

MAXICARE HEALTHCARE CORPORATION  
MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

Boardroom, Maxicare Tower  
203 Salcedo Street, Legaspi Village, Makati City<sup>1</sup>  
24 April 2024, 1:00 P.M.

PRESENT:

ROBERTO M. MACASAET, JR.  
ANTONIO L. GO  
LANCE Y. GOKONGWEI  
CHRISTIAN S. ARGOS  
TERESITA M. ALEGRE  
ENRICO S. CRUZ  
BRIAN M. GO  
ESTHER WILEEN S. GO  
DR. FEDERICO T. LEELIN  
MICHAEL P. LIWANAG  
EDGAR SIA II  
RIZALINA G. MANTARING  
TEODORO M. PANGANIBAN  
CHRISTINE O. TUERES

ALSO PRESENT:

DR. VICENTE Q. ARGUELLES  
RENE J. BUENAVENTURA  
BACH JOHANN M. SEBASTIAN  
MARIA TERESITA A. ESPALLARDO  
JOSEPHINE LOPEZ  
ELIZABETH KRISTINE D. GREGORIO  
NEDINO LESTER D. CAYETANO  
ARTEMIO V. RILLO  
JASPER HENDRIK T. CHENG  
RODELEE V. UY  
FIONA MARIE L. VICTORIA  
DR. ARTURO C. LIBAO  
AXEL MATERNE  
ATTY. DANNY E. BUNYI  
ATTY. MARY ZOELLI R. VELASCO  
RIZ GAURAN  
BUENA DAVID

I. CALL TO ORDER AND DETERMINATION OF QUORUM

The Chairman, Mr. Roberto M. Macasaet, Jr., (“**Mr. Macasaet**”) called the meeting to order and presided over the same. The Corporate Secretary, Atty. Danny E. Bunyi, (“**Atty. Bunyi**”) recorded the Minutes of the proceedings.

The Corporate Secretary certified that notices were sent to all the members of the Board in accordance with Maxicare Healthcare Corporation’s (“**Maxicare**” or the “**Corporation**”) By-Laws. The members were instructed to turn on their video and audio for verification of their identity and presence, as well as for confirmation that their video and audio are functioning. Upon confirmation that the majority of the members of the Board were present, the Secretary certified the existence of a quorum for the transaction of business at hand.

II. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

The Chairman presented to the Board for approval the Minutes of the 26 January 2024 regular Board of Directors’ Meeting, copies of which were previously distributed to the Members of the Board. Upon motion duly made and seconded, the Minutes were approved.

III. OGSM UPDATES  
Initiative 2: Expand PCC Coverage

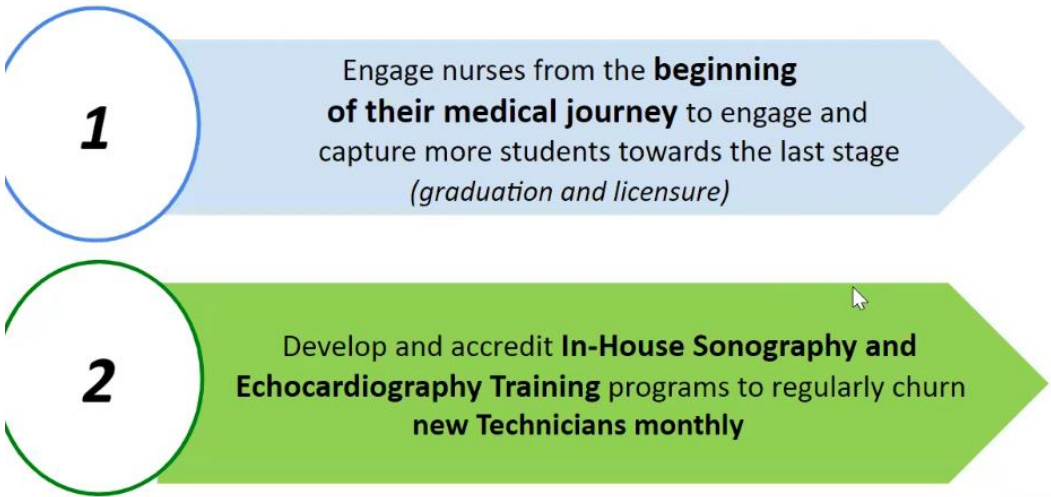
<sup>1</sup> The meeting was also attended virtually by some directors, members of the Senior Management Team, and corporate officers through video conferencing (Zoom video conferencing).

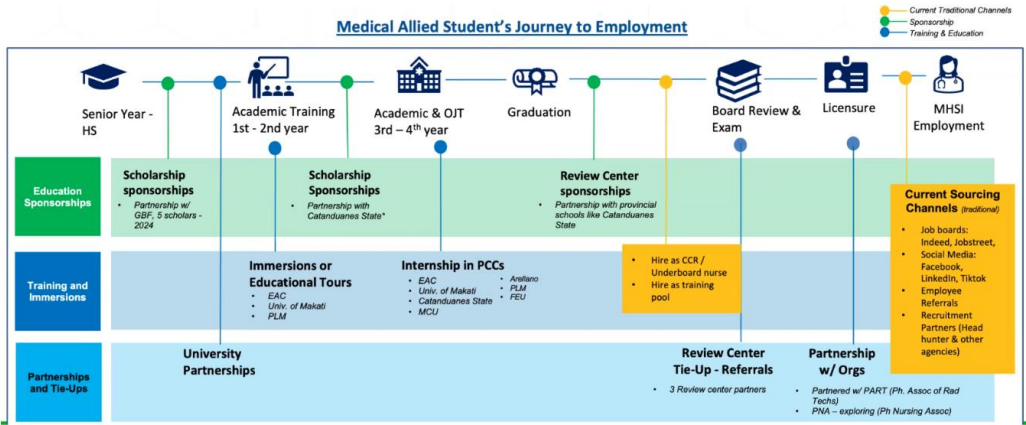
Ms. Josephine Lopez (“**Ms. Lopez**”) reported the on the Primary Care Center (“PCC”) expansion coverage and presented the timeline below:

	Area	Site	Stage	2024 Implementation Date					
				Apr	May	Jun	Jul	Aug	Sep
1	Cubao, QC	Cybergate Park 2, Araneta Center	Construction	Apr 27					
2	Marikina/Rizal area	Robinsons Metro East	Construction		May 26				
3	Cebu City	Cebu Exchange Building	Design					Aug 30	
4	BGC, Taguig	Bonifacio Technology Center	Construction				Jul 30		
5	Manila - Chinese General Hosp. area	former KFC, Amoranto Park	Design				Jul 30		
6	Manila - Malate area	Robinsons Otis	Design					Aug 30	
7	Manila - Sta Mesa area	Dona Elena	Design					Aug 30	
8	Cavite - Dasma area	Robinsons Terraza	Design						Sep 30
9	Cavite - Bacoor area	SOMO	Design					Aug 30	
10	Fairview/ Camanava area	Robinsons Nova or Ayala Fairview Terraces	Site Selection					Aug 30	
11	Las Pinas area	Robinsons Las Pinas or Vista Mall	Site Selection					Aug 30	
12	Upper Antipolo		Site Selection						Sep 30
13	Lipa, Batangas	The Outlets	Site Selection					Aug 30	
14	Paranaque area	CBL long term project	Site Selection						
15	Calamba, Laguna area	The Mezzo	Site Selection					Aug 30	

She updated that for the Fairview/ Camanava area PCC, the chosen site was Robinsons Novaliches. On top of the new PCCs, some of the existing PCCs have been expanded to accommodate increased traffic and to comply with the new requirements of the Department of Health (“DOH”) for clinical laboratories. These are Centris (complete in January), Bridgetowne (completed on 23 April), and Iloilo, which will be completed by May 2024. Ms. Lopez noted that the rest of the PCCs were still under site selection.

The strategy on how to generate more nurses and technicians (UTZ and 2d Echo was next discussed, viz:





Ms. Lopez explained that the plan will start from senior high school graduation. Maxicare will partner with the Gokongwei Brothers Foundation (“GBF”) who will help screen the graduates who would be interested in pursuing a nursing track and will have 5 scholars. Immersions and internships in the PCCs will follow. Upon college graduation, review center sponsorships would be given with partner review centers. She then showed the existing partner schools:

### Game Plan on How to Generate More Nurses and Technicians (UTZ and 2D Echo)

UMaK interns

EAC interns

Arellano College Tour

2024 ACTIVITIES w/ PARTNERS

**UMaK Nursing**

- 65 interns done/ 111 overall scheduled

**UMaK Rad Tech:**

- Internship, Jun 2024

**UMaK Alumni:**

- Mega Job Fair: May 2024

**EAC Nursing**

- Internship, Aug 2024, 70 students
- Virtual Career Fair: May 4

**FEU Manila, Rad Tech**

- PCC Tour, Jul-Aug 2024

**MCU Nursing**

- Internship Apr, 22, 60 students

**PLM Nursing**

- Internship Jun-Aug 2024

**Arellano University, Rad Tech**

- PCC Tour, Aug 2024

**Catanduanes State, Nursing**

- Internship, Jun 2024

She then presented the general curriculum or program to be utilized during the training:

COURSE OFFERINGS

**Basic Courses**

**Basic Echocardiography & Basic Ultrasonography**

Foundational training in acquiring necessary skills and knowledge to start practicing ultrasound and 2D echo procedures.

- 1-month course (w/ 30 hrs hands on practice)
- Open to all medical allied students
- Practical Revalida with Radiologist or Cardiologist

**Intermediate Course**

**Upskilling: 2D Echo & Ultrasound Procedure Techniques**

Sharing and application of techniques and best practices in the ultrasound and 2D echo procedures to improve accuracy and speed

Program in development

CERTIFICATION OPTIONS

**TESDA**

Courses applicable for High School graduates

**SEC**

Registers training centers (not courses)

**PRC**

For accreditation as CPD-earning course With an extensive list of BIR rqts and other documentation

**Phil. Soc. of Echocardiography (PSE)**

Course must be endorsed by a Level 3 PSE fellow Will go through a requirements list and review process

**Philippine Assoc. of Rad. Tech. (PART)**

No standards set yet for certifying UTZ courses

Ms. Rizalina Mantaring (“Ms. Mantaring”) noted that Phinma Education, which has a nationwide network of schools, was missing. She asked whether MHSI had gotten in touch with them. Ms. Lopez responded that she would contact them.

3 | Page

Mr. Enrico S. Cruz (“**Mr. Cruz**”) commented the slide of the 15 proposed PCCs. He asked whether this would constitute the ideal PCC platform. Ms. Lopez explained that the 15 sites had the greatest number of utilization as they were near hospitals which were not very friendly to Maxicare. MHSI would continue to choose sites not only based on utilization considerations but also on the potential of the locations.

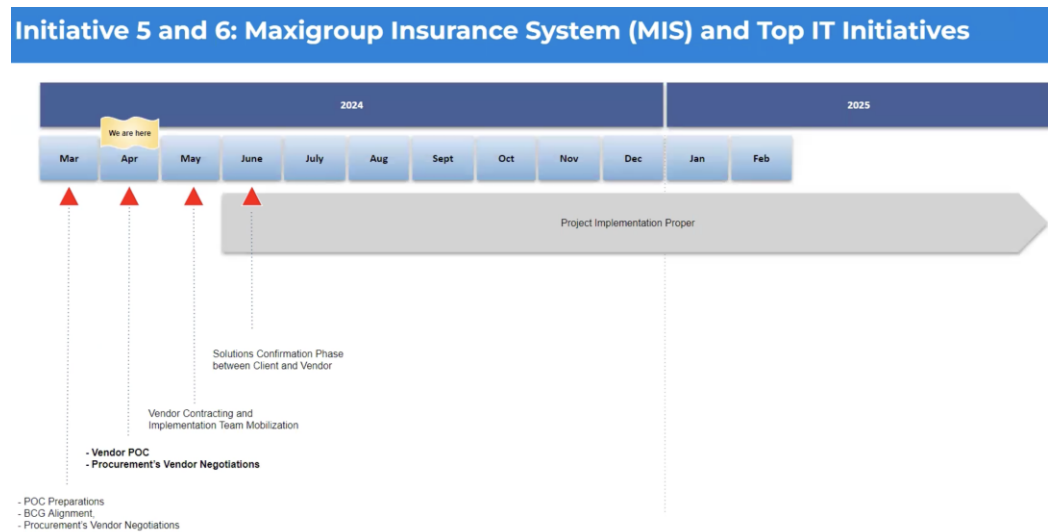
Mr. Christian S. Argos (“**Mr. Argos**”) likewise explained that for perspective, if they are successful in building the 15 PCCs at the end of 2024, part of Maxicare’s budget relies on the ability to shift 17% at year-end of outpatient availments directly to the PCCs. It was noted that outpatient availments were at 11% at the end of 2023. He added that there was still a lot of room to grow the PCC network.

Ms. Esther Wileen S. Go (“**Ms. Go**”) asked Ms. Lopez how many of the 15 PCCs that will be opened will have a laboratory and at what point would Maxicare consider having their own core laboratory or secondary laboratory. Ms. Lopez answered that currently the PCCs only have the DOH prescribed laboratories, but processing was not made there. She also shared that the South of Molino (“**SOMO**”) site has provisions to hold a primary laboratory. It was discussed that this site will be a test case in terms of PCCs holding primary laboratories.

Ms. Go asked that for the next meeting, a report should be presented on what should be the a priori criteria on whether a primary laboratory should be replicated, determine an observation period, and strategically lay out options for a secondary core laboratory.

**Initiative 5 and 6: MaxiGroup Insurance System (“MIS”) and Top IT Initiatives**

Mr. Nedino Cayetano (“**Mr. Cayetano**”), the Chief Technology Officer of Maxicare, discussed the MIS and Top IT initiatives, as follows:



He likewise presented the high-level timeline of the MIS, which the Information Technology ("IT") Team was going to pursue to accelerate the majority of the ongoing initiatives. It was reported that the vendor Proof of Concept (“**POC**”) had just been concluded in April. The JG Procurement Team was negotiating to finalize the costs. The IT Team planned to fast-track the timeline, thus, they planned to execute by May 2024 the solutions confirmation phase between the chosen vendor and the entire Maxicare Group (“**MaxiGroup**”) . The three companies would be involved because it would cover all the current streams of Maxicare. According to Mr. Cayetano, this included the lead-in opportunity up to claims processing, and all of these things would be managed by a project team.

Mr. Cayetano presented the highlights of Project MIS:

1. A workshop was conducted on April 8, 11, and 12 to finalize the functional requirements. This was made possible by the MIS Project Team, JG Procurement Team, and MaxiGroup SMEs. Signed-off Functional requirements will be used as points for vendor negotiations which will be done by the JG Procurement Team. This applied to both Maxicare and MaxiLife.
2. The Senior Management Team (“SMT”) review of the functional requirements was scheduled for April 15 and 16. The MIS Project Team led by Mr. Jesse Ilao will present to the SMT the functional requirements for review and sign-off.
3. DXC will do their POC from April 15 to April 16 while their presentation to the SMT would be on April 17.
4. Oracle will do the POC from April 17 to April 18 and they will present to the SMT on April 19. The week of April 22 to 26 will be used by the MIS Project Team to map the outputs of the POC with the functional requirements to complete the pre-implementation assessment for Project MIS. Vendor awarding was expected to happen by April 26. TTC likewise requested the mapping of outputs.
5. A discussion on the final recommendation for the entire MaxiGroup for MIS would be done on 29 April 2024 in a special TTC meeting where the IT Team would report.
6. The month of May would be used by JG procurement to complete vendor negotiations, contract signing, and legal reviews, while the chosen vendor will focus their time on resource and project team mobilization. The month of May need not be fully consumed by these activities. If these are finished sooner, a portion of May can be used to kick start the solutions confirmation phase of the implementation proper
7. Right after the solutions confirmation, systems set-up will commence. By this time, there would be a complete implementation plan already in place, done together by the MaxiGroup Project Team in collaboration with the chosen vendor.

According to Mr. Cayetano, out of the sixty-one (61) ongoing initiatives, the following were selected as priority initiatives:

Priority	Maxigroup Initiative Name	Project Manager Assigned	Maxigroup Point of Contact (Hands-On)	Maxigroup Project Sponsor(s)	RAG Status	Production Go-Live Date
1	PLS / PL2 / ACVP / SAP Unique Issues Resolution	Neel Cayetano (Maxicare)	Neel Cayetano	Neel Cayetano	Ongoing	April 2024
2	API as a Service Integration Layer	Shane Mangulat (Medlink)	Neel Cayetano	Neel Cayetano	Ongoing	May 2024
3	Maxigroup Insurance Solution	Cherry Brillo (Maxicare) / Jesse Ilao (Maxicare)	Jesse Ilao / Neel Cayetano	Sean Argos / Tet Espallardo / Neel Cayetano / Mervyn Bitor	Final BMS Presentation Being Prepared	12 months from the time of project kick-off
4	Maxigroup Global Chart of Accounts and ERP Reimplementation	Adrian Chera (Maxicare) / Jesse Ilao (Maxicare)	Jesse Ilao / Neel Cayetano	Tet Espallardo	Ongoing Definition EOC on Oracle	7 months from the time of project kick-off
5	Omni-channel - Systems Enhancement	Rona Razon (Maxicare)	Rona Razon / Neel Cayetano	Axel Materno / Fiona Laya	Ongoing	July 2024
6	Omni-channel - Service Bots	Rona Razon (Maxicare)	Rona Razon / Neel Cayetano	Axel Materno / Fiona Laya	Ongoing	July 2024
7	Omni-channel - Service Cloud Experience Revamp	Rona Razon (Maxicare)	Rona Razon / Neel Cayetano	Axel Materno / Fiona Laya	Ongoing	July 2024
8	Maxicare Account Viewpoint	Mark Rolly Sevandra (Maxicare) / Rona Razon (Medlink)	Mark Rolly Sevandra / Neel Cayetano	Neel Cayetano	Ongoing	June 2024
9	Maxigroup SSO and Identity Management	Yohannes Suelto (Maxicare)	Yohannes Suelto / Neel Cayetano	Neel Cayetano	Ongoing	July 2024
10	Carebeers - Emedicare+	Edmund Margallo (MHS)	Edmund Margallo	Josephine Lopez	Ongoing	May 2024
11	Carebeers - Maxicare Member Portal	Jonathan Gavino (Maxicare)	Jonathan Gavino	Neel Cayetano	Ongoing	July 2024
12	Carebeers - Unified Scheduling System	Edmund Margallo (MHS)	Edmund Margallo	Josephine Lopez	Ongoing	May 2024
13	Health Integration	Jonathan Gavino (Maxicare)	Jonathan Gavino	Neel Cayetano	Ongoing	May 2024



He also reported that out of the sixty-one (61) ongoing initiatives, eight (8) initiatives have already been completed. Hence, there were only fifty-three (53) ongoing initiatives remaining.

According to Mr. Cayetano, he would finalize and align the projects with the OGSM together with the Group Chief Strategy Officer.

One of the key highlights was the resolution of the disparity among the PayorLink 1, PayorLink 2, and SAP systems because this was considered as pre-MIS work. This was necessary to establish a single source of truth, which was going to be the basis of the migration once the MIS would be operational. Mr. Cayetano also discussed Maxicare’s internal launch of video integration to Genesys, which occurred last 15 April 2024. This enabled video calls which was previously a limitation. He relayed the other completed items: the online installment payment on the side of the consumer service group, the financial and healthcare dashboards, which have been produced by MediLink, and some of the developments such as the Sonny Medina enhancements, which have been requested specifically by Mr. Antonio L. Go (“Mr. A. Go”).

Mr. Cayetano mentioned that they would continue to complete some of the remaining items from the 61 ongoing initiatives and noted that the implementation of the MIS would accelerate some of the initiatives.

IV. REPORTS –FINANCE, ACTUARIAL, & SALES DEPARTMENTS

i. Finance and Treasury

Ms. Maria Teresita A. Espallardo, (“Ms. Espallardo”) the Corporation’s Chief Finance Officer, reported on the: (i) 31 December 2023 Audited Financial Statements of Maxicare (For Approval); (ii) Amendment to the Preferred Shares Subscription Agreement (For Approval); (iii) Consolidated 31 December 2023 Financial Statements (For Approval); and (iv) March 2024 and first quarter financial statements, the details of which were set forth in the presentation materials.

2023 Audited Financial Statements

Ms. Espallardo presented the 2023 Audited Financial Statements (“AFS”) in statutory format in compliance with the requirements of the Philippine Financial State Reporting Standards, Bureau of Internal Revenue (“BIR”), Securities and Exchange Commission (“SEC”), and Insurance Commission.

(In Thousands)	December 31, 2023 (Unaudited)	Audit Adjustments	December 31, 2023 (Audited)	December 31, 2022 (Restated)	Movement Amount	%
REVENUE						
Membership fees from medical plans – net	24,845,364	(19,590)	24,825,774	20,819,525	4,006,249	19%
Administrative services only and network access fees	270,713	16,293	287,006	217,133	69,873	32%
	25,116,077	(3,297)	25,112,780	21,036,658	4,076,122	19%
COST AND EXPENSES						
Healthcare benefits, claims and commissions	24,450,157	6,086	24,456,243	20,613,075	3,843,168	19%
General and administrative expenses	1,366,125	13,063	1,379,188	1,469,442	(90,254)	-6%
Selling and marketing expenses	632,923	(40,060)	592,863	569,076	23,787	4%
	26,449,205	(20,911)	26,428,294	22,651,593	3,776,701	17%
OTHER INCOME (EXPENSE)						
Interest income	293,493	-	293,493	96,058	197,435	206%
Interest expense	(38,854)	-	(38,854)	(16,404)	(22,450)	137%
Others – net	44,159	9,836	53,995	109,214	(55,219)	-51%
	298,798	9,836	308,634	188,868	119,766	63%
LOSS BEFORE SHARE IN NET LOSS OF ASSOCIATES	(1,034,330)	27,450	(1,006,880)	(1,426,067)	419,187	-29%
SHARE IN NET LOSS OF ASSOCIATES	(4,083)	831	(3,252)	(2,894)	(358)	12%
LOSS BEFORE INCOME TAX	(1,038,413)	28,281	(1,010,132)	(1,428,961)	418,829	-29%
INCOME TAX BENEFIT	(262,756)	6,070	(256,686)	(352,971)	97,284	-28%
NET LOSS	(775,657)	21,212	(754,445)	(1,075,990)	321,545	-30%

The 2023 Audited Financial Statements will show the year 2022 as restated. In 2023, the Corporation adopted the revaluation and fair market value methods shifting from cost methods for its real properties that have been classified as property and equipment. These comprise land, building, condominium units, and investment properties. The new values of such properties were based on the appraisal report of an SEC-accredited third-party appraiser. According to Ms.

Espallardo, the material financial impacts were reflected in the balance sheets and the 2023 income statement.

Income Statements

A net loss of ₱1,000,000 was reported for the year 2023 which was better than the previous year by of ₱2,000,000. At the same time in 2022, the Corporation incurred a ₱3,000,000 net loss. From the 2023 unaudited net loss of ₱1,000,000 presented at the previous January 2024 Board meeting, a net audit adjustment of ₱1,000,000 slightly improved the audited net loss.

According to Ms. Espallardo, the revenue barely changed with just a net adjustment of ₱1,000,000 ending at ₱10,000,000 which was nineteen percent (19%) higher when compared with the 2022 revenue. Ninety-nine percent (99%) of revenues were from earned membership fees from the full-risk business. Cost and expenses amounted to ₱9,000,000, with a minimal net adjustment of ₱1,000,000, mainly from the additional accruals for professional fees and systems maintenance under general and administrative expenses, and the release or reversal of over accrual of the sales incentive program of ₱1,000,000 under selling and marketing expenses. Health benefits, claims, and commissions at ₱8,500,000 were 98.5% of total revenue. Utilization discount for statutory reporting was included in this line item.

The audited other income expense line item for 2023 totaled ₱2,000,000. This amounted to ₱1,000,000 or sixty-three (63%) higher than 2022, mainly due to interest income brought about by higher interest rates. The ₱2,000,000 net adjustment in other income-others net was mainly due to the gain in change in the fair value of the investment properties amounting to ₱1,000,000.

Ms. Espallardo discussed that for 2022, the others-net line item was mainly from lease income for the PCC related assets prior to the transfer to Maxicare Health Services Inc. (“MHSI”), as well as management fee for the shared services rendered by Maxicare to MHSI during its start-up use.

The income tax benefit was adjusted by ₱1,000,000, mainly for the recognition of deferred tax liability as a result of the change to the fair value model. The 2022 income statement was presented as restated with a minimal impact from the shift to the fair value method, which was a slight increase in the net loss by ₱1,000,000 thus, amounting to ₱1,000,000.

Ms. Espallardo reported that the total comprehensive loss as of 31 December 2023 ended at ₱1,000,000, due to the following: (i) ₱1,000,000 adjustment to the revaluation surplus on property and equipment, resulting from the property appraisal of the ordinary properties (land, building, and condominium units); (ii) adjustment in remeasurement of retirement plan, which was a reduction by ₱1,000,000 due to the decrease in discount rate from 7.3% to 6.20%, with the effect of increasing the retirement benefit obligation.

(In Thousands)	December 31, 2023 (Unaudited)	Audit Adjustments	December 31, 2023 (Audited)	December 31, 2022 (Restated)	Movement Amount	%
NET LOSS		2,000,000			2,000,000	100%
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX						
Item that may not be reclassified to profit or loss:						
Revaluation surplus on property and equipment			4,000,000		4,000,000	
Change in remeasurement gain (loss) on retirement plan			1,000,000		1,000,000	
Share in remeasurement loss on retirement liability of an associate						
TOTAL COMPREHENSIVE LOSS			5,000,000		5,000,000	

Statement of Financial Position

(In Thousands)	December 31, 2023 (Unaudited)	Audit Adjustments	December 31, 2023 (Audited)	December 31, 2022 (Restated)	January 1, 2022 (Restated)	Movement Amount	%
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents							
Short-term investments							
Trade and other receivables – net							
Prepaid expenses & other current assets – net							
<b>NON CURRENT ASSETS</b>							
Available-for-sale financial assets							
Investment in associates							
Investment in subsidiary							
Property and equipment – net							
Software cost – net							
Investment property – net							
Retirement benefit asset – net							
Deferred tax assets – net							
Other noncurrent assets							
<b>TOTAL ASSETS</b>							

Ms. Espallardo reported that the total assets as of 31 December 2023 increased to \_\_\_\_\_, which was post-net adjustment of \_\_\_\_\_. The trade and other receivables decreased to ₱ \_\_\_\_\_, resulting from a \_\_\_\_\_ adjustment in relation to BIR's VAT regulations that allow HMO premiums of certain industries, mostly companies registered under Philippine Economic Zone Authority (“PEZA”), Export Processing Zone Authority (“EPZA”) and similar other industries, to be subject to zero VAT upon submission of the master list of employees that were directly related to those registered activities.

The trade receivables were presented net of Client Experience Refund (“CER”) of \_\_\_\_\_ and allowance for credit losses of \_\_\_\_\_. Compared to 2022, trade and other receivables increased by \_\_\_\_\_ due to increase in business volume.

Meanwhile, the prepaid and other current assets ended at \_\_\_\_\_ with a net downward adjustment of \_\_\_\_\_ primarily due to the application of input taxes for the fourth-quarter VAT return filing. Prepaid expenses and other current assets had increased by ₱ \_\_\_\_\_ from 2022, attributed to the accumulation of creditable withholding taxes (CWT), which increased by \_\_\_\_\_.

Ms. Espallardo also discussed the upward adjustment of \_\_\_\_\_ of the property and equipment which was attributed to the revaluation adjustment from the change to revaluation model from cost model. It was explained that there was an adjustment of \_\_\_\_\_ to the investment property due to gain on change in fair value from the transition to a fair value model. In addition, an adjustment amounting to \_\_\_\_\_ was made to restate the 2022 balance of investment property. The increases in property and equipment and investment property against 2022 were due to appraisal increments.

The retirement benefit asset decreased by ₱ \_\_\_\_\_ due to the shift from asset to liability. The movement was to account for the gross remeasurement loss of \_\_\_\_\_ and an additional retirement expense of \_\_\_\_\_. The deferred tax asset net downward adjustment of \_\_\_\_\_ was mainly due to the deferred tax liability of ₱ \_\_\_\_\_ in relation again to the revaluation.

(In Thousands)	December 31, 2023 (Unaudited)	Audit Adjustments	December 31, 2023 (Audited)	December 31, 2022 (Restated)	January 1, 2022 (Restated)	Movement Amount	%
<b>CURRENT LIABILITIES</b>							
Healthcare Plan Liabilities – net							
Accrued liabilities and other payables							
Lease liabilities – current							
Income tax payable							
<b>NON CURRENT LIABILITIES</b>							
Loans Payable							
Retirement liability – net							
Lease liabilities – non current							
Other non-current liabilities							
<b>TOTAL LIABILITIES</b>							
<b>EQUITY</b>							
Capital stock							
Common							
Preferred							
Capital paid in excess of par value							
Deposit for future stock subscriptions							
Treasury stock							
Subscribed capital							
Revaluation surplus on property and equipment							
Share in remeasurement gain on retirement liability of an associate							
Remeasurement gain on retirement plan							
Retained Earnings (deficit)							
Appropriated							
Unappropriated							
<b>TOTAL LIABILITIES AND EQUITY</b>							



The total liabilities favorably decreased by \_\_\_\_\_ due to the net adjustment of \_\_\_\_\_, mainly in accrued liabilities and other payables, which decreased by \_\_\_\_\_ from adjustment of VAT as mentioned earlier, as well as reversal of the Service Incentive Program (“SIP”).

The equity or net worth increased by \_\_\_\_\_, ending at \_\_\_\_\_ from the following: (i) revaluation surplus on the property with an adjustment of \_\_\_\_\_ Million, pertaining to the net increment from the revaluation of ordinary property; and (ii) the remeasurement gain on retirement resulted in a downward adjustment of \_\_\_\_\_ due to the decrease in discount rate.

Ms. Espallardo discussed the preferred capital stock and paid-in capital paid in excess of value like items, the adjustment of \_\_\_\_\_. She then sought the Board’s approval, on behalf of the Finance Team, on the amendment to the Preferred Shared Subscription Agreement, particularly to reflect the ₱ \_\_\_\_\_ investment of Pin-An Holdings Corporation (“Pin-An”) as ₱ \_\_\_\_\_ paid-up capital, representing 8.5 Million shares and ₱ \_\_\_\_\_ additional paid-in capital instead of 10 million shares. She relayed that the amendment, which was made effective in 2023, had been approved by the Executive Committee and endorsed for board review and approval. Ms. Espallardo explained that this had a favorable impact on the net worth position of Maxicare.

The adjustment in 2023—retained earnings and appropriations of \_\_\_\_\_ accounted for by the impact of the fair value increase in the investment property of \_\_\_\_\_ in 2023 and \_\_\_\_\_ in 2022. The 2022 retained earnings audited amount is ₱ \_\_\_\_\_ after the \_\_\_\_\_ adjustment.

In the interest of time, Ms. Espallardo moved to discuss the significant notes in the AFS. She presented the following notes which were updated accounting policies due to the change in the revaluation model of the property and equipment and investment properties:

i. *Note 2 - Summary of Significant Accounting Policies*

**Note 2: Summary of Significant Accounting Policies**

<b>Property and equipment</b>
The Parent Company re-assessed its accounting for land, building and condominium units. On December 31, 2023, the Parent Company elected to change the method of accounting for land, building and condominium units classified as property and equipment. The Parent Company applied the revaluation model prospectively.
After initial recognition, land, building and condominium units are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.
A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. A revaluation deficit is recognized in the statement of profit or loss.
The Parent Company has elected to use the revaluation model for land, building and condominium units under property and equipment while other classes of property and equipment are measured using the cost model.
<b>Investment Properties</b>
Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.
On December 31, 2023, the Parent Company elected to change the method of accounting for investmentment properties. The Parent Company applied the fair value model <b>retrospectively</b> .

The effects of change in accounting policy in investment properties from cost model to fair value model on Parent Company's financial statements under full retrospective approach are as follows:

As at December 31, 2022		
As previously reported	Effect of change in accounting policy	As restated
Statements of Financial Position		
Increase (decrease) in:		
Investment properties		
Deferred tax assets – net		
Deficit		
For year ended December 31, 2022		
As previously reported	Effect of change in accounting policy	As restated
Statements of Income		
Increase (decrease) in:		
General and administrative expenses		
Others – net		
As at January 1, 2022		
As previously reported	Effect of change in accounting policy	As restated
Statements of Financial Position		
Increase in:		
Investment properties		
Deferred tax assets – net		
Unappropriated retained earnings		

In note 2, Maxicare presented the effects of the changes in the accounting policy.

ii. *Note 3 - Significant Accounting Judgments and Estimates*

**Note 3: Significant Accounting Judgments and Estimates**

**Judgments**

- 1. Distinction between investment properties and owner-occupied properties
- 2. Provisions and contingencies
- 3. Existence of lease on agreements
- 4. Determining the lease term of contracts with renewal and termination options - Parent Company as lessee
- 5. Determination of significant influence over Maxilife

**Estimates**

- 1. Determination of estimated IBNR claims, claims handling expense reserve and MFAD
- 2. Estimation of projected fund withdrawal
- 3. Client Experience Refund
- 4. Credit losses on trade and other receivables
- 5. Estimation of retirement benefits
- 6. Recognition of deferred tax assets
- 7. Estimation of incremental borrowing rate
- 8. **Revaluation of property and equipment**

The changes in note 3 included the revaluation of property (in blue font in the photo above).

iii. *Note 4 – Financial Risk Management Objectives and Policies – Financial Capacity Requirements*

**Note 4: Financial Risk Management Objectives and Policies - Financial Capacity Requirements**

On August 13, 2016, IC Circular Letter 2016-41 Minimum Capitalization and Financial Capacity Requirements for HMOs issued by the IC took effect requiring compliance with the following:

- a) Paid-up capital - minimum paid-up capital of I
- b) Deposit requirements - 25% of the actual paid up capital\*
- c) Risk-based capitalization - no limit on Maximum Gross Membership Fees for paid up capital of more than
- d) Net worth requirement - net worth shall not be less than its paid-up capital
- e) Liquidity requirement - an acid test ratio of at least 0.75
- f) Revaluation of assets - not allowed, unless with prior written approval by the Commission
- g) Declaration of dividends - No domestic HMO corporation shall declare or distribute any dividend on its outstanding stocks unless it has met the minimum paid-up capital and net worth requirements

The Parent Company has complied with the above requirements.

Under Note 4, this disclosed that Maxicare was compliant with the IC requirements for HMOs.

iv. *Note 13 – Property and Equipment*

Note 13: Property and Equipment

Revaluation model

	Land	Building	Condominium	Total
Cost				
Balance at the beginning of the year				
Effect of adopting new policy				
Revaluation adjustment				
Balance at end of year				
Accumulated depreciation and amortization				
Balance at the beginning of the year				
Depreciation and amortization				
Effect of adopting new policy				
Balance at end of year				
Net book value at end of year				

If the land, building and condominium units were measured using the cost model, the carrying amounts as of December 31, 2023 would be as follows:

	Land	Building	Condominium Units	Total
Cost				
Accumulated depreciation				
Net book value				

Note 13 reported the change in revaluation model that Maxicare had adopted

v. Note 15 - Investment Properties

Note 15: Investment Properties

This account represents parts of the Parent Company’s building and another building which are being leased out to tenants. The movements of this account follow:

	2023 (Audited)	2022 (Restated)
Beg. Balance		
Gain (loss) on change in fair value		
Ending Balance		

In 2023 and 2022, the gain on change in fair value is presented under ‘Others – net’ in Other Income (Expense) in the statements of income.

Note 15 for investment properties was the same for the appraisal shift to fair value model.

vi. Note 23 – Loans Payable

Note 23: Loans Payable

In 2023, the Parent Company paid the loans payable from Pin-An Holdings Corporation in full (P 1 billion).

In Note 23, Maxicare disclosed its payment of the loan to Pin-An.

v. Note 23 – Equity

Note 23: Equity

On March 16, 2023, SEC approved the increase in capital stock of the Parent Company to ₱1,000,000,000, divided into 10,000,000 shares of ₱100 par value, consisting of 10,000,000 shares of preferred shares with par value of ₱100. The preferred shares are non-voting, noncumulative, and nonconvertible at the option of the Parent Company, bearing cumulative preferential dividends computed using BVAL 1-year rate plus 150-basis points on the date of investment, with a floor rate of 2.50% per annum. There shall be no obligation to pay dividends if there are no unappropriated retained earnings, if there are insufficient net profits for the year, or if the regulatory ratios are not met.

On August 1, 2023, the Parent Company amended the subscription agreement with Pin-An Holdings Corporation subscribing to 1,000,000 preferred shares, with a total issue price of ₱100,000,000.

On August 8, 2023, the Parent Company received from Pin-An Holdings Corporation the full payment of subscription amounting to ₱100,000,000 and issued 1,000,000 preferred shares with par value of ₱100. The remaining amount of ₱0 is recorded in the “Capital paid in excess of par value” account.

The dividend in arrears amounted to ₱0 as of December 31, 2023.

In Note 23, additional disclosures pertaining to the SEC approval of the capital stock and the amendment of the subscription agreement.

v. *Note 17 – Income Taxes*

**Note 17: Income Taxes**

The breakdown of our excess MCIT and NOLCO as of December 31, 2023, are as follows:

Year Incurred	Year of Expiration	MCIT	NOLCO (Gross)	DTA from NOLCO	DTA
		A	B	C = B *25%	D = A +C
2022	2025				
2023	2026				
Total					

DTA = Deferred Tax Asset  
MCIT = Minimum Corporate Income Tax  
NOLCO = Net Operating Loss Carry-Over

Due to the net loss, Maxicare would pay minimum corporate income tax of 1 percent (1%).

vi. *Note 33 – Supplementary Information Required Under Revenue Regulations (RR) 15-2010*

**Note 33: Supplementary Information Required Under Revenue Regulations (RR) 15-2010**

On March 25, 2022, the Parent Company received a Bureau of Internal Revenue (BIR) Letter of Authority (LOA) to examine the VAT for taxable year 2021, which was subsequently settled on May 16, 2022. On December 6, 2022, the Parent Company received a LOA for all taxes except VAT for taxable year 2021, which was settled on June 27, 2023 and termination letter from the BIR was issued dated July 28, 2023.

There are no LOA issued for taxable years 2022 and 2023.

Maxicare disclosed that the tax assessment on VAT and all other taxes for the taxable year 2021 have been settled and Maxicare does not have any additional Letter of Authority (“LOA”) for 2022 and 2023.

**Amendments to the Preferred Shares Subscription Agreement**

Ms. Espallardo and the Finance Team sought the board’s approval on the Subscription Agreement on preferred shares on Pin-An. She presented the items that were revised:

**FOR APPROVAL**  
**Amendment of Subscription Agreement with Pin-An Holdings**

	Original	Amendment	Purpose
No. of Preferred Shares Subscribed	paid up preferred share capital (including and nil APIC)	(i.e., paid up preferred share capital of ₱100,000,000.00 including ₱10,000,000.00 APIC)	To reduce the paid up preferred share capital by ₱10,000,000.00 which will result in the reduction of the ₱10,000,000.00 requirement of the Insurance Commission by the same amount.
Description of Pin-An Investment	The Investment of Pin-An was referred to as Total Subscription Price.	The Investment of Pin-An is being referred to as the Total Issue Price.	To clarify that the redemption value of the Investment of Pin-An is equivalent to issue price of ₱100,000,000.00 instead of the amended paid up preferred share capital of ₱100,000,000.00. Note that the redemption value of preferred shares based on the Articles of Incorporation is based on issue price.
Non-Impairment Clause	N/A	Included a provision on non-impairment of economic and other preferential rights of Pin-An.	To ensure that the amendment in the Subscription Agreement will not affect all the economic benefits and other preferential rights of Pin-An under the original Subscription Agreement.

**2023 Consolidated Audited Financial Statements**

In the interest of time, Ms. Espallardo requested that the Board privately examine the consolidated AFS of the Maxicare Group. Most of the items in the consolidated AFS were from the Maxicare financial statements and there were only minimal

changes and such additions came from the MHSI. Finally, Ms. Espallardo and the Finance Team sought the board’s approval of the 2023 AFS of Maxicare.

(In Thousands)	December 31, 2023 (Audited)	December 31, 2022 (Restated)	Movement	
			Amount	%
REVENUE				
Membership fees from medical plans - net				
Administrative services only and application fees				
COST AND EXPENSES				
Healthcare benefits, claims and commissions				
General and administrative expenses				
Selling and marketing expenses				
OTHER INCOME (EXPENSE)				
Interest income				
Interest expense				
Others - net				
LOSS BEFORE SHARE IN NET LOSS OF ASSOCIATES				
SHARE IN NET LOSS OF ASSOCIATES				
LOSS BEFORE INCOME TAX				
INCOME TAX BENEFIT				
NET LOSS				

Mr. Macasaet clarified the matters for approval sought by Ms. Espallardo, which were:

- (a) Approval of the 31 December 2023 Audited Financial Statements of Maxicare;
- (b) Approval of the Amendments to the Preferred Shares Subscription Agreement; and
- (c) Approval of the Consolidated 31 December 2023 Financial Statements

Upon motion duly made and seconded, the aforementioned matters were approved.

Unaudited Financial Statements for the first quarter (March 2024)

Income Statement

(In Thousands)	MARCH 2024 ACTUAL		MARCH 2024 ORIGINAL BUDGET		VARIANCE		MARCH 2023 ACTUAL		VARIANCE	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
	(A)		(B)		C = A - B	D = C/B	(E)		F = A - E	G = F/E
Earned Membership Fees	46		46		0	0%	46		0	0%
Corporate										
Individual, Family and Group										
Prepaid										
Riders										
Client Experience Refund										
Administrative Services Only (ASO) Income										
Total Revenue										
Commission Expense to Brokers and Agents										
Net Revenue										
Medical Utilization Cost										
Estimated Incurred Claims Amount										
Hospitals and Doctors										
Incurred But Not Yet Reported (IBNR)										
Rider Costs										
PCC and Other Related Expenses										
Enrollment and Processing Charges										
Total Direct Cost										
Contribution Margin										
Operating Expenses										
General and Administrative Expenses										
Sales and Marketing Expenses										
Indirect Member and LOA-Related										
Indirect UM Initiatives										
Total Indirect Cost										
Loss from Operations										
Other Income, net										
Utilization Discount										
Interest Income										
Other Income (Expense)										
Income (Loss) Before Tax										
Provision For Income Tax (Income Tax Benefit)										
Net Income (Loss)										

An income of ₱1,200,000 was reported for the first quarter of 2024 in contrast to the projected loss of ₱1,500,000. At the same time last year, the Corporation incurred a net loss of ₱1,500,000. Hence, although net revenues were lower, the positive variances on the rest of the other sections in the financial statements resulted in favorable variances and thus allowed Maxicare to have a net income in the first quarter of 2024.

Balance Sheet



(In Thousands)	As of March 31, 2024		As of December 31, 2023		Variance	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents		12.17%		20.38%		-25.65%
Short-term investments		10.34%		10.42%		23.59%
Trade and other receivables, net		56.64%		44.76%		57.59%
Trade receivables, net		54.58%		42.47%		60.06%
Non-trade and other receivables		2.06%		2.29%		11.95%
Prepaid expenses & other current assets, net		6.73%		6.67%		25.69%
		85.87%		82.23%		30.07%
NONCURRENT ASSETS						
Available-for-sale financial assets		0.03%		0.04%		0.00%
Property and equipment, net		6.00%		7.58%		-1.31%
Systems and applications, net		0.66%		0.95%		-13.28%
Investment property, net		0.67%		0.85%		-1.08%
Investment in associate		0.46%		0.58%		-1.63%
Investment in subsidiary		1.35%		1.69%		0.00%
Retirement Benefit Asset		0.00%		0.00%		0.00%
Deferred tax asset, net		4.77%		5.80%		-2.41%
Other noncurrent assets		0.18%		0.30%		-24.29%
		14.13%		17.77%		-9.99%
TOTAL ASSETS		100.00%		100.00%		24.55%

The total assets increased by \_\_\_\_\_ mainly attributable to the trade receivables, which increased by \_\_\_\_\_ from December 2021 to 2023, and was primarily due to the accrual of models for reporting purposes and billings that were not yet due.

Mr. Lance Y. Gokongwei (“**Mr. Gokongwei**”) inquired on how much was provided for the Boston Consulting Group (“**BCG**”) fees. Ms. Espallardo responded that BCG was paid on a quarterly basis of approximately \_\_\_\_\_. Mr. Gokongwei commented on the good results on Maxicare’s profitability. He added that there was an improvement on estimating the Medical Utilization Cost and being within one percent (1%) to two percent (2%) of the estimates. As such, this allowed Maxicare to underwrite the risk much better. He commended management for their work.

Mr. Rene J. Buenaventura (“**Mr. Buenaventura**”) clarified whether the AFS approved was the same AFS that was filed last 15 April 2024. According to Ms. Espallardo, the taxable income has not changed and there was no change in the taxability. However, there were some insignificant items that were adjusted based on the review of the external auditor, SGV & Co. Nonetheless, this would not affect the tax position and Maxicare would probably file an amended Income Tax Return for these changes. Mr. Buenaventura also asked as to when the Insurance Commission would require the submission of AFS. Ms. Espallardo said that it should be filed by end of May or by June.

ii. Actuarial Report

Mr. Jasper Hendrik T. Cheng, (“**Mr. Cheng**”) the Chief Actuarial Officer, presented the actuarial report on the following:

- (a) Medical Loss Ratio (“**MLR**”);
- (b) Membership Fee (“**MF**”) and Contribution Margin (“**CM**”) per Capita (Pricing cohort basis); and
- (c) Pricing Accuracy - Deviation of estimated Medical Utilization Cost (“**MUC**”) starting October 2023

**Medical Loss Ratio**

The purpose of the presentation of the Actuarial Team was to show information on the emerging profitability of Maxicare looking at it from both the Profit-and Loss (“**P&L**”) basis and pricing basis.

1. Q1 2024 Medical Loss Ratio improved versus 2023 and 2022.

The Annual 2023 MLR\* was 93.8% by Dec 2023.

a. 12.7% higher than the Re-forecast Target of 81.1% .

b. 1.5% lower by than the 95.3% in 2022 .

Mar 2024 MLR\* (for Full Risk accounts) is 82.39% as of March 31, 2024

a. 1.5% lower than the Budget of 83.92%.

b. 14.6% lower than 97.03% in March 2023.

Q1 2024 MLR\* (for FR accounts) is 87.67%.

a. 0.98% lower than Budget of 88.65%.

b. 6.63% lower than 94.3% in Q1 2023.

Target 2024 (Q1)

Actual 2024 (Q1)

Target 2023

Actual 2023

Actual 2022

Breakdown of Medical Loss Ratio

Target 2024 (Q1)

Actual 2024 (Q1)

Target 2023

Actual 2023

Actual 2022

EICA

PCC Cost (Actual Billed)

Teleconsult

Rider Costs

Other Adj (IBNR etc.)

Medical Util Cost (in Mil)

Net Contract Value (in Mil)

MLR

MLR improvement from FY 2023 to FY 2023 is from EICA (-2.3%) shift to PCC (+1.0%).  
Bigger shift is observed from FY 2023 to Q1 2024: EICA (-5.6%) shift to PCC (+0.9%).

Notes:

EMF - Earned Membership Fees

CER - Client Experience Refund

MLR - Medical Loss Ratio

IBNR - Incurred But No Reported

EICA - Estimated Incurred Claim Amount

\* MLR is now computed with a denominator net of commissions, which results in a higher ratio.  
The MLR of previous periods have been normalized.

48

On a calendar year P&L basis, the MLR for the past three years: 2022, 2023, and the most recent being, the first quarter of 2024, the Actuarial Team noted that the MLR was going down.

There was improvement versus what was achieved based on the pricing and the results in the previous years. The MLR for the first quarter of 2024 was at 87.67% and the Actuarial Team shall continue to monitor this and would bring it closer to the target report.

Membership Fee (MF) and Contribution Margin (CM) per Capita (Pricing cohort basis)

Mr. Cheng reported on the pricing cohorts:

2. Membership Fees increased in both 2023 and 2024, driven by higher target CM%.

The 2023 FY Membership Fee Per Capita for All Corporate FR Renewing Accounts increased by 16.4% vs 2022FY (Php 13,457 to Php 16,477). Table 3

The 2024 YTD Membership Fee Per Capita (Corp FR renewing accounts) increased by 27.5% vs YTD 2023 (Php 15,816 to Php 20,145). Table 4

2022

2023 - Final

Effective Month

Renewing Accounts

Members

TCV (Net of VAT)

Actual CM% per Capita (CM Definition)

Actual CM% (CM Definition)

Actual CM per Capita

Actual CM%

MF per Capita

Members

TCV (Net of VAT)

Pricing CM per Capita (CM Definition)

Pricing CM% (CM Definition)

Pricing CM per Capita

Pricing CM%

MF per Capita

% Increase in MF per Capita

% Increase in CM

01-Jan

142

12,357

02-Feb

66

03-Mar

75

04-Apr

70

15-May

68

06-Jun

89

07-Jul

93

08-Aug

93

09-Sep

64

10-Oct

81

11-Nov

57

12-Dec

62

956.13

2023

2024 - Final

Effective Month

Renewing Accounts

Members

TCV (Net of VAT)

Actual CM% per Capita (CM Definition)

Actual CM% (CM Definition)

Actual CM per Capita

Actual CM%

MF per Capita

Members

TCV (Net of VAT)

Pricing CM per Capita (CM Definition)

Pricing CM% (CM Definition)

Pricing CM per Capita

Pricing CM%

MF per Capita

% Increase in MF per Capita

% Increase in CM

01-Jan

142

12,357

02-Feb

66

03-Mar

75

04-Apr

70

15-May

68

06-Jun

89

07-Jul

93

08-Aug

93

09-Sep

64

10-Oct

81

11-Nov

57

12-Dec

62

956.13

As of April 11, 2024

2024 Q1+

2023

2022

Pricing CM%

15.60%

13.00%

12.90%

Actual CM%

16.00%

11.80%

8.80%

Variance

0.4%

-1.2%

-4.1%

Notes:

FR - Full Risk

TCV - Total Contract Value

MF - Membership Fee

Estimated CM

Q1+ is Jan 1 to Apr 9

Q1 2023 Renewal

Q1 2024 Renewal

January

February

March

385,479

31,133

27,572

-45,940

-5,022

-7,203

40,605

24,063

2,038

-1,855

6,396

419,346

30,149

18,440

49

The Actuarial Team reviewed those memberships with effective dates in 2022, 2023, and 2024. Mr. Cheng explained that 2024 should be taken with a forward-looking approach, which means that not all of the experience has been logged yet and some were still estimates. He noted that the pricing of the CM that was targeted in 2023 has improved when compared to 2022, which is from 12.9% to 13%. The actual CM had improved because the variance in terms of the medical utilization was lower, hence there was less negative variance.

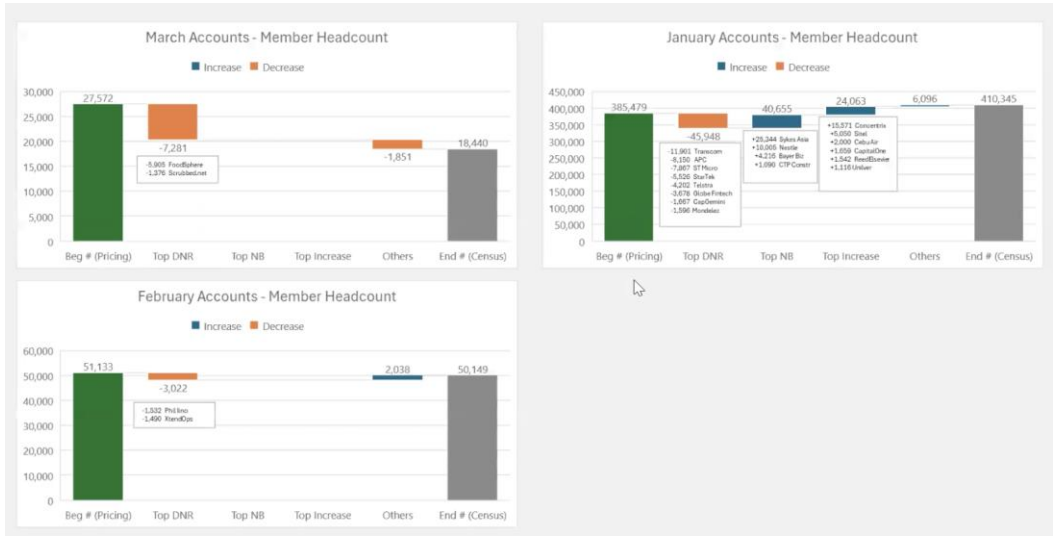
According to Mr. Cheng, for 2024, the targeted pricing CM had improved to 15.6% and the Actuarial Team was expecting the variance to be lower. As of date, the Actuarial Team projected a positive 0.4% variance.

He also discussed that during the last Executive Committee meeting, the number of members changed from one table to another. He discussed that the top table showing the 2023 renewed accounts (or the start of that period) and at the end,

showed the 2024 renewed accounts, which was the supposed end of the 2023 period. The disparity was because there were accounts which did not renew in 2024 and some back accounts that were added in 2023 but have not renewed. Moreover, there were additional head counts from accounts that were present in both periods. Further, there were some remaining items that have only been quantified for the movements. According to Mr. Cheng, the table below shall explain the change in number of members:

Q1+ is Jan 1 to Apr 9						
	Only 2023 Renewed					Only 2024 Renewed
	Beg # (Pricing)	Top DNR	Top NB	Top Increase	Others	End # (Census)
January						
February						
March						

An illustration was also provided that expounded the table above:



Mr. Cheng discussed that for the March accounts, the reason for the decrease was the non-renewal of two key accounts: (a) FoodSphere and Scrubbed.net, which explained the close to ten thousand (10,000) reduction in headcount from March 2022 to March 2023. Meanwhile, for February, the movement was much smaller but this can be attributed to Phil Line and XtendOps which did not renew. Finally, January was considered the biggest month wherein there were more accounts involved.

Mr. Cheng explained that there were about 46,000 members that did not renew but there were also significant new businesses that were closed in 2023 that added and offsetted this amount, mostly Sykes Asia and Nestlé. He discussed that the movement was big but this was expected. He explained that the twenty-four thousand (24,000) movement addition represented a 10% to 15% increase in headcount for most companies including Concentrix and Unilever.

He noted that the only outlier was Cebu Pacific where the headcount increased by around 60% compared to the previous year.

Mr. Gokongwei clarified what the top increases were and the reason why there was no top increase during February and March. Mr. Cheng clarified that the top increase represented the increase in headcount of the top companies or biggest

companies. He further explained that the lack of top increase simply meant that those companies were much smaller, so these companies were not itemized. He added that moving forward, the Actuarial Team shall endeavor to put in more details in the future months as well to try to isolate the data.

Mr. Gokongwei also inquired about the pricing CM which was relatively improving. He asked on how this was presented. Mr. Cheng pointed to the table below:

As of April 11, 2024	2024 Q1+	2023	2022
Pricing CM%	15.60%	13.00%	12.90%
Actual CM%	16.00%	11.80%	8.80%
Variance	0.4%	-1.2%	-4.1%

Mr. Cheng added that further details on the CM in relation to the Estimated Incurred Claims Amount (“EICA”) would be presented in the next item. Mr. Gokongwei clarified whether the only change would be the estimate of the actual performance against the estimate of the medical utilization, whether to add mix of high profit and low CM customers, and whether to add head count or not. This was confirmed by Mr. Cheng.

Pricing Accuracy – Deviation of estimated MUC starting October 2023

3. Deviation of estimated MUC post BCG involvement is close to 2% (excluding riders).					
Table 3a. MUC Accuracy of All Accounts from October 1, 2023 to February 29, 2024					
All Accounts	Actual As of Feb. 29, 2024 (A)	Pricing (B)	Variance (Pricing vs Actual)		
			Amount (A - B)	Percent (A / B - 1)	
Ave. Members (a)				0.47%	
MEDICAL UTILIZATION COST (b = c+d+e+f)				-3.63%	
EICA (c)	1			-9.52%	
PCC COST (d)				125.23%	
TELECONSULT (e)				-30.53%	
RIDER COST (f)				-4.08%	
MUC PER CAPITA (b/a)				-2.14%	
MUC PER CAPITA (excl. rider)					
Table 3b. MUC Accuracy of Consumer Accounts from October 1, 2023 to February 29, 2024					
Consumer Accounts	Actual As of Feb. 29, 2024 (A)	Pricing (B)	Variance (Pricing vs Actual)		
			Amount (A - B)	Percent (A / B - 1)	
Ave. Members (a)				-1.02%	
MEDICAL UTILIZATION COST (b = c+d+e+f)	2			5.43%	
EICA (c)	2			-7.61%	
PCC COST (d)				88.63%	
TELECONSULT (e)				-19.21%	
RIDER COST (f)				8.60%	
MUC PER CAPITA (b/a)				6.51%	
MUC PER CAPITA (excl. rider)				7.72%	
Table 3c. MUC Accuracy of Corporate Accounts from October 1, 2023 to February 29, 2024					
Corporate Accounts	Actual As of Feb. 29, 2024 (A)	Pricing (B)	Variance (Pricing vs Actual)		
			Amount (A - B)	Percent (A / B - 1)	
Ave. Members (a)				0.77%	
MEDICAL UTILIZATION COST (b = c+d+e+f)				-5.09%	
EICA (c)				-9.81%	
PCC COST (d)				152.02%	
TELECONSULT (e)				-32.07%	
RIDER COST (f)				-5.82%	
MUC PER CAPITA (b/a)				-3.64%	
MUC PER CAPITA (excluding rider)					

Pricing team started implementing the new process targeting best estimates for MUC by Q4 2023.

MUC per capita (fraction of a year) actually recorded as of February 29, 2024 for accounts priced on Oct 2023-Feb 2024 was 2,418 compared to 2,521 in pricing (favorable by -4.08%). This is largely due to dental and other riders, where actual availment was lower than the capitated price.

According to Mr. Cheng, for this report, the Actuarial Team did not include the projected period and only reviewed the data for February to March. Based on the actual figures, Maxicare was slightly behind on consumer sales but ahead in terms of corporate sales, which outweighed the utilization on the consumer side.

The number computed would be on a per capita basis, with four percent (4%) lower medical utilization per capita on an aggregate basis, two percent (2%) of which was

due to other riders, especially dental. It was noted that there was about two percent (2%) profitability coming from dental.

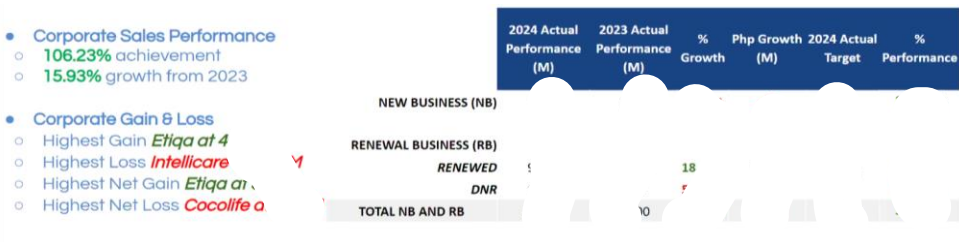
Mr. Gokongwei clarified, whether those instances wherein the consumer mostly utilized the product at the early part from the date of buying such product and used it less at the end of the contract, ere already taken into account. Mr. Cheng said that the observation was included in the 6.51% MUC per capital under the consumer accounts table (Table 3b in the photo above).

iii. Sales Report

Ms. Fiona Marie L. Victoria (“Ms. Victoria”) presented the Corporate Sales performance and initiatives, the details of which were set forth in the presentation materials.

Corporate Sales

January – March 2024



Corporate Sales achieved 106.3% of its target amounting to ₱ from its actual target of ₱. This represented a 15.93% growth when compared to 2023 actual performance.

The new business performance is at 145.49% of the annual target and a decline of -5.62% from 2023's actual performance were noted. Renewal business recorded a 18.14% with 103.93% achievement. This was achieved by closing ₱ worth of TCVs.

During the covered period, the highest gain was from Etiqua at ₱, while the highest loss was from Intellicare at ₱. The highest net gain posted was P389 Million which was the transition of Bank of the Philippine Islands (“BPI”) back in January, meanwhile, the highest loss of Maxicare was to Intellicare, the biggest of which was Metrobank, which was lost in January 1 of this year. The highest net gain was from Etiqua at ₱ whereas, the highest net loss was from Cocolife at ₱.

January to March 2024 New Accounts and Renewal Business



New Business Jan - Mar 2024			
Particular	2024 Actual	2023 Actual	% Growth
Number of New Accounts			34.00%
Number of New Members of New Accounts			-35.64%
Estimated Total Contract Value (TCV)			-2.85%
Estimated premium per capita			50.94%
Renewal Business Jan - Mar 2024			
Particular	2024 Actual	2023 Actual	% Growth
Number of Renewed Accounts			-14.96%
Number of Renewed Members			-9.94%
Estimated Total Contract Value (TCV)			18.14%
Estimated premium per capita			31.19%
Did Not Renew Jan - Mar 2024			
Particular	2024 Actual	2023 Actual	% Growth
Number of DNR Accounts			-8.51%
Number of DNR Members			42.87%
Estimated Total Contract Value (TCV)			56.76%
Estimated premium per capita			9.73%

Ms. Victoria subsequently presented the new and renewal business. For new business accounts, there was a 34.00% increase in the number of accounts that was transitioned this year but the decline in the headcount was recorded at -35.64% as compared to last year. The total contract value that was proposed to these new accounts was a 50.94% increase per capita at compared to an estimated per capita last year at

For renewal business, there was an increase in the per capita renewed at 31.19% where there were renewed accounts at P18,000 per head estimated versus P per head of last year.

For the Did Not Renew (“DNR”) accounts, Maxicare did not renew 86 accounts which was an -8.51% drop from the same period last year. There was a significant total contract value reported at on the DNR with an average per capita premium of P13,175. The DNR accounts were reported to be in the high percentile of loss ratios and the increases of the competitors offer were almost 20% to 25% lower than Maxicare’s renewal bid.

Ms. Victoria presented the latest corporate sales accounts closed for March 2024:

EFFECTIVE DATE	ACCOUNT NAME	TCV (M)	Headcount	Previous Provider	CM	REASON FOR CLOSING
1-Jan-24	BANK OF THE PHILIPPINE ISLANDS			ETIQA	3%	Preference of BPI Officers due to numerous complaints with ETIQA
14-Jan-24	GOC (GOOGLE OPERATION CENTER) PHILIPPINES INC.			INTELLICARE	23%	PCC Access
1-Jan-24	MEDTRONIC PHILIPPINES, INC.			INTELLICARE	23%	
1-Jan-24	KAWASAKI MOTORS (PHILS.) CORP			VALUCARE	9%	Expansion of EMCOR INC (ASO)
25-Jan-24	CENTRAL ONE BATAAN			ETIQA	25%	Service complaints with the previous provider
1-Jan-24	GREAT MINDS MARKETING, INC.			MEDICARD	25%	
1-Jan-24	WPP MARKETING COMMUNICATIONS, INC.			INTELLICARE	23%	
1-Jan-24	EBARA PUMPS PHILIPPINES, INC.			MEDICARD	25%	PCC Access and Benefits
6-Feb-24	COMPOSITE WING SAVINGS AND LOAN ASSOCIATION INC			INTELLICARE	27%	
1-Feb-24	XRC MALL DEVELOPER INC			ETIQA	25%	
7-Feb-24	LALAMOVE PHILIPPINES INC			MEDICARD	25%	
2-Feb-24	WORLDWIDE HEALTHSTAFF SOLUTIONS PHILIPPINES INC.			MEDICARD	27%	
28-Feb-24	OUTSOURCE ACCESS, INC.			PHILCARE	22%	Former members of Maxicare
5-Mar-24	Roche (Philippines), Inc.			INTELLICARE	25%	
1-Mar-24	Harris Global Business Services, Inc.			FRESH ACCOUNTS	25%	PCC Access and Benefits
1-Mar-24	CHINA-PHILIPPINES UNIFIED ENTERPRISES, INC.			INTELLICARE	25%	
1-Mar-24	FIRST DIGITAL FINANCE CORPORATION			FRESH ACCOUNTS	18%	
30-Mar-24	ESCALER AND COMPANY (MANAGEMENT CONSULTANTS), INC			INTELLICARE	25%	
1-Mar-24	MEGA FISHING CORPORATION			PHILCARE	21%	

The biggest transition that Maxicare handled in the month of March was Roche (Philippines), Inc. and Harris Global Business Services, Inc.

Ms. Victoria presented the latest major corporate sales accounts renewed for March 2024:

EFFECTIVE DATE	ACCOUNT NAME	INCREASE	LR	CM	Expiring CM	2024 TCV WITHOUT VAT	HEADCOUNT
3/25/2024	STEEL ASIA MANUFACTURING CORPORATION	ASO	ASO	10.60%	6.40%		7,021
3/1/2024	DIVERSIFY INTELLIGENT STAFFING SOLUTIONS INC.						1,547
3/2/2024	JG SUMMIT GROUP OF COMPANIES						3,577
3/1/2024	FHL FINANCING COMPANY, INC.						956
3/1/2024	Aboliz Equity Ventures Inc	1.					251
3/17/2024	BETTZEIT SOUTHEAST ASIA INC.	1.					583
3/30/2024	DRIPDESK ASIA INC.	0.					354
3/1/2024	MANILA HARBOR CENTER PORT SERVICES INC FORMERLY HARBOUR CENTRE PORT TERMINAL, INC - C69864)						891
3/20/2024	SANTEH FEEDS CORPORATION						929
3/17/2024	GALILEE BUSINESS SUPPORT SERVICES PHIL						280
3/1/2024	PHIL-DATA BUSINESS SYSTEMS, INC.						845
3/19/2024	CIENA (ASIA) LIMITED – PHILIPPINE BRANCH						226
TOTAL							17,460

Lastly, Ms. Victoria presented the DNR accounts for March 2024:

Effective Date	COMPANY NAME	Reason for non-renewal	Chosen Provider	Years with maxicare	MLR	CM	Expiring CM	INCREASE	2023 HEADCOUNT	2023 TCV WITHOUT VAT
1-Feb-23	TOYOTA MANILA BAY CORP & AFFILIATES	COST, SERVICING ISSUE AND DISAFFILIATION	INTELLICARE	1	104.00%	16%	-4%	49%	1,663	PHP 27,681,384.82
16-Feb-23	MAINILAD WATER SUPERVISORS' ASSOCIATION	PRICING/COSTING AND BENEFIT OFFERING	HCB&D	1	162.00%	15%	-56%	113%	978	PHP 20,034,000.12
24-Feb-23	Xtendops Philippines, Inc.		COCOLIFE	2	81.00%	18%	-13%	59%	1,786	PHP 13,251,119.82
1-Feb-23	TEMIC AUTOMOTIVE (PHILS), INC.	DUE TO BUDGET, COMPETITOR OFFERED NO INCREASE IN PREMIUM	COCOLIFE	13	ASO	13%	8.50%	ASO	464	PHP 9,502,288.74
1-Mar-23	FoodSphere Inc.	HIGH RENEWAL INCREASE	VALUCARE	5	98.13%	18%	-9%	41%	5,887	PHP 50,501,863.38
18-Mar-23	SCRUBBED.NET GLOBAL SERVICES, INC.	HIGH RATES, DISAFFILIATION OF NEARBY PROVIDERS IN ANGELES CITY	INTELLICARE	3	99.00%	18%	1%	40%	1,376	PHP 15,480,288.42
15-Apr-23	YAMAHA MOTOR PHILIPPINES INC.	HIGH RATES/LIMITED HMO BUDGET	PHILCARE	1	110.00%	18%	-8%	41%	4,799	PHP 56,568,562.99
TOTAL									16,953	PHP 193,019,508.29

The FoodSphere or the CDO plans, transitioned to ValuCare. Maxicare's increase was at forty-one (41%) and its expiring CM was at negative nine percent (-9%). The Loss Ratio was reviewed at ninety-eight (98%). The offer of Valucare was twenty-five (25%) lower than Maxicare's forty-one (41%) offer.

Highest Gain						
EFFECTIVE DATE	ACCOUNT NAME	TCV (M)	Headcount	Previous Provider	CM	
1-Jan-24	BANK OF THE PHILIPPINE ISLANDS			ETIQA	3%	
25-Jan-24	CENTRAL ONE BATAAN			ETIQA	25%	
1-Feb-24	XRC MALL DEVELOPER INC			ETIQA	25%	
15-Feb-24	PACT CLOSURE SYSTEMS (PHILIPPINES) INC.			ETIQA	25%	
Highest Net/Loss						
EFFECTIVE DATE	ACCOUNT NAME	TCV (M)	Headcount	Chosen Provider	LR	
1-Jan-23	TRANSCOM WORLDWIDE PHILIPPINES, INC.			COCOLIFE	89%	
18-Jan-23	FIRST METRO INVESTMENT CORPORATION			COCOLIFE	94%	
24-Feb-23	Xtendops Philippines, Inc.			COCOLIFE	81%	
1-Feb-23	TEMIC AUTOMOTIVE (PHILS), INC.			COCOLIFE	ASO	
27-Jan-23	EXPEDITORS PHILIPPINES, INC.			COCOLIFE	100%	
17-Feb-23	Department Of Agrarian Reform Employees Association			COCOLIFE	15%	
1-Feb-23	Habitat for Humanity International, Inc.			COCOLIFE	79%	
4-Feb-23	ORIENTAL CONSULTANTS PHILIPPINES, INC.			COCOLIFE	66%	
14-Jan-23	PRESTIGE QUALITY PAPER PRODUCTS CORP			COCOLIFE	57%	
Highest Loss						
EFFECTIVE DATE	ACCOUNT NAME	TCV (M)	Headcount	Chosen Provider	LR	
1-Jan-23	METROPOLITAN BANK AND TRUST COMPANY INC.			INTELLICARE	N/A	
1-Jan-23	MONDELEZ BUSINESS SERVICES AP PTE. LTD PHILIPPINE BRANCH			INTELLICARE	95%	
1-Jan-23	MONDELEZ INTERNATIONAL (FORMERLY KRAFT FOODS, INC.)			INTELLICARE	79%	
20-Jan-23	GDS GLOBAL SERVICES INC.			INTELLICARE	101%	
1-Feb-23	TOYOTA MANILA BAY CORP & AFFILIATES			INTELLICARE	104%	
18-Mar-23	SCRUBBED.NET GLOBAL SERVICES, INC.			INTELLICARE	99%	
16-Mar-23	BESTPARTNERS SERVICES, INC.			INTELLICARE	77%	

For the breakdown of gain and loss. The highest gain was from Etiqa. This was composed of four (4) accounts: BPI, Central One Bataan, XRC Mall Developer, Inc., and FAC Closure Systems. The highest loss was to Intellicare, biggest of which was the Metrobank account. Metrobank had a 24,000 headcount in an Administrative Services Only (“ASO”) program, but they still shifted to Intellicare because of the decrease or the discount on the claims handling fee, which was a significant amount from seven percent (7%) with Maxicare compared to four percent (4%) with AVEGA.

V. RATIFICATION OF ALL ACTS AND RESOLUTIONS OF THE EXECUTIVE COMMITTEE

Upon motion duly made and seconded, the Board ratified all acts and resolutions of the Executive Committee as of the date of this meeting.

VI. MATTERS FOR APPROVAL AND/OR CONFIRMATION

- a. Approval of Transactions and Authorization of Signatories. The Corporate Secretary sought for the approval to enter into various transactions and to appointment authorized signatories for various purposes. Upon motion duly made and seconded, the following resolutions have been approved:

i. Cotabato Electric Cooperative, Inc.

“RESOLVED, amending all previous resolutions on the subject, that MAXICARE HEALTHCARE CORPORATION (the ‘Corporation’) be authorized to participate in the public bidding of the Cotabato Electric Cooperative, Inc. for the healthcare program of its employees. For this purpose, Mr. Clinton S. Malate, Health Benefit Executive, in lieu of Ms. Cecilia David, is hereby authorized, with full power and authority to delegate the powers granted herein, to submit a bid proposal, sign, execute, certify, endorse and deliver, for and on behalf of the Corporation, any and all documents, contracts, and other writings of whatever nature or kind, and to execute and perform any and all acts and deeds proper and necessary, under such terms and conditions as he may deem to be most beneficial to the Corporation, to effect the foregoing resolution.”

ii. Social Security System

RESOLVED, amending all previous resolutions on the subject, that MAXICARE HEALTHCARE CORPORATION (the ‘Corporation or ‘Maxicare’) hereby approves that the officers listed below shall be authorized to sign documents for all transactions of Maxicare Personnel and Officers with the Philippine Social Security System (‘SSS’);

Authorized Signatory	Position
Kristina da Silva	HR Payroll Officer
Catherine B. Branches	HR Payroll Officer
Donna B. Torres	HR Payroll Head
Joane Paula L. Villaran	HR Officer
Joe Meritto P. Buot	Chief HR and Admin Officer

iii. Pag-ibig/ Home Development Mutual Fund

RESOLVED, amending all previous resolutions on the subject, that MAXICARE HEALTHCARE CORPORATION (the ‘Corporation’) hereby approves that the officers listed below shall be authorized to sign documents for all transactions of Maxicare Personnel and Officers with the Pag-ibig/ Home Development Mutual Fund (‘HDMF’);

Authorized Signatory	Position
Kristina da Silva	HR Payroll Officer
Catherine B. Branches	HR Payroll Officer
Donna B. Torres	HR Payroll Head
Joane Paula L. Villaran	HR Officer

Joe Meritto P. Buot	Chief HR and Admin Officer
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iv. Philippine Health Insurance Corporation

RESOLVED, amending all previous resolutions on the subject, that **MAXICARE HEALTHCARE CORPORATION** (the ‘Corporation’) hereby approves that the officers listed below shall be authorized to sign documents for all transactions of Maxicare Personnel and Officers with the Philippine Health Insurance Corporation (‘PhilHealth’);

Authorized Signatory	Position
Kristina da Silva	HR Payroll Officer
Catherine B. Branches	HR Payroll Officer
Donna B. Torres	HR Payroll Head
Joe Meritto P. Buot	Chief HR and Admin Officer

v. Removal of Mary Grace Mesugas as Signatory

“RESOLVED, amending all previous resolutions on the subject, that **MAXICARE HEALTHCARE CORPORATION** (the ‘Corporation’) hereby removes the following signatory:

Authorized Signatory	Class
Ms. Mary Grace Mesugas	C

all effective immediately, with respect to: (i) all contracts and agreements pertaining to the operations of the Corporation, and (ii) deposits, withdrawals, and other transactions pertaining to any and all funds of the Corporation, by means of checks, drafts, withdrawal slips or other similar instruments, from the existing deposit accounts maintained by the Corporation with all its depository banks.”

vi. Luzon International Premiere Airport Development Corp.

“RESOLVED, that **MAXICARE HEALTHCARE CORPORATION** (the ‘Corporation’) be authorized to participate in the public bidding of **LUZON INTERNATIONAL PREMIERE AIRPORT DEVELOPMENT CORP. (LIPAD)** for the healthcare program of its employees. For this purpose, the Corporation’s Health Benefit Executive for North Luzon, **MS. MARY DALE MANDAP** and **MS. VICKY M. GUIAO**, are hereby authorized, with full power and authority to delegate the powers granted herein, to submit a bid proposal, sign, execute, endorse, certify the documents and deliver contracts, agreements, and any all documents and papers ay may be necessary and proper to implement the foregoing authority.”

vii. Equicom Business Card

“RESOLVED, that **MR. CHRISTIAN S. ARGOS**, the Corporation’s President and Chief Executive Officer, whose signature appears below, be authorized for and in behalf of the Corporation to apply for the issuance of Equicom Business Card to be issued in the name of the Corporation’s personnel (‘Personnel’) to be named by them;

<u>Name</u>	<u>Specimen Signature</u>	<u>Email Address</u>
Christian S. Argos		sean.argos@maxicare.com.ph

RESOLVED FURTHER, that he is hereby authorized to sign for and in behalf of the Corporation the necessary application for issuance of Equicom Business Card and any and all documents which may be required by Equicom Savings Bank (EqB);

RESOLVED FURTHERMORE, that he is hereby authorized to make requests for and in behalf of the Corporation regarding the Corporation’s issued Equicom Business Card via electronic message (email) and/or telephone advice and that the following request/s may be made via email and/or telephone advice but not limited to:

- 1. Cancellations
- 2. Request for Temporary and/or Permanent Increase and/or Decrease in Credit Limit(s)
- 3. Issuance of Additional Cards
- 4. Transfer of Payment/s
- 5. Crediting of Account for Settlement of Outstanding Balance

and that such request/s must be confirmed by a signed written request letter within two banking (2) days from receipt of the email and/or telephone advice by EqB;

**RESOLVED FURTHERMORE**, that any of the following email address/es are to be used for the purpose of making such requests:

- 1. ryan.asis@maxicare.com.ph
- 2. regina.valencia@maxicare.com.ph
- 3. melanie.garcia@maxicare.com.ph

**RESOLVED FURTHERMORE**, that the Corporation represented by the aforestated officer(s) accepts all the terms and conditions imposed by Equicom Savings Bank in connection with the issuance of Equicom Business Cards in the name of the Corporation’s Senior Personnel;

**RESOLVED FURTHERMORE**, that any and all purchases made and/or expenses incurred by the said Personnel, as appearing in the duly singed application form/s, through the use of the credit card(s) issued by virtue of this resolution shall be paid by the Corporation to EqB including interest and service charges that may accrue thereto; and

**RESOLVED FINALLY**, that the Corporation shall act as surety or co-obligor who shall be jointly and severally liable with the said Senior Personnel for the payment of any and all obligations that may arise through the use of the said credit card(s).”

viii. Mechanical Permit and Permit to Operate

“RESOLVED, amending all previous resolutions on the subject, that **MAXICARE HEALTHCARE CORPORATION** (the ‘Corporation or



‘Maxicare’) hereby approves that **MR. MICHAEL MADULA** from UP-LIFT MECHANICAL SUPPLY and SERVICES is the authorized representative of the Corporation to sign the necessary document/s in applying for the Mechanical Permit and Permit to Operate in Makati City Hall for the Corporation’s machineries located in Maxicare Tower.”

ix. Palawan Pay Online Shops

“RESOLVED, that **MAXICARE HEALTHCARE CORPORATION** (the ‘Corporation’) hereby approves and confirms that it is allowed to enter into an agreement with Palawan Group of Companies (‘Palawan Pay’) for its Palawan Pay Online Shops (mini app), (‘Purpose’);

RESOLVED FURTHER, that pursuant to the Purpose, the Corporation shall pursue the completion of the accreditation with Palawan Pay; and

RESOLVED FURTHER, that **MR. CHRISTIAN S. ARGOS**, the Corporation’s President and Chief Executive Officer, is hereby authorized to sign, execute and deliver, for and on behalf of the Corporation, any required documentation pursuant to the foregoing.”

x. Tax Clearance for Bidding Purposes

“RESOLVED, amending all previous resolutions on the subject, that **MAXICARE HEALTHCARE CORPORATION** (the ‘Corporation or ‘Maxicare’) hereby designates **MR. JERRY S. PEREZ, JR.**, to be the authorized representative in signing the requisite sworn statement and to assign an individual to file, request, and claim the tax clearance for bidding purposes with the Bureau of Internal Revenue.”

- b. Litigation. The Board discussed the need to approve matters related to the labor case of *Ceniza v. Maxicare*. After some deliberation, the following resolutions were passed:

“RESOLVED, that **MAXICARE HEALTHCARE CORPORATION** (the ‘Corporation’) be authorized to file the necessary pleading/s, and/or document/s in relation to the case entitled “***Ma. Theresa G. Ceniza et al vs. Maxicare Healthcare Corporation, Fiona Lava Victoria and Christian Argos***” docketed as **NLRC Case No. NCR-03-00597-24**, for the protection of its rights and interests, as well as to properly defend/represent itself in any actions/proceedings of whatever nature commenced by any other person/entity, whether private or public, before any court, administrative agency, quasi-judicial body, or any fora, including the performance of any of the following acts, to wit: 1) filing of the necessary pleadings, motions, correspondences, and other papers in any actions/proceedings wherein the Corporation is involved; 2) filing of the necessary appeals, or any other appropriate actions, with a higher court, administrative agency, quasi-judicial body, or any fora, in case of any adverse decision, resolution, order, or any other issuance with regard to any actions/proceedings wherein the Corporation is involved; and 3) doing such other acts as may be necessary to protect and preserve the interest of the Corporation relative to any actions/proceedings wherein it is involved;

RESOLVED FURTHER, that **MR. JOE MERITTO P. BUOT, ATTYS. NILO T. DIVINA, IAN JERNY E. DE LEON, HARLY JAYSON U. REYES, ALEXANDRA NICOLE D. SUGAY**, or any other lawyers of DivinaLaw that may be appointed by its managing partner, are hereby authorized to be the true and lawful attorneys-in-fact of the Corporation, to do and execute any of the following acts on behalf of the Corporation: to execute, sign, submit and file the Verification and Certification of Non-Forum Shopping, any and all papers, correspondences, memoranda, pleadings, affidavits, and documents as may be necessary in connection with any actions/proceedings of whatever nature wherein the Corporation is involved; and to attend the conferences, preliminary or otherwise, conciliation, mediation, judicial arbitration, pre-trial, hearings, as well as all other proceedings to be conducted in connection with any administrative, quasi-judicial, or any other legal actions/proceedings involving the Corporation as may be directed by any court, tribunal or body, with full power to enter into compromise, settle, desist from or dismiss the case/action either totally or partially, and also for the purpose of considering any and all of the following matters: a) amicable settlement or submission to arbitration or judicial dispute resolution; b) simplification of the issues; c) necessity or desirability of amendments to the pleadings; d) possibility of obtaining stipulations or admissions of facts and of documents to avoid unnecessary proof; e) limitation of the number of witnesses; f) advisability of a preliminary reference of issues to a commissioner; g) such other matters as may aid in the prompt disposition of the action; h) execution of compromise agreement or documents in the exercise of the aforesaid authority; and i) such acts as may be deemed fit and proper to be done under the circumstances;

RESOLVED FURTHERMORE, hereby giving and granting unto the Corporation and the designated attorneys-in-fact full power and authority to do and perform whatsoever is requisite or necessary to be done in and about the premises as full to all intents and purposes as the Corporation may do, ratifying and confirming any and all the Corporation’s attorneys-in-fact or their substitute shall lawfully do or cause to be done by virtue of these presents;

RESOLVED FINALLY, that the Corporate Secretary and/ or Assistant Corporate Secretary are hereby authorized to certify the foregoing.”

- c. Corporate Salary Loan Program. Approval was sought for the Corporation to transact with Equicom Savings Bank relative to its Salary Loan Program, which was approved by the Board with the following resolutions:

“RESOLVED, amending all previous resolutions on the subject, that **MAXICARE HEALTHCARE CORPORATION** (the ‘Corporation’) is hereby authorized to enter into an agreement with **Equicom Savings Bank** (‘Bank’) relative to the Bank’s Corporate Salary Loan Program that may be availed of by the Corporation’s qualified employees;

RESOLVED, FURTHER, that the following:

<b>Authorized Representatives</b>	<b>Scope of Signing Authority (Loan</b>
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	<b>Applications of Personnel/Officers)</b>
Joe Meritto P. Buot	For Supervisors and up
Donna B. Torres	For Rank and File, supervisors and up

are hereby authorized to sign, execute and deliver, for and on behalf of the Corporation, the Letter of Agreement, Memorandum of Agreement, and all other documents of whatever nature or kind which may be required by the Bank to effect the foregoing resolutions, to issue a certification with regard to the employment details and credit standing of the Corporation’s employee-borrower, and to execute and perform any and all acts necessary for the purpose, under such terms as such authorized representatives may deem acceptable and beneficial for the Corporation; and

RESOLVED, FINALLY, that the Corporation’s Chief Human Resources and Administration Officer, **MR. JOE MERITTO P. BUOT**, Human Resources Payroll Head, **MS. DONNA B. TORRES**, are hereby authorized, with full power and authority to delegate the powers herein granted, to receive the Manager’s Check representing the proceeds of the loan on behalf of the Corporation’s employee-borrower.”

- d. Corporate Representative for Maxicare Life Insurance Corporation (‘Maxilife’) Annual Stockholders’ Meeting. Considering that Maxilife’s annual stockholders’ meeting was slated for 21 May 2024, there was a need to appoint Maxicare’s representative to the meeting. Upon motion duly made and seconded, the following resolutions have been approved:

“RESOLVED, as it is hereby resolved, that **MAXICARE HEALTHCARE CORPORATION** (the “**Corporation**”), be authorized, as it is hereby authorized, as a stockholder of Maxicare Life Insurance Corporation (“**MaxiLife**”), to appoint the Corporation’s representative for the annual stockholders’ meeting (“**ASM**”) of MaxiLife scheduled on 21 May 2024 at 8:30 a.m. to be held at 30<sup>th</sup> Floor, Equitable Bank Tower, Paseo de Roxas, Makati City;

RESOLVED, FURTHER, that **MR. RENE J. BUENAVENTURA**, be appointed and authorized to act as proxy and represent the Corporation in all proceedings in the ASM of MaxiLife, and/or at any adjournment(s) thereof, in accordance with the instructions of the Corporation;

RESOLVED, MOREOVER, that **MR. RENE J. BUENAVENTURA** be appointed and/or authorized, as he is hereby appointed and authorized to be the nominee of the Corporation to MaxiLife’s Board of Directors, and to do and perform any and all acts necessary in order for him/her to be nominated and/or elected into the Board of Directors of MaxiLife; and

RESOLVED, FINALLY, that the Corporate Secretary of the Corporation be hereby authorized to certify to the foregoing resolutions.”

e. Trademark Renewal. It was raised that there were upcoming maintenance requirements with respect to some of the Corporation’s trademarks. Upon motion duly made and seconded, the following resolutions were approved:

“RESOLVED, that **MAXICARE HEALTHCARE CORPORATION** (the ‘Corporation’) is hereby authorized to file the appropriate maintenance requirements such as renewal trademark registration and Declaration of Actual Use, as may be applicable with the Intellectual Property Office of the Philippines (‘IPO’) over the **MAXIHEALTH+, MAXIHEALTH+, HEALTHMAX, MAXHEALTH, MAXICARE PLUS, MAXICARE PRIMA GOLD, MAXICARE PRIMA SILVER, and MAXICAREBUSINESSESENTIAL** trademarks;

RESOLVED, FURTHER, that the Corporation’s President and Chief Executive Officer, **Mr. Christian S. Argos**, (‘Mr. Argos’) is hereby designated as the Corporation’s authorized representative to sign, execute, endorse and deliver, for and on behalf of the Corporation, any and all documents and other writings of whatever nature or kind, and to execute and perform any and all acts and deeds proper and necessary, under such terms and conditions as he may deem to be most beneficial to the Corporation, to effect the foregoing resolutions; and

RESOLVED, FINALLY, that **Divina Law Offices**, specifically, **Attys. Nilo T. Divina, Enrique V. Dela Cruz Jr., Janna Mae B. Tecson, Nasha Jemimah R. Reyes, Jennel L. Chu, Mary Zoelli R. Velasco, Edbert Marcel S. Ragadio, Clarizza Grace D. Napa and Kristina Mae C. Durana**, or any other lawyer or staff as may be designated by the Managing Partner, are hereby authorized, as they are hereby authorized, to act as legal counsel and to represent the Corporation, in the absence of Mr. Argos in (a) processing the Corporation’s trademark renewal and maintenance requirements; (b) executing, signing, and filing any and all papers, affidavits, and documents as may be necessary relative thereon and attending all other proceedings to be conducted in connection therewith; and (c) in general, doing any and all acts as may be necessary, required, incidental or proper to give effect to the foregoing resolutions.”

f. Sale of the Corporation’s Vehicles. The next item on the agenda relates to the sale of the assigned vehicles of the Corporation. Upon motion duly made and seconded, the following resolutions were approved:

i. Volkswagen- Rodriguez

“RESOLVED, that **MAXICARE HEALTHCARE CORPORATION** (the ‘Corporation’) be authorized to sell its company vehicle that was assigned to **Ms. Karen Therese Q. Rodriguez**, more particularly described as follows:

Model	Series/Car	Make:	2019 Volkswagen Santana GTS 1.5 AT
Conduction/Plate Number:			GAL 3712
Color:			White

Motor Number:	DLXA60946
Serial/Chassis No.	LSVF22BRXJN184067

RESOLVED, FURTHER, that the Corporation’s President and Chief Executive Officer, **Mr. Christian S. Argos**, is hereby authorized, with full power and authority to delegate the powers granted herein, to negotiate for the said sale, at such price and under such terms and conditions as he may deem most beneficial for the Corporation, to sign, execute, endorse and deliver, for and on behalf of the Corporation, any and all documents and other writings of whatever nature or kind, and to execute and perform any and all acts and deeds proper and necessary to effect the foregoing resolutions.”

ii. Vitara- Mesugas

“RESOLVED, that **MAXICARE HEALTHCARE CORPORATION** (the ‘Corporation’) be authorized to sell its company vehicle that was assigned to **Ms. Mary Grace R. Mesugas**, more particularly described as follows:

Model    Series/Car    Make:	Suzuki Vitara 1.6 GLX AT
Conduction/Plate Number:	NGF 4530
Color:	Gray
Motor Number:	M16A-2288670
Model    Series/Car    Make:	Suzuki Vitara 1.6 GLX AT

RESOLVED, FURTHER, that the Corporation’s President and Chief Executive Officer, **Mr. Christian S. Argos**, is hereby authorized, with full power and authority to delegate the powers granted herein, to negotiate for the said sale, at such price and under such terms and conditions as he may deem most beneficial for the Corporation, to sign, execute, endorse and deliver, for and on behalf of the Corporation, any and all documents and other writings of whatever nature or kind, and to execute and perform any and all acts and deeds proper and necessary to effect the foregoing resolutions.”

iii. Volkswagen- Collado

“RESOLVED, that **MAXICARE HEALTHCARE CORPORATION** (the ‘Corporation’) be authorized to sell its company vehicle that was assigned to **Mr. Guthrie L. Collado**, more particularly described as follows:

Model    Series/Car    Make:	Volkswagen 2017 Golf 2.0 TDi
Conduction/Plate Number:	NBI 2075
Color:	Dark Blue
Motor Number:	DEJ010758
Serial/Chassis No.	3VWCA7AU7GM509513

RESOLVED, FURTHER, that the Corporation’s President and Chief Executive Officer, **Mr. Christian S. Argos**, is hereby authorized, with full power and authority to delegate the powers granted herein, to negotiate for the said sale, at such price and under such terms and



conditions as he may deem most beneficial for the Corporation, to sign, execute, endorse and deliver, for and on behalf of the Corporation, any and all documents and other writings of whatever nature or kind, and to execute and perform any and all acts and deeds proper and necessary to effect the foregoing resolutions.”

iv. Civic- Justiani

“RESOLVED, that **MAXICARE HEALTHCARE CORPORATION** (the ‘Corporation’) previously authorized in its 16 February 2022 meeting the sale its company vehicle that was previously assigned to **Mr. Jeffrey Justiniani**, more particularly described as follows:

Model    Series/Car    Make:	Honda Civic
Conduction/Plate Number:	DU 128
Color:	Gray
Motor Number:	R18Z16154925
Serial/Chassis No.	MRHHFC663oGT021539

RESOLVED, FURTHER, that for clarificatory purposes, the Corporation notes that the following corrections to the vehicle details:

Model    Series/Car    Make:	Honda Civic 2016
Plate Number:	NAE 516o
Serial/Chassis No.	MRHFC663oGT021539

RESOLVED,FURTHER, that the Corporation’s President and Chief Executive Officer, **Mr. Christian S. Argos**, is hereby authorized, with full power and authority to delegate the powers granted herein, to negotiate for the said sale, at such price and under such terms and conditions as he may deem most beneficial for the Corporation, to sign, execute, endorse and deliver, for and on behalf of the Corporation, any and all documents and other writings of whatever nature or kind, and to execute and perform any and all acts and deeds proper and necessary to effect the foregoing resolutions.”

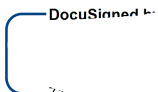
VII.    **OTHER MATTERS**

The Corporate Secretary confirmed the schedule of the upcoming Annual Stockholder’s meeting and Organizational Board meeting on 21 May 2024.

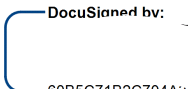
VIII.   **ADJOURNMENT**

There being no other matters to discuss, and upon motion duly made and seconded, the meeting was adjourned.


CERTIFIED TRUE AND CORRECT:

  
**ATTY. DANNY E. BUNYI**  
*Corporate Secretary*

ATTESTED BY:

  
DocuSigned by:  
80B5C71B2C704A3...  
**ROBERTO M. MACASAET, JR.**  
*Chairman*

  
DocuSigned by:  
000030C...4F345D...  
**LANCE Y. GOKONGWEI**  
*Vice Chairman*

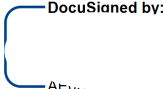
  
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1F323A07A29E42C...  
**TERESITA M. ALEGRE**

**BRIAN M. GO**

**FEDERICO T. LEELIN**

**RIZALINA G. MANTARING**

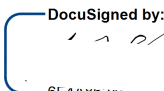
**EDGAR J. SIA II**

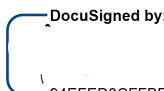
  
DocuSigned by:  
A...  
**ANTONIO L. GO**  
*Vice Chairman*

  
DocuSigned by:  
5D02F94AF90248C...  
**CHRISTIAN S. ARGOS**  
*President*

  
Signed by:  
02276BCC50C54AD...  
**ENRICO S. CRUZ**

**ESTHER WILEEN S. GO**

  
DocuSigned by:  
9F4A3B044...  
**MICHAEL P. LIWANAG**

  
DocuSigned by:  
94EEED0CEFFB449...  
**TEODORO M. PANGANIBAN**

  
DocuSigned by:  
777D8C2A8D664F...  
**CHRISTINE O. TUERES**