

LIFE & HEALTH HMP, INC.

EVALUATION POLICY

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I. POLICY STATEMENT

It is the duty of the Board of Directors (BOD or Board) to have in place a system that provides, at the minimum, criteria, and process to determine the performance of the Board, the individual directors, committees, and such system should allow for a feedback mechanism from the shareholders.

The Board also thoroughly reviews its own performance, measured based on what it delivers and how it delivers, how it meets its responsibilities to all stakeholders, and how it addresses issues that impact the Board's ability to effectively fulfill its fiduciary duties.

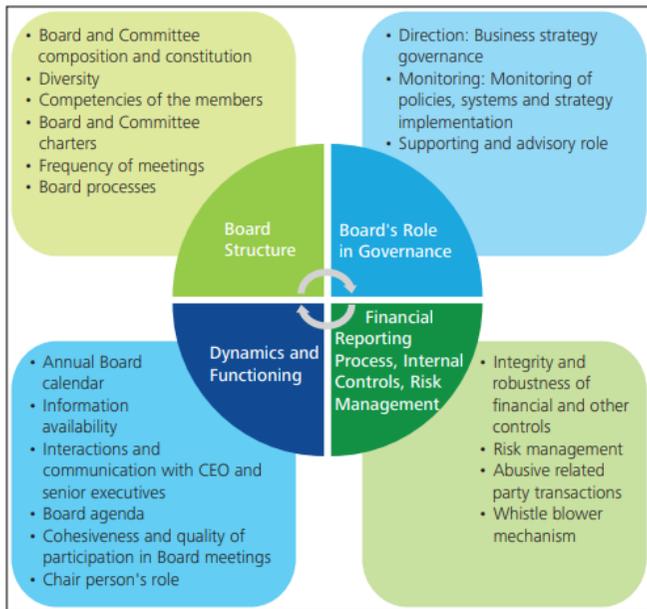
II. PURPOSE AND MISSION

This Evaluation Policy (Policy) shall assist the BOD in continually assessing how effectively they are performing their roles against the objectives and the goals they have set for themselves and improving board performance. This will also ensure that the Management, including the Chief Executive Officer (CEO) / President, and key officers' performance is at par with the standards set by the Board and Senior Management.

The Corporate Governance Committee (CG Committee or Committee) shall be responsible in overseeing the periodic performance evaluation of the Board and its committees as well as executive management and conducts an annual self-evaluation of its performance.

III. GUIDELINES

1. Performance is assessed across the following levels:
 - a. The Board as a body;
 - b. Board Committees;
 - c. Individual directors;
 - d. CEO / President; and
 - e. Key officers such as Chief Audit Executive (CAE), Chief Risk Officer (CRO), and Compliance Officer
2. The evaluation process shall involve the following:
 - a. Identification of areas for evaluation
 - b. Formulating a questionnaire on the areas for evaluation;
 - c. Obtaining responses of individual directors and key officers to the questionnaire on a rating scale;
 - d. Conducting interviews with individual directors;
 - e. Analyzing the responses to the questionnaire and interviews;
 - f. Obtaining the Annual Committee Report; and
 - g. Reporting the findings resulting from the analysis to the full Board.
3. Key evaluation criteria are built on the Board's and key officers' qualifications and committee charters and framed around broad leadership fundamentals and best practices. It should be dynamic in nature and responsive to changes in the Company's operations.
4. The Board and key officers' performance evaluation and self-assessment shall follow the process as contained in Annex A.
5. The assessment forms are prepared and regularly reviewed by the CG Committee to elicit relevant and valuable insights. Board evaluation criteria shall consider the following parameters:



Source: Deloitte: Performance Evaluation of Boards and Directors

6. In addition, directors and key officers are evaluated on their competencies based on the following criteria:
 - a. Business acumen,
 - b. Independent judgment
 - c. Familiarity with the business,
 - d. Active participation and effective challenge,
 - e. Professional expertise and network,
 - f. Value contribution,
 - g. Embodiment of Company core values, and
 - h. Reputation.
7. The CG Committee processes and tabulates the results of the self-assessments and communicates them to the Board. The Board deliberates on the report, develops an action plan, and periodically reviews the progress of implementation as well.

8. The CG Committee may also develop recommendations and action plans for the Board, whenever necessary and desirable.
9. Assessment results are presented to the BOD and will be considered as part of the nomination and selection process of incumbent Board members. Results of performance evaluation should also be linked to other human resource activities such as training and development, remuneration, and succession planning.
10. The annual self-assessment of the BOD may be facilitated by the CG Committee using external facilitators.

IV. THIRD PARTY BOD ASSESSMENT

The conduct of the annual self-assessment of the BOD, including the performance of the Chairman, individual members, and committees, is to be supported by an external facilitator every three (3) years to improve objectivity of the assessment process. The external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution, or professional organization.

V. DISCLOSURE AND TRANSPARENCY TO STAKEHOLDERS

Disclosure of the criteria, process, and collective results of the assessment ensures transparency and allows shareholders and stakeholders to determine if the directors are performing their responsibilities to the Company.

VI. ANNUAL REVIEW OF THE POLICY

The CG Committee shall annually review and propose amendments (if any) to this Policy and endorse such for BOD approval.

Annex A – Evaluation Process

Position	Process
Board of Directors	<p>Self-assessment by all directors:</p> <ol style="list-style-type: none"> 1. The BOD shall be given sufficient time to accomplish the self-assessments. <ol style="list-style-type: none"> a. Each individual director performs self-assessment using the prescribed forms, applying the rating scale and predetermined evaluation criteria for each level. b. For the Board and committee level assessments, while the directors will be rating the Board’s or Committee’s performance as a body, the accomplishment of the assessment forms is meant to be done individually, on a per director basis. This is to secure an honest, unbiased, independent, and anonymous view from each director rather than a collective assessment that may already be subject to filtering and pre-agreement. 2. Each director shall submit the completed forms on or before the deadline set by the CG Committee or at such earlier or later date as the BOD may agree upon. 3. The CG Committee processes the results of the assessments and communicates this to the BOD

	through a Summary Report.
Board Committees	<ol style="list-style-type: none"> 1. Self-Assessment by all directors 2. Submission of Annual Committee Report to the BOD by the different committees to the CG Committee. The CG Committee shall also submit their assessments and Annual Committee Report directly to the BOD.
Individual Director	<ol style="list-style-type: none"> 1. Each director is required to fill up a self-assessment form annually. 2. Each director shall submit the completed forms on or before the deadline set by the CG Committee or at such earlier or later date as the BOD may agree upon.
CEO / President and other key officers	<p>The key officers fill up an evaluation form based on the relevant criteria. These are then submitted to the respective board committees they report to. The CEO / President’s performance is also evaluated at least once a year by the Exec Committee.</p> <p>The respective board committees shall process the results of the assessments and communicates this to the CG Committee through a Summary Report.</p>