



BOARD EVALUATION PERFORMANCE POLICY EURO-MED LABORATORIES PHIL., INC.

The Board of Directors and Management, including the officers and staff of the Company hereby commit to the principles and the best practices contained in its Manual of Corporate Governance and related SEC issuances and acknowledge that the same may guide the attainment of the corporate goals. Pursuant to the said Manual of Corporate Governance requirements, the Board shall carry out an annual evaluation of its own performance and that of its Committees and individual Directors. The Company has an established evaluation procedure which determines and measures compliance with this Manual.

The performance of the Board and individual Directors shall be evaluated by the Board seeking inputs from all Directors. The performance of the Committees shall be evaluated by the Board, seeking inputs from the Committee members. A template is prescribed to evaluate the performance of the Directors and members of the Committees.

The Chairman of the Corporate Governance and Nomination Committee shall obtain from all the Board members duly filled in Board evaluation templates for evaluation of the performance of the Board as a whole and evaluation of the Board Committees and its members, etc.

A separate meeting of Independent Directors shall be held to review the performance of non-Independent Directors, performance of the Board as a whole and performance of the Chairman of the Board, taking into account the views of the Executive Directors and Non-Executive Directors. Based on such meeting an Evaluation Report shall be placed before the Board.

The criteria for performance evaluation of the Board included aspects like Board composition and structure, its diversity, competencies, effectiveness of the Board processes, background and information, etc. Board efficiency and importance, as well as Board activities were also given appropriate ratings. The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee meetings, follow up actions taken, etc. The criteria for performance evaluation of the Individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, follow up actions taken, etc. The Chairman of the Board is also to be evaluated on the key aspect of his/her role.

The Company conducts its annual performance evaluation through a Self-Evaluation Questionnaire. The questionnaire has been devised to enable assessment of the effectiveness of the Board and its individual members. The questionnaire is used to rate the extent to which the Board complies with each statement, on a scale of one (1) to five (5). The assessments were made and discussed by Board of Directors within five (5) months after the end of each year.

Board Performance Assessment

The rating scale for each statement is :

- (5) *Satisfactory*
- (4) *Above Average*
- (3) *Average*
- (2) *Below Average*
- (1) *Poor*

	1	2	3	4	5
1. All board members support and debate the company’s strategic vision and values, as to how the Company should be evolving over the next 3 - 5 years.					
2. All board members have a clear understanding of the company’s core business, its strategic direction and the financial resources necessary to meet its objectives.					

3. Board members make decisions objectively and collaboratively in the best interest of the company and responsible for achieving the organizational goals.					
4. Board members recognize the role, which they are expected to play and have the appropriate skills and experience for that role.					
5. The board responds positively and constructively to events for effective decisions and implementation and encourage transparency.					
6. All board members attend and actively contribute at meetings.					
7. The Board has open channels of communication with the executive board and others.					
8. The board uses and well-structured process to manage risk, taking account the company's activities and functions across the business.					
9. Board members attend continuous training/seminar to meet individual development needs.					
10. There is an appropriate succession planning for key board members and executive board.					
11. The board sets measures on its performance on an annual basis.					