>	<b>1,679,130,472</b>	<b>119,587,248</b>	<b>7%</b>

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

- 1) *Medicines, Dietary, Linen, Laundry and Supplies* (increased by P49.4 million or 9%) -This is partly attributable to the increase in hospital revenues and partly due to the mix of patient cases that requires more supplies. Inpatient census has increased by 9% compared to same period last year.
- 2) *Salaries and Benefits* (increased by P65.6 million or 15%) - This is mainly due higher headcount, mostly nurses, to address the increasing patient census after the pandemic. Hiring costs, employee retention programs and performance-based adjustments further added to the costs.

- 3) *Depreciation* (increased by P10.6 million or 6%) – Due to higher capital expenditures from upgrades of medical equipment and the continuous renovation of hospital facilities.
- 4) *Professional services* (decreased by P12.9 million or 7%)- Mainly due to change in employment status of Residents and Fellows from retainers to employees.
- 5) *Contracted services* (increased by P7.5 million or 6%) -Mainly due to the increase in outsourcing fees of its clinical laboratory operations. Outsourcing fees are based on the type and volume of processed laboratory tests. Also, higher headcount of temporary personnel contributed to the increase.
- 6) *Repairs and Maintenance* (increased by P14.2 million or 29%)- Mainly due to availment of comprehensive preventive maintenance for most of the radiology equipment.
- 7) *Provision for impairment of receivables* (decreased by P29.5 million or 54%)- Due to lower provision as a result of increased collection from Philhealth and private accounts.
- 8) *Advertising* (increased by P2.9 million or 75%) - Due to higher brand equity/ print ad placements for the period.
- 9) *Others* (increased by P12.1 million or 26%) – Due to higher training, taxes, representation and IT related expenses.

## II. Material Changes Per Line of Accounts

	<b>1Q-2024</b>	<b>2023</b>	<b>Increase (Decrease)</b>	<b>% Inc (Dec)</b>
<b><u>Current Assets</u></b>				
Cash and cash equivalents	3,038,837,427	2,679,851,408	358,986,019	13%
Receivables, net	589,455,456	625,019,386	(35,563,930)	(6%)
Inventory, net	260,419,904	285,645,510	(25,225,606)	(9%)
Prepayment and other current assets	48,740,261	29,521,834	19,218,427	65%
<b>Total Current Assets</b>	<b>3,937,453,048</b>	<b>3,620,038,138</b>	<b>317,414,910</b>	<b>9%</b>
<b><u>Non-Current Assets</u></b>				
Property and equipment, net	9,257,944,491	8,900,590,759	357,353,732	4%
Other non-current assets	230,378,233	254,135,505	(23,757,272)	(9%)
<b>Total Non-Current Assets</b>	<b>9,488,322,724</b>	<b>9,154,726,264</b>	<b>333,596,460</b>	<b>4%</b>
<b>TOTAL ASSETS</b>	<b>13,425,775,772</b>	<b>12,774,764,402</b>	<b>651,011,370</b>	<b>5%</b>
<b><u>Current Liabilities</u></b>				
Trade and other payables	1,227,393,714	1,202,344,209	25,049,505	2%
Income tax payable	118,213,976	21,515,647	96,698,329	449%
Provision for claims	45,087,710	120,082,395	(74,994,685)	(62%)
Dividends payable	53,148,994	53,508,502	(359,508)	(1%)
Lease liabilities, current	6,034,005	2,742,744	3,291,261	120%
Other current liabilities	21,682,415	16,743,851	4,938,564	29%
<b>Total Current Liabilities</b>	<b>1,471,560,814</b>	<b>1,416,937,348</b>	<b>54,623,466</b>	<b>4%</b>
<b><u>Non-Current Liabilities</u></b>				
Provisions, net of current portion	192,793,380	192,793,380	-	0%
Retirement benefit obligation	626,058,555	615,600,232	10,458,323	2%
Deferred income tax liabilities, net	764,432,001	775,259,990	(10,827,989)	(1%)
Lease liabilities, net of current portion	314,422,345	73,313,685	241,108,660	329%
<b>Total Non-Current Liabilities</b>	<b>1,897,706,281</b>	<b>1,656,967,287</b>	<b>240,738,994</b>	<b>15%</b>
<b>TOTAL LIABILITIES</b>	<b>3,369,267,095</b>	<b>3,073,904,635</b>	<b>295,362,460</b>	<b>10%</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	3,282,578,369	3,285,007,745	(2,429,376)	(0%)
Remeasurement on retirement benefits	(54,399,074)	(54,399,074)	-	0%
Retained earnings	4,775,422,971	4,417,339,302	358,083,669	8%
Minority interest	23,469,922	23,475,305	(5,383)	(0%)
<b>SHAREHOLDERS' EQUITY</b>	<b>10,056,508,677</b>	<b>9,700,859,767</b>	<b>355,648,910</b>	<b>4%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>13,425,775,772</b>	<b>12,774,764,402</b>	<b>651,011,370</b>	<b>5%</b>

*Cash* (increased by P359.0 million or 13%) from P2,679.9 million as of end of 2023 to P3,038.8 million as of March 31, 2024, mainly due to increasing daily collection from hospital services and collection from Philhealth, HMOs and corporate accounts.

*Inventory* (decreased by P25.2 million or 9%)- Due to utilization of buffer stocks purchased last year.

*Prepayment and other current assets* (increased by P19.2 million or 65%) These are creditable withholding tax received for the period that has not yet been applied to income tax payable.

*Other noncurrent asset* (decreased by P23.8 million or 9%) Due to lower capex downpayments for the period.

*Income tax payable* (increased by P96.7 million or 449%) Due to higher taxable income as of March 31, 2024.

*Lease liabilities, current and noncurrent portion* (increased by P244.4 million or 321%) Due to lease renewal of the Ayala North Exchange branch of the Parent Company.

*Other current liabilities* (increased by P4.9 million or 29%) – Due to increase in Doctor's advance rental payments.

*Provisions* (decreased by P75.0 million or 24%) – Mainly due to settlement of tax assessments.

*Shareholder's Equity* movement includes (i) net profit after tax of P354.8 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, 2024 vs. December 31, 2023)

	March 2024	December 2023
Gross Profit margin	34.59%	35.66%
Net Profit margin	13.91%	12.56%
Return on Equity	3.53%	12.48%
Current ratio	2.68:1	2.55:1
Interest rate coverage	11.53:1	140.19:1
Debt to equity ratio	pu	0.32:1
Debt ratio	0.25:1	0.24:1
Asset-to-equity ratio	1.34:1	1.32:1

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 22, 2023, the Parent Company renewed its bond valid from September 22, 2023 to September 21, 2024. The restricted cash is reflected as part of "Other noncurrent assets" in the balance sheet as of March 31 2024.

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, 2024.

In 2023, the Company received the Formal Letter of Demand / Final Assessment Notice (FLD/FAN) for taxable year 2019. A protest letter in the form of request for reinvestigation was filed by the Company on October 13, 2023. The Company also received a letter of authority for taxable year 2021.

The Company received a Final Decision on Disputed Assessment (FDDA) for taxable year 2018 and a Preliminary Assessment Notice (PAN) for taxable year 2020. On March 14, 2024, the Company paid P20,991,516 and P19,003,169 in deficiency taxes, including interest for the taxable years 2018 and 2020, respectively.

- 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 whenever necessary through bank loans. There are no other known trends, demands, commitments, events or uncertainties that would have material adverse effect on the Group's liquidity.

On March 27, 2023, the Company's BOD approved the reversal of the P600 million appropriation due to the completion of its expansion projects. On the same day, the BOD approved the appropriation of P2 billion for the construction and fit out of a building which is expected to happen from 2023 to 2026.

On December 1, 2023, the Board of Directors approved the reversal of prior appropriation of retained earnings and a new appropriation amounting to P3.5 billion due to an increase in estimated cost of the building construction and fit out project.

- d) All outstanding bank loans of the Parent Company were settled last June 10, 2022.
- 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 P493.6 million. These are mostly contractors for renovation projects and suppliers of medical equipment which will all be funded by its operations.
- g) 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 beneficiaries as of record date	From retained earnings as at December 31	Dividend per share	Total dividends
December 2, 2021	January 28, 2022	December 31, 2021	2019	37.49	128,243,430
July 19, 2022	August 26, 2022	July 30, 2022	2021	69.12	236,441,341
July 18, 2023	August 31, 2023	July 31, 2023	2022	114.96	393,247,926

- 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.



**MEDICAL DOCTORS, INC.**  
2024 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 16, 2024 at 5:00 P.M.**

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 <[asm2024.makatimed.net.ph](http://asm2024.makatimed.net.ph)> (the “Website”) from **June 15 to July 12, 2024**; 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 12, 2024**; or
  - (c) by emailing scanned copies of the documentary requirements listed under Item 3 below to [mmcfinance@makatimed.net.ph](mailto:mmcfinance@makatimed.net.ph) not later than **5:00 P.M. on July 12, 2024**.
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 their MakatiMed 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 in accordance with Paragraph I(1)(a),(b) and (c) above starting **June 18, 2024**.

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**>.
- 5. To avoid last minute changes that may lead to delay, cancellation of proxies will not be allowed from **July 14, 2024** up to the end of the Annual Stockholders Meeting on **July 16, 2024**.
- 6. At all times, the right of the Stockholder to the privacy of their 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. No Stockholder, proxy or any third party may record the proceedings using any audio/visual tools without the permission of the Company.

## 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>.

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> not later than **5:00 P.M. on July 16, 2024.**

#### 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 2024 Open Forum**” to <mmcfinance@makatimed.net.ph> not later than **3:00 pm on July 16, 2024.** 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>.

**MEDICAL DOCTORS, INC. (MAKATI MEDICAL CENTER)**  
**ANNUAL MEETING OF THE STOCKHOLDERS**  
**Tuesday, July 16, 2024, 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 16, 2024 Annual Meeting of Stockholders**

as my proxy, to represent me at the regular meeting of the stockholders of the Company on Tuesday, July 16, 2024 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 5 and 6A.

	FOR	AGAINST	ABSTAIN
1. Approval of the Minutes of the Regular Stockholders' Meeting of July 18, 2023	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of the Annual Report of the Company for the year ended December 31, 2023	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of all the acts of the Board of Directors and Officers since July 18, 2023	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of the extension of term as Independent Director of Mr. Francisco A. Dizon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Re-appointment of Isla Lipana & Co / Pricewaterhouse Coopers as external auditors of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. 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. Cochangco, Raymundo S.	
3. Famador, Jay Arnold F., M.D.	
4. Fores, Jose Amado A.	
5. Gisbert, Victor L., M.D.	
6. Javier, Agripino A., M.D.	
7. Lim, Jose Ma. K.	
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 \_\_\_\_\_, 2024.

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, 2024 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 (representing the private sector)	August 2010 to present
Security Bank Corporation	Director	April 2017 to present
SB Capital Investment Corp	Chairperson	August 2016 to present
La Salle Greenhills	Chariperson	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
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

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)



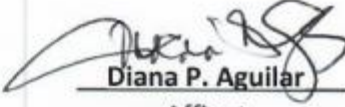
NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

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		

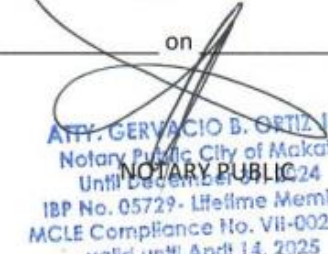
6. As an SSS Commissioner, I am not covered by Office of the President Memorandum Circular No. 17 dated 1986 since said circular covers employees and not members of the Commission. Likewise and similarly, I am not covered by Section 12, Rule XVIII of the Revised Civil Service Rules. Under the Charter of the SSS "Social Security Act of 2018, it is provided in section 3 that only personnel are covered by the rules of Civil Service Rules. Hence, I need not secure any clearance from the SSS for as long as my duties as an independent director in MDI do not conflict with my duties as a Commissioner of the SSS.
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

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of JUN 04 2024, affiant exhibited to me his

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

  
ATTY. GERVACIO B. ORTIZ JR.  
Notary Public, City of Makati  
Until December 31, 2024  
IBP No. 05729- Lifetime Member  
MCLE Compliance No. VII-0022734  
valid until April 14, 2025  
Appointment No. M-39 (2023-2024)  
PTR No. 10073909 Jan. 2, 2024 / Makati  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

Doc. No. 307  
Page No. 63  
Book No. XXI  
Series of 2024

# 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
Business Process Outsourcing Intl. Inc.	Chairman	2004 to present
Phoenix One Knowledge Solutions Inc.	Chairman	2001 to present
Sun Savings Bank, Inc.	President and CEO	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	President	2014 to present
Laura Vicuna Foundation, Inc.	Director	1991 to present
Joyzend Corporation	President	2016 to present
Joygrowth Holdings, Inc.	Director	2017 to present
Diz Shoreline Holdings, Inc.	Chairman and President	2018 to present
Medical Doctors, Inc.	Independent Director	2005 to present
Semirara Mining & Power Corp.	Independent Director	May 2023 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
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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 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 \_\_\_\_\_ 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 JUN 0 4 2024, at MAKATI CITY

  
FRANCISCO A. DIZON  
Affiant

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of JUN 0 4 2024, affiant exhibited to me his  
\_\_\_\_\_ issued at \_\_\_\_\_.

  
ATTY. GERVACIO B. ORTIZ JR.  
Notary Public City of Makati  
Until ~~NOTARY PUBLIC~~  
IBP No. 05729- Lifetime Member  
MCLE Compliance No. VII-0022734  
valid until April 14, 2025  
Appointment No. M-39 (2023-2024)  
PTR No. 10073909 Jan. 2, 2024 / Makati  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Flo Del Pilar, Makati City

Doc. No. 306  
Page No. 63  
Book No. XA  
Series of 2023.

# **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
Maya Bank	Independent Director	2021 to present
Stratpoint Technologies	Chairman	2005 to present
XEPTO Computing	Chairman	2008 to present
Sunlife Financial Plans	Independent Director	2016 to present
Grepalife Asset Management Corporation	Independent Director	2016 to present
Cebuana Lhuiller Pawnshop Group	Independent Director	2023 to present
Cebuana Lhuiller Insurance Broker	Independent Director	2023 to present
Philippine S & T Development	Chairman	2019 to present
Ostrea Mineral Laboratories Inc	Board Director	2019 to present
Narra Venture Capital Management LLC	Managing Partner	2001 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)

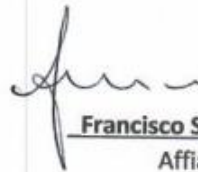
NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A		

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 JUN 04 2024 day of \_\_\_\_\_, at MAKATI CITY

  
Francisco SA Sandejas  
Affiant

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of JUN 04 2024, affiant exhibited to me his

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

  
ATTY. GERVACIO B. ORTIZ JR.  
Notary Public, City of Makati  
Until December 31, 2024  
IBP No. 05729- Lifetime Member  
MCLE Compliance No. VII-0022734  
valid until April 14, 2025  
Appointment No. M-39 (2023-2024)  
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Doc No: 788  
Page No. 63  
Book No. XXI  
Series 2024