MMAXICARE HEALTHCARE CORPORATION

MINUTES OF THE EXECUTIVE COMMITTEE MEETING

Boardroom, Maxicare Tower
203 Salcedo Street, Legaspi Village, Makati City[1]
27 November 2024, 8:00 AM

PRESENT:

LANCE Y. GOKONGWEI
ANTONIO L. GO
ROBERTO M. MACASAET, JR.
BRIAN M. GO
ESTHER WILEEN S. GO
RENE J. BUENAVENTURA
MICHAEL P. LIWANAG

ALSO PRESENT:

CHRISTIAN S. ARGOS
BACH JOHAN SEBASTIAN
GULLY GO
GRACE AGLUBAT
JASPER HENDRIK CHENG
FIONA MARIE L. VICTORIA
RODELEE UY
JOSEPHINE LOPEZ
JOSE PASTOR Z. PUNO
KURLEIGH GACUTAN
ELIZABETH GREGORIO
RAYMOND HERNANDEZ
JAY MAURICIO
ANTHONY PEREZ
JERRY PEREZ
ROCKY DE CASTRO
CARYL KOH
KAREN NINA ALMONTE
MIKE MANRIQUE
RACQUEL ADORABLE
IVAN LALUCIS
JENINA JOY MALAPITAN
LAURENZ DALANGIN
MARK MACAPAGAT
ATTY ANDREW FORNIER
CATHY MILLAMA
PARTRICIA LOPEZ
JOE BUOT
ERICA PUENTEVELLA
ATTY. DANNY E. BUNYI
ATTY. MARY ZOELLI R. VELASCO
MARIA ESTRELLA GARCIA
RIZ GAURAN

[1] The meeting was also attended virtually by some Committee members / members of the Senior Management Team through video conferencing (Zoom video conferencing).

I. Call to Order

Mr. Antonio L. Go ("Mr. Go"), acted as the Chairman and called the Executive Committee (the "Committee") meeting to order and presided over the same. The Corporate Secretary, Atty. Danny E. Bunyi, ("Atty. Bunyi") recorded the Minutes of the proceedings.

II. Certification of Quorum

The Secretary certified that notices were sent to all the members of the Committee in accordance with Maxicare Healthcare Corporation's (the "Corporation" or "Maxicare") By-Laws. The members who attended virtually 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 were functioning. Since all the members of the Committee were present, the Secretary certified the existence of a quorum for the transaction of business at hand.

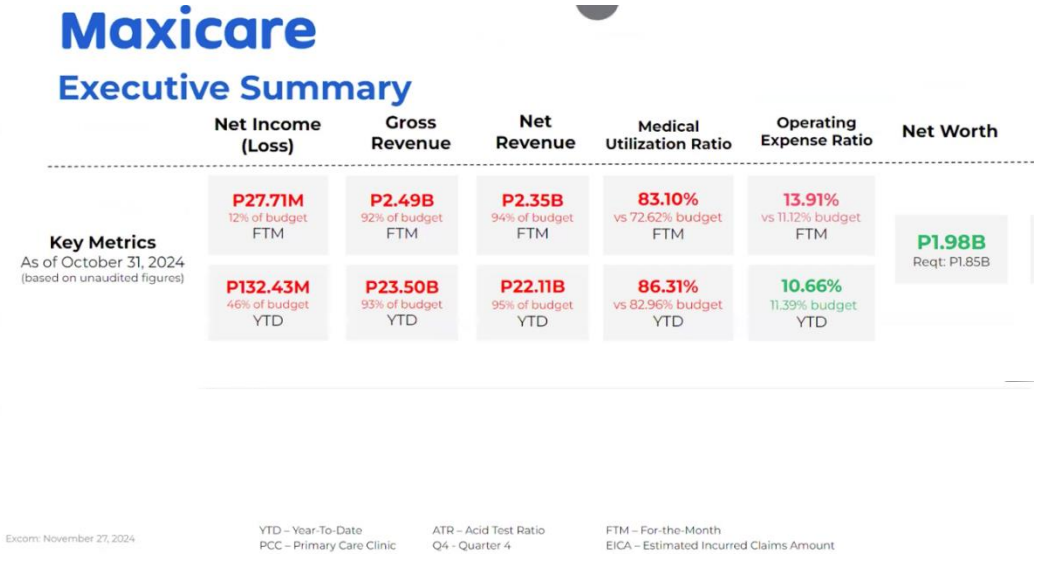
III. Approval of the Minutes of the Previous Meeting

Upon motion duly made and seconded, and there being no objection, the Committee approved the previous Minutes of the Executive Committee Meeting dated 23 October 2024.

IV. October Financial Performance

A. *Maxicare Financial Performance*

Mr. Jerry Perez ("Mr. Perez") reported on Maxicare's Financial Performance for the month of October, as follows:



The net loss FTM[2] was reported to be at Php27.71 Million, and the net loss YTD[3] was reported at Php132.43 Million.

The performance was still below the budget set by the Corporation, and net revenues continued to lag behind due to shortfall in membership fees. MUC[4] continued to be higher vis-à-vis the budget because of the higher EICA[5], which was 16% higher than the budget. For the month, it was 6.31% higher than the YTD budget.

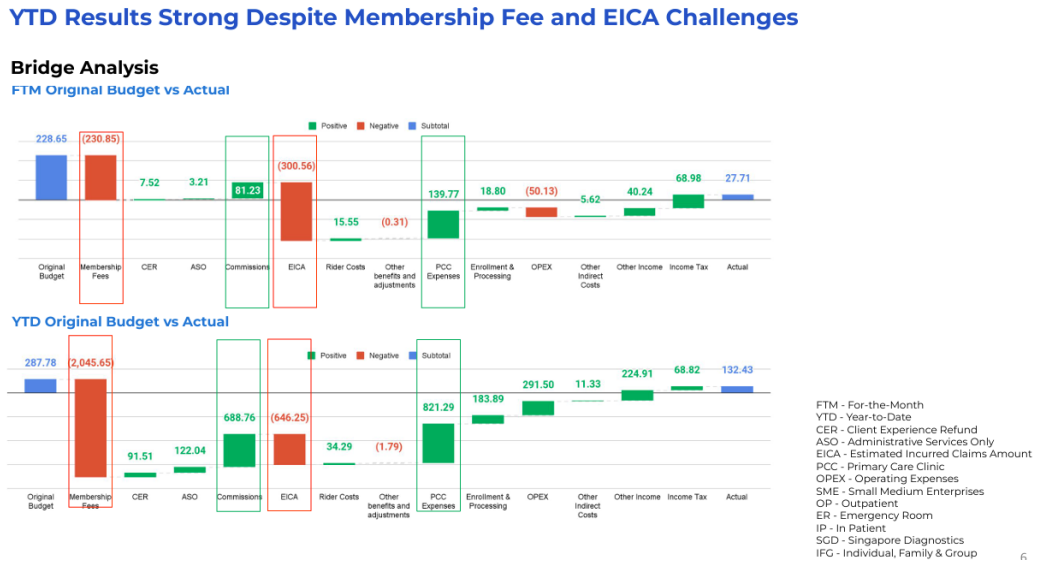
However, these were offset by the positive variances obtained from PCCs[6], enrollment, and processing. On the other hand, the YTD OPEX Ratio remained lower at 10.66% versus 11.39% budget.

Net worth and ATR[7] remained compliant with the regulatory requirements, with the same challenges and risks.

Mr. A. Go asked what the net income of the year was. Mr. Perez responded that it was Mr. Christian Argos ("Mr. Argos") noted that such figure was way below their budget and that Maxicare can do better.

Mr. Perez then presented the bridge analysis as follows:

Glossary
[2] FTM: For-The-Month
[3] YTD: Year-To-Date
[4] MUC: Medical Utilization Cost
[5] EICA: Estimated Incurred Claims Amount
[6] PCC: Primary Care Clinic
[7] ATR: Acid Test Ratio



Compared to the projected original budget, which was a net income of Php228 Million, the performance resulted to Php27.71 Million. The main factors were the shortfall in membership fees and higher EICA cost.

The savings on the PCC expenses were not enough to cover the EICA. The MUC cost and other savings were likewise insufficient to cover the shortfall in these two areas.

It was also reported that the YTD was at Php132.43 Million below the budget of Php287 Million and that there had been a forecast of Php17.89 Million loss. Nonetheless, there was a positive result of Php27.71 Million.

Factors for such result included the PCC expenses, mainly on the teleconsult laboratory services under the PCC expenses, lower operating expenses, professional supervision fees, personal expenses, and meetings expenses.

The teleconsult laboratory services cost was attributed to the cost savings measured in relation to the reduction in membership count and savings in the last months. The YTD incorporated the nine months actual for the one-month forecast and variances.

Maxicare Posts Stronger-than-Projected Results for October 2024

October 2024 Income Statement - FTM (In Thousands)	October 2024 ACTUAL		October 2024 ORIGINAL BUDGET		VARIANCE		October 2024 Forecast-3		VARIANCE		October 2023 ACTUAL		VARIANCE	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
	(A)		(B)		C = A - B	D = C/B	(E)		F = A - E	G = F/E	(H)		I = A - H	J = I/I
Earned Membership Fees														
Corporate														
Corporate – Small and Medium-Sized Entities														
Individual, Family and Group														
Prepaid														
Riders														
EMF Adjustments														
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)														
IBNR Adjustments														
Rider Costs														
Other Benefits and Adjustments														
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)														

Excom: November 27, 2024

EMF – Earned Membership Fees
FTM – For-the-Month
UM – Utilization Management
LOA – Letter of Authority
IBNR – Incurred But Not yet Reported
PCC - Primary Care Clinics

Maxicare's YTD Net Income Reaches P132M, Exceeding Forecast

October 2024 Income Statement - YTD (In Thousands)	October 2024 ACTUAL		October 2024 ORIGINAL BUDGET		VARIANCE		October 2024 Forecast-3		VARIANCE		October 2023 ACTUAL		VARIANCE	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
	(A)		(B)		C = A - B	D = C/B	(E)		F = A - E	G = F/E	(H)		I = A - H	J = I/I
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Excom: November 27, 2024

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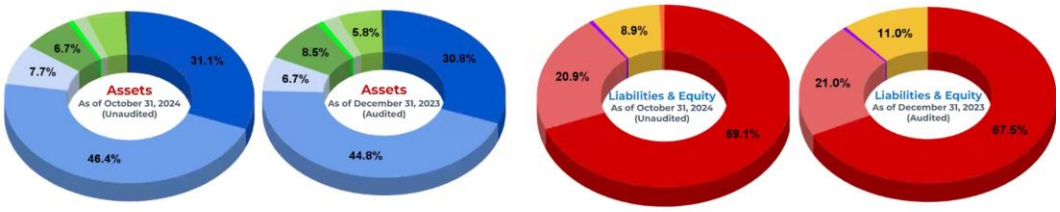
Total Assets Jump by 31%, Boosting Net Worth by 7%



(In Millions)	As of October 31, 2024 (Unaudited)	As of December 31, 2023 (Audited)	Variance Amount	Variance %
Cash and short-term investments				
Trade and other receivables, net				
Prepaid expenses and other current assets				
PPE and systems & application, net				
Investment property				
Investments in associate and subsidiary				
Deferred tax asset, net				
Other noncurrent assets				
Total assets				

(In Millions)	As of October 31, 2024 (Unaudited)	As of December 31, 2023 (Audited)	Variance Amount	Variance %
Healthcare plan liabilities				
Accrued liabilities and other payables				
Other liabilities				
Paid-up capital				
Other equity items (APIC, TS, RE, OCI)				
Total liabilities and equity				

Excom: November 27, 2024

PPE - Property, plant and equipment
OCI - Other Comprehensive Income
APIC - Additional Paid-in Capital
RE - Retained Earnings
TS - Treasury Stock

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Cash and Receivables Drive 23.59% Growth in Total Assets

Statement of Financial Position (In Thousands)	As of October 31, 2024 Unaudited		As of December 31, 2023 Audited		Variance	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents						
Short-term investments						
Trade and other receivables, net						
Trade receivables, net						
Non-trade and other receivables						
Prepaid expenses & other current assets, net						
NONCURRENT ASSETS						
Available-for-sale financial assets						
Property and equipment, net						
Systems and applications, net						
Investment property, net						
Investment in associate						
Investment in subsidiary						
Deferred tax asset, net						
Other noncurrent assets						
TOTAL ASSETS						

Excom: November 27, 2024

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VAT - Value Added Tax

The total assets grew by 23.59% due to the cash and cash equivalents from operating cash flows and matured investments, which was higher than the 2023 figures.

Trade and other receivables have also increased by , and was mainly driven by medical plan receivables, provider deposits, and favorable client experience refund.

Prepaid expenses and other current assets also increased by , primarily from tax credits such as Creditable Withholding Taxes and Input VAT.

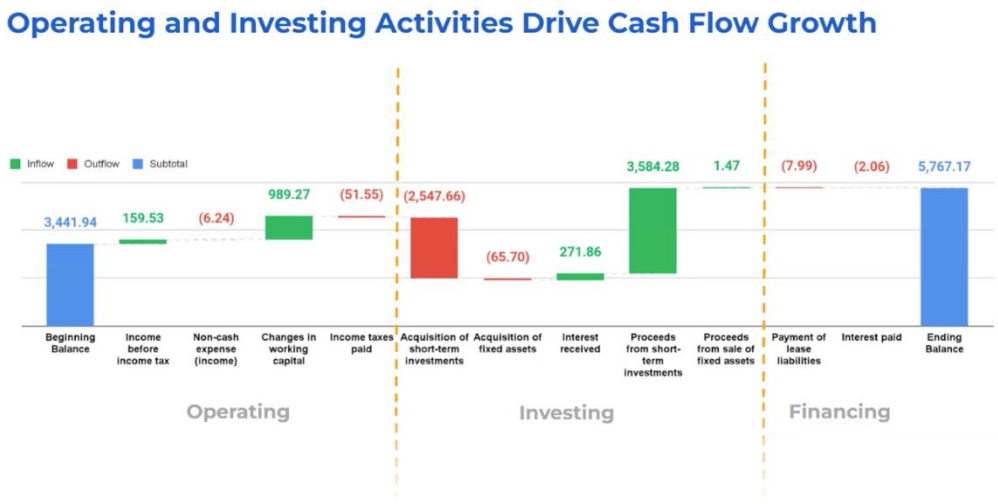
Short-term investments, however, declined by because there had been a strategic shift to have the same on the shorter period investments which are in the cash and cash equivalents.

For the total liabilities, the increase was due to the corresponding increase of in membership fee reserves, which came from the unexpired and unearned paying portion Claims reserves that also increased to

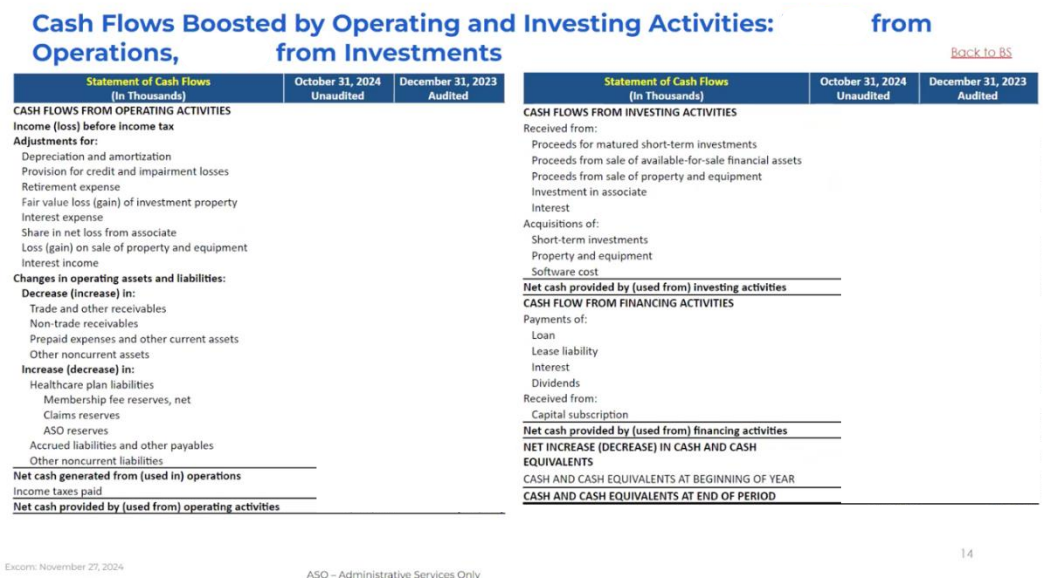
Accrued liabilities and other payables also increased by , which was mainly due to government statutory payments e.g., Value Added Taxes, Withholding Taxes, SSS Contributions, etc. and expense accruals.

Equity movement also reflected YTD net income including revaluation adjustments amounting to

The operating cash flows also resulted to net cash inflow of around , which was mainly derived from operations. Mr. Perez explained that collections were more efficient and there was no unnecessary disbursement from the investments since there had been a shift to asset cash flow.



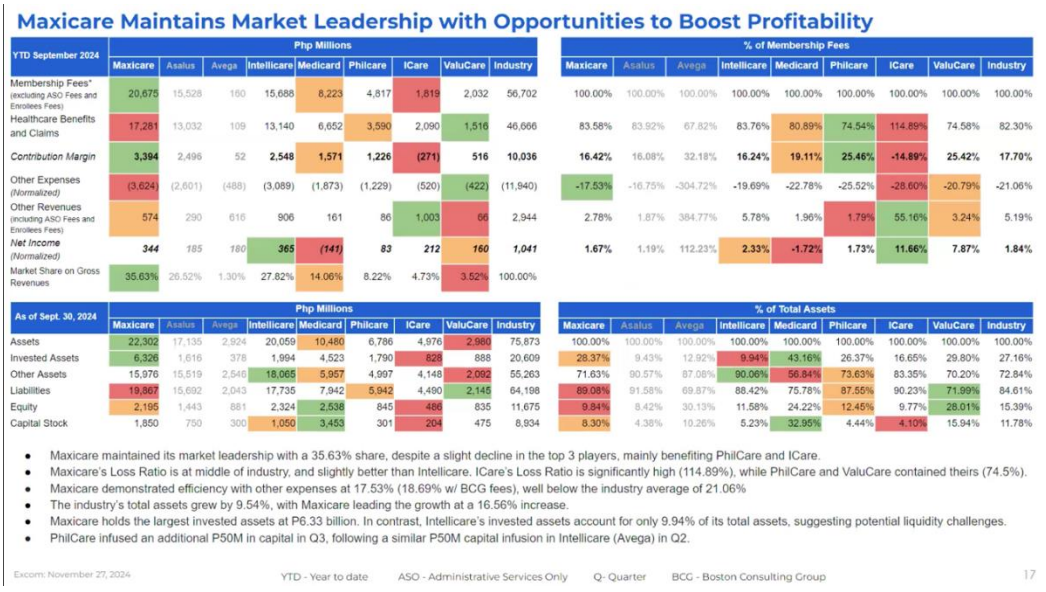
The cash flows were presented as follows:



The key performance ratio was reported to lag behind the budget. The ratio was at 0.60% with a higher MUC[8]. Return on assets, on the other hand, was at 0.70%, while return on equity was at 6.91%. Debt-to-equity ratio was at whereas, the acid test ratio was above the requirement of .

B. HMO Industry Report

Mr. Perez presented the HMO Industry Report. The following table was noted to be based on the submission of twenty-seven HMOs in the Philippines and which reflected that the top six players or competitors already contributed to 94% of the total revenues of the industry.



[8] MUC: Medical Utilization Cost

Maxicare maintained its market leadership with a 35.63% share. However, there was a slight decline as regards the top three players, namely: Maxicare, Intellicare and Medicard. This shifted to PhilCare and ICare.

With respect to the loss ratios, Maxicare's loss ratio was in the middle of industry standards, and slightly better than Intellicare's. Mr. Perez explained that the 83.58% ratio was slightly lower than Intellicare's which was at 83.76%, and their full risk business was at 83.92%.

ICare's loss ratio was significantly high at 114.89%. The loss ratios for PhilCare and ValuCare were contained at 74.5%.

Mr. Lance Gokongwei ("Mr. Gokongwei") clarified whether Maxicare was losing market share primarily to ICare. Mr. Perez responded that there had been a loss of around 2.6% market share compared to 2023 figures.

The whole industry was projected to grow by 19%, but changes in the market share have been observed at 2.6% with losses in Intellicare and Medicard, which shifted to Philcare and ICare.

Mr. Gokongwei noted that what was exceptional about ICare was that they have other revenues which were substantial. He asked whether ICare has a big ASO business.

Mr. Perez confirmed that ICare has an ASO business, and that their loss ratio was at 114% and despite this, they have high revenues recorded.

Mr. Argos discussed that ICare has no major ASO accounts. When compared to the other income of Maxicare, the figures were disproportionate. The same cannot be considered as investment income because the invested assets were only at Php800 Million compared to Maxicare's which was at Php6 Billion.

Mr. Argos reported that they were still unsure as to how exactly ICare was able to book a billion in its other income outside of membership fees. He discussed that they were trying to figure out the same.

Mr. Gokongwei also noticed that the proportion of the other revenues of the whole Intellicare group was at around 6% or 7%, while Maxicare's was at 3%, so it seemed that they were focusing on their expertise in the business. He suggested to likewise develop specialization on this area.

Mr. Perez discussed that Avega has a claims processing business in 2020 which was at around Php105 Million, and that 67% of Avega's business was in ASO transactions. Their claims processing business also came from foreign companies, and were being outsourced. As such, Avega earns the income, which is reflected in the other revenues.

Mr. Argos explained that the directly comparable line was Asalus which was at Php185 Million vis-à-vis Maxicare's Php340 Million.

Additionally, Mr. Perez explained that Maxicare was slightly ahead of Intellicare in terms of contribution margin which was at 16.42% versus 16.24%, respectively.

As to net income, Mr. Brian M. Go ("Mr. B. Go") inquired as to why the phrase "normalized" was included as part of the presentation. Mr. Perez explained that the normalized net income meant that the BCG fees were removed.

Mr. Argos suggested to also share the "non-normalized" version. As gleaned from the presentation, Maxicare had the lowest OPEX ratio at 18% among all HMOs, the closest being Intellicare at around 19%.

In terms of efficiency, the non-medical expenses spent to serve Maxicare's clients, with BCG fees would be at 18% or 17% without such fees.

Mr. Argos pointed out that both Philcare and ICare have the lowest loss ratios, but they also have the highest OPEX in proportion to the revenue.

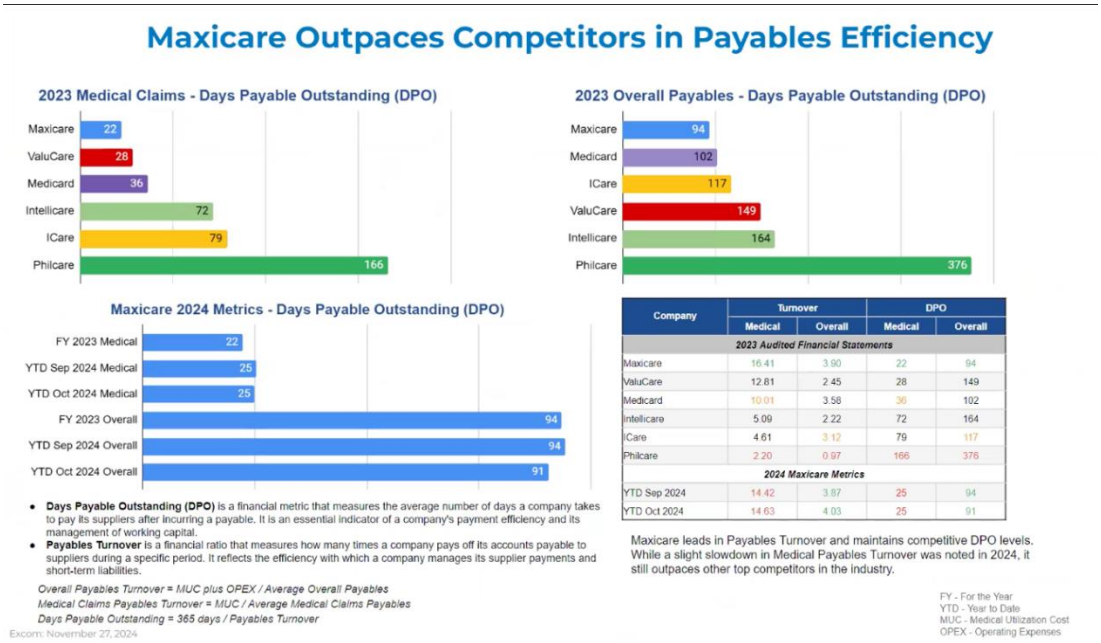
Mr. B. Go asked for clarification on whether both Philcare and ICare made money even though their OPEX ratio was at 28% and 25%, respectively. Mr. Argos confirmed and explained that a review of the loss ratio of ICare showed that it was at 114%, but their income was at a billion Pesos. Thus, he explained that such income kept it afloat. For Philcare and ValuCare, they were very disciplined in containing cost as during long periods, they were able to maintain a cost of around 75%.

Moving forward with the discussion, it was reported that total industry assets grew by 9.54%, with Maxicare leading the growth at a 16.56% increase.

Maxicare was further reported to hold the largest invested assets at Php6.33 Billion. In contrast, Intellicare's invested assets accounted for only 9.94% of its total assets, suggesting potential liquidity challenges.

PhilCare also infused an additional Php50 Million in capital in Q3, following a similar Php50 Million capital infusion in Intellicare (Avega) in Q2.

Mr. Perez presented the table below pursuant to the Executive Committee's request to provide the speed of payments:



The illustration above showed that Maxicare paid fast at twenty- two days compared to the other HMOs.

Mr. A. Go raised a query as to why payment should be made in twenty-two days, when the term is usually at thirty days. He further inquired whether there was a competitive advantage with the PCCs who paid at thirty-three or thirty-five days.

Mr. A. Go requested from Mr. Jasper Cheng ("Mr. Cheng") that all costs from every department must be disclosed. Thereafter, such costs must be compared with Oracle.

Mr. B. Go reiterated that what the report was trying to point out was that the percent OPEX to revenue ratio for Maxicare was already lowest. Thus, there was a need to pick between driving down medical costs or OPEX. Mr. B. Go further explained that the low hanging fruit would be on the medical side.

Mr. A. Go further discussed that the other matter they want to pursue was the seamless billing, that even at the point of LOA, a definite amount as to how much would be spent must be identified by the user. He illustrated that a lot of hospitals gave unnecessary tests or CT scans for appendicitis. He highlighted the importance of catching the abuses of those costs and remarked that more PCCs would hopefully decrease such abuses.

As to consumers, Mr. A. Go explained that he wanted to go exclusive within the PCCs to generate more income and that these clinics should provide the best services in the area.

On the PCCs, Mr. B. Go further suggested to find the roll out, which would minimize the lifetime or spending of money upfront, especially when the permits and all the idle equipment were not used.

Mr. A. Go raised a query as to the time between the signing of the lease contract of the PCC and actual construction. It was discussed that there was a need to identify sites for the PCCs which were already ready for turnover.

Mr. Roberto Macasaet, Jr. ("Mr. Macasaet") asked what was the smallest size targeted for a PCC, to which Ms. Josephine Lopez ("Ms. Lopez") replied that it was

Mr. Argos reported that they had discussions with MaxiHealth as to what were the incremental costs if the PCCs were grown by size, and not capability. For instance, if a CT Scan was not added to the site, the cost to expand fron was just the per square meter fit out cost pegged at the market rate to the medical standard at He mentioned that just the fit-out cost would be affordable, subject to aligning it with market opportunity.

Mr. A. Go emphasized that the PCCs have to be first-class clinics so that the members would choose to go to these instead of the hospitals.

Mr. Argos mentioned that there was an opportunity for Maxicare to recalibrate the payment scheme considering that Maxicare was the fastest payor and that there should be value in being able to pay so fast. Mr. A. Go responded that the objective was to reduce the IBNR[9] so that the amounts may be booked properly. Mr. A. Go asked Mr. Perez whether he can assure that the target could be hit next year.

To this, Mr. Argos raised that the proposal in the budget and what has been built as the capability in 2024, in relation to the need to have a firmer grasp on cost containment on the MUC side. There must be better ways of measuring what are more valuable as opposed to just a headline number like cost ratio.

Mr. A. Go commented that the solution was to have seamless billing. Mr. Argos expounded that the seamless billing should be matched on the payment side. The demand and the LOA issue must likewise be controlled.

Mr. B. Go commented that the PCC capture of the total spend must always be hit.

Mr. Argos explained that if there was an understanding on how to contain the cost per product, which was the strength of Philcare and ICare, HMOs would have the ability of ensuring that the MUC is only at a certain price. He noted that Philcare and ICare were both aggressive in containing the cost of the predetermined MUC.

[9] IBNR: Incurred But Not Reported

He raised the need for such capability, but also pointed out the significance of considering the types of products, whether it was a high-end product or premium product. For these kinds of products, there should be a concierge, less friction, and better customer service, and therefore can be priced higher.

A value price product for individuals, families, and even corporates that were beyond the traditional MaxiPlus and must be capped at a certain price point. For example, the price point could be hit when a budget is sought from a manufacturing company and the availment of benefits can also be counted and confirmed internally.

Mr. B. Go raised a query as to how this capability would be enabled. Mr. Argos explained that four things have been worked on to build such capability, the first of which is the product. Different types of products must be created to hit different price points for different target markets, whether it be group or individual. Afterwards, an organizational change would be undertaken. Thereafter, the technology aspect, which was pivotal, would be arranged. Finally, the network, which includes the PCCs, would be developed.

Mr. Argos discussed that those were the efforts performed this 2024. He expects these enablers to bear fruit by 2025, when Project Aorta would be completed.

There can be a front load for the new products, hence, the target was Prima for February in Q1. The cost must be proactively contained and not retrospectively.

Mr. A. Go suggested some form of intervention, that is, to check account-by-account, particularly the top fifty (50) accounts, so that they can be aware when the loss ratio was hitting over what was expected.

In terms of loss ratio, Mr. Argos explained that there was always a correcting factor because of credit and debit memos. There has to be a more basic and lead indicator for cost. He to revisit LOA issuance and further explained that there must be a per product design as each product must have a different metric. For instance, Lifesaver should have a completely different metric compared to another project. The product would be all about the current account.

Mr. A. Go sought updates regarding the report server from Ms. Grace Aglubat ("Ms. Aglubat"). It was relayed that updates may be reported by August 2025. Mr. A. Go, however, commented that such period was too far along. He wanted it moved to February 2025.

Mr. B. Go relayed a conversation which he had with Mr. Argos. He discussed that if Maxicare followed Intellicare's payment terms, Maxicare would have an extra fifty days of cash, because that was Maxicare's working capital – and Maxicare bills around per month. Thus, Maxicare would, in effect, have They would then have interest income if the same would have been invested. Maxicare could easily earn 5% other income.

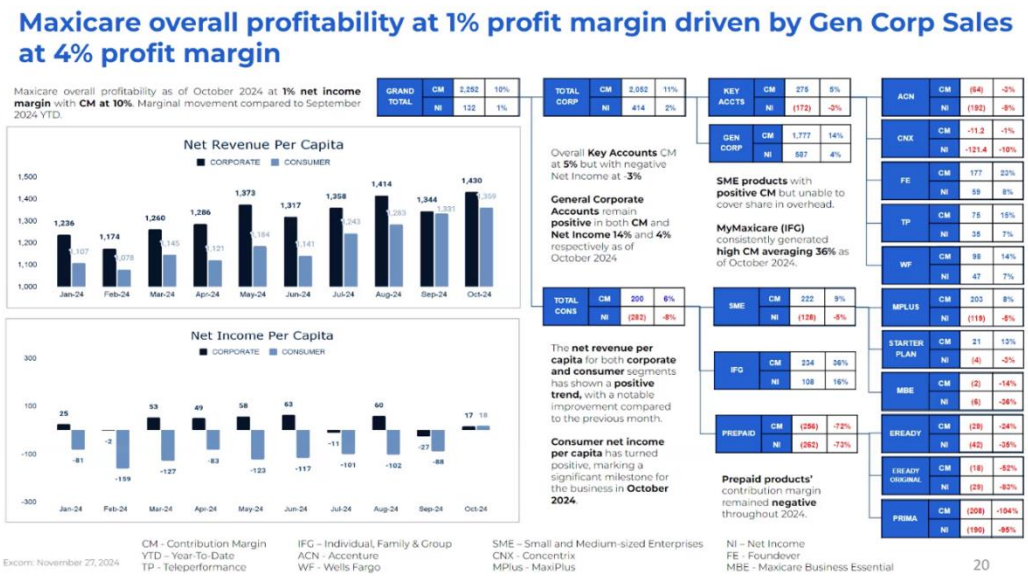
Mr. Argos raised the need to understand the value of a payment made in twenty-two days vis-à-vis in sixty days, particularly in relation to those that do not give additional discounts. He explained that Maxicare can extend further and modify their contracts to align sixty days if no additional discount is offered. That was how such information can improve Maxicare's bottomline.

For instance, Philcare does not make payment for six months. Mr. A. Go commented that no one will service a company that does not pay for six months. Mr. Argos reported that Philcare still performs manual computation of their IBNR. Mr. A. Go, however, expressed that he cannot agree to such length of time for payments as he does not want Maxicare to abuse its providers. He also raised that such practice may result in brand damage to Maxicare.

C. Profitability Report

Preliminarily, Mr. A. Go reminded the reporters to ensure that [illegible] in profits should be earned by next year.

Mr. Mark Macapagat ("Mr. Macapagat") started the report by presenting the following table for the profit analysis for the month:



Mr. Macapagat discussed that the overall picture for the ten months ended 31 October 2024 was largely the same as what has been in the past, which was a factor of being in a YTD Outlook. The overall profitability rested near at a 1% profit margin for all of the sectors, which was driven by General Corporate Sales at a 4% profit margin.

As can be seen from the graphs presented, there had been natural growth in the inflation for both corporate and consumer products, and there were notable

changes per month. A profit per capita net income for corporate can be seen to have been earned.

The data showed negative results since January to September 2024, but a positive project margin for the consumer segments was reflected by the month of October.

As a result, there were two incidents which were reported to have happened. First of which were the price corrections. The price corrections on the primary SME Product, MaxiPlus, did not kick in immediately but the margin had increased from 9% in September to 16% in October.

Mr. Macapagat reported that they were verifying whether this trend would persist for the rest of the year. The prepaid products have already started winding down from the stock sales. Because of this, there was a negative effect on the revenue and CM itself. Nevertheless, the YTD September had shown a negative 120%, but the YTD October has shown a negative 104%, which was an improvement for the month of October.

Overall profitability for all seven consumer products was shown to be at a positive for the first time this year. Mr. Macapagat noted that they were verifying whether this would persist until next year, as a re-engineering of these products would have been undertaken.

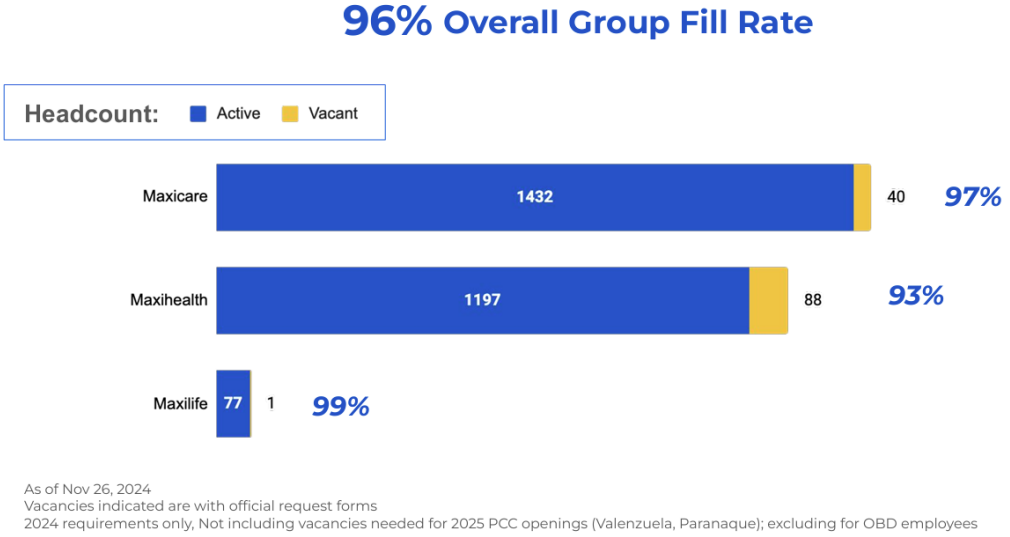
Mr. A. Go inquired as to the projection of expenditures for the cost of next month and whether it was based on historical reports and it was confirmed that the figures were based on historical reports.

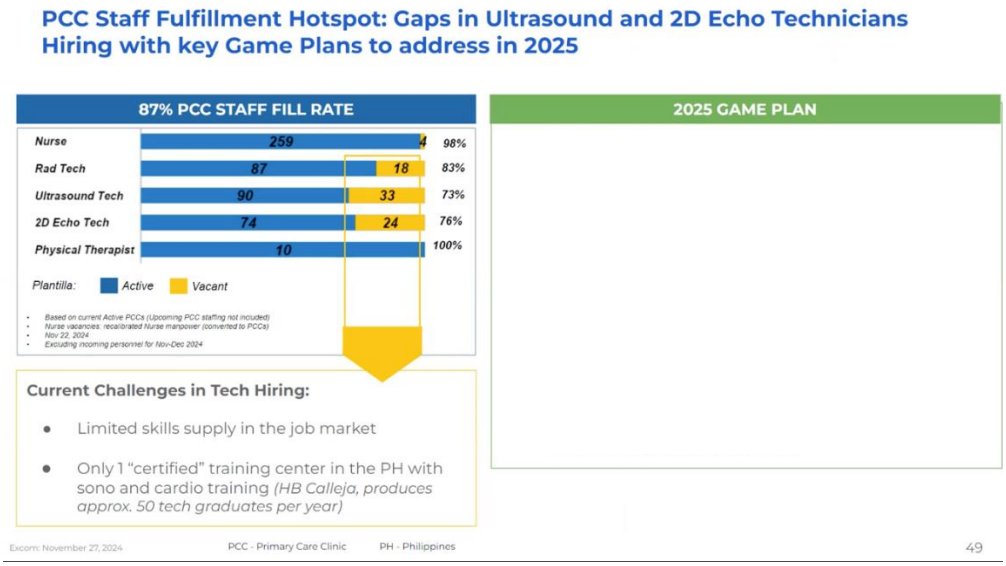
Mr. Cheng explained that when forecasts are made, the seasonality factor is considered as well as projections on how the environment can affect the cost. Mr. A. Go mentioned that standard deviation must also be considered. He also raised that all the costs should be differentiated whether internal, external, or PCC.

Mr. Argos explained that the costs have now been capped with very specific amounts. For instance, a maximum number of consultations had been set based on the product availed.

V. MAXIGROUP HR METRICS

Mr. Gully Go ("Mr. G. Go") reported that the overall MaxiGroup fill rate was pretty good at 96%.



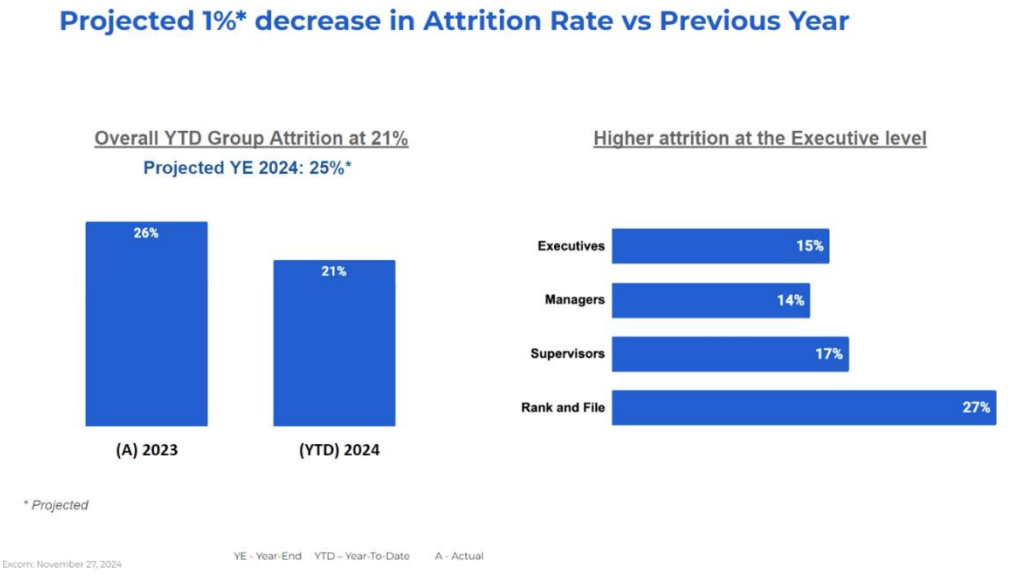


In relation to the internal skills building and technical training academy, Mr. G. Go discussed the creation of for specialist sub-levels to prevent the personnel from leaving. Ms. Lopez further discussed that ultrasound technologists were not of the same level. She explained that newer technologists would create a big file, while the more seasoned technologists would create a file that was compressed because the more advanced ones would just focus on certain spots, which was the aim of the training.

Another aspect being worked on was the salary structure of the doctors and nurses. The fill rate was very good with nurses, but they still leave MaxiGroup because of different reasons, such as pay or progression to big hospitals abroad.

Mr. G. Go mentioned that the specific figures would be presented to the Committee by January 2025.

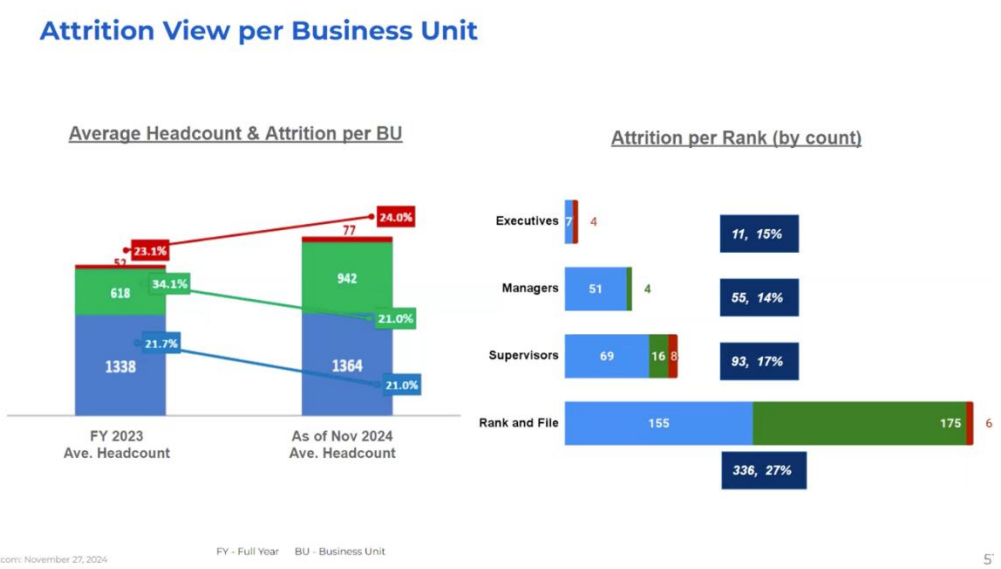
On the other hand, the Attrition rates were reported as follows:



Last year, the overall YTD group attrition was at 26%, but this was projected to end at 25% this year. It was noted that the 21% figure as presented was not yet the full year percentage.

The attrition at the executive level was quite high because there was a lot of movement for the transformation project in 2024.

The attrition view per business unit was presented as follows:



The attrition view per business unit shall be reported every half year to the Committee, while the same would be presented to the Board at least once a year.

VI. ITEMS FOR APPROVAL

2025 MaxiGroup Budget

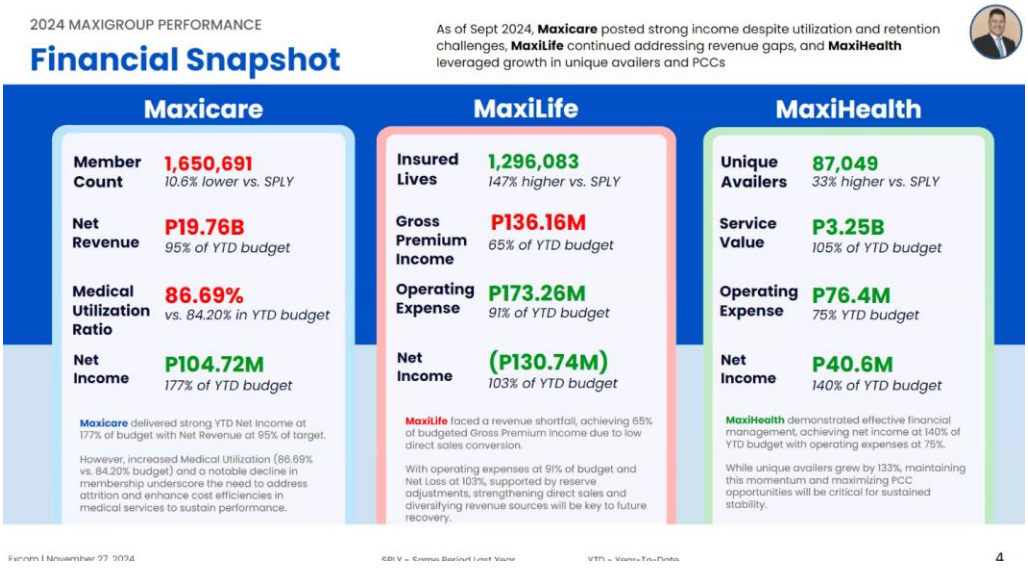
The different heads across MaxiGroup presented on the 2024 achievements, improvements, and plans and opportunities for 2025 to substantiate the request for the 2025 MaxiGroup budget as narrated in the succeeding sections.

A. 2024 MaxiGroup Performance

Mr. Argos reported that the 2024 to 2028 strategy aimed to make Maxicare the Philippines' most trusted healthcare provider, generating over ₱ in revenue by enhancing patient experience and delivering innovative solutions.

Mr. Argos reported that 2024 was the year of laying the foundation for Maxicare's long-term growth and readiness for future challenges. Thereafter, 2025 was the year of building on the foundation created in 2024, particularly in the area of product development. The next generation of products would be more granular in terms of price points and private markets.

The financial snapshot of MaxiGroup presented, viz:



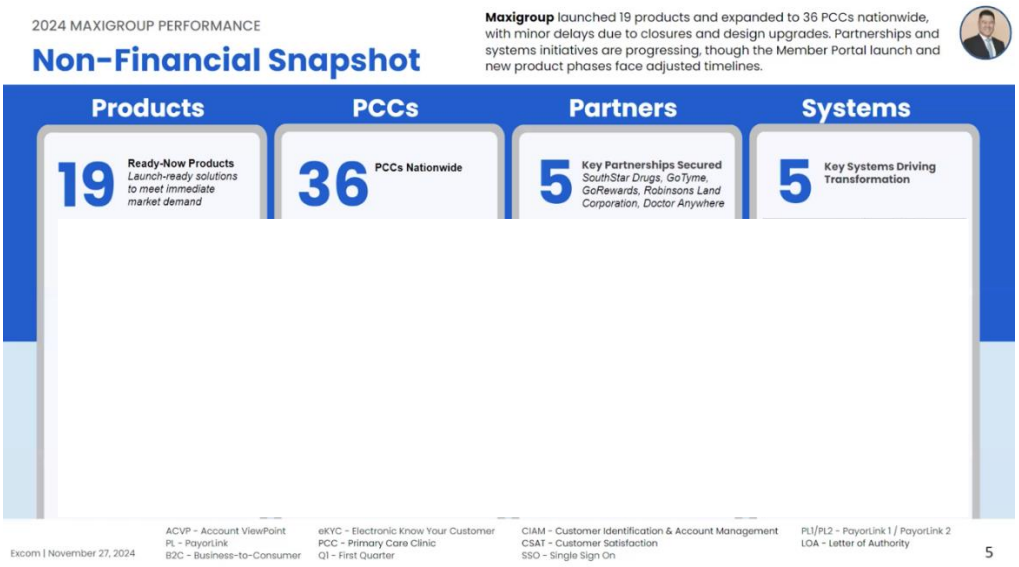
Maxicare had experienced its first severe headcount contraction in its history. As of September 2024, the member count was at 1,650,691, which was 300,00 lower than the member count at Maxicare's peak which was at 1,900,000.

Top line growth was still shown but this was due to the price increases. Mr. Argos reported that clients have been complaining about increased HMO costs.

The traditional model of pricing on the basis of medical inflation and taking for granted whether clients were willing to pay for increased fees may no longer be certain. Big clients such as
which are the biggest customer segment of Maxicare, were also under severe price pressure because of changes in their own businesses and the shift to artificial intelligence. Hence, Maxicare has to build into other industries and other consumer segments.

As to the non-financial highlights, MaxiGroup launched products, which were admittedly constrained in terms of benefits and opportunities because they were based on existing capabilities. Nonetheless, they were still high revenue-generating products, which also had a higher margin. The Ready-Now Products were extensions from existing products and enhancements.

To execute Mr. A. Go's recommendation, the various ingredients of the products from different tests would be bundled into smaller and simpler products.



As to partnerships, there has been a lot of building of the ecosystem within the conglomerate. Five key partnerships have already been secured: (1) SouthStar Drug, (2) GoTyme, (3) GoRewards, (4) Robinsons Land Corporation, and (5) Doctor Anywhere.

Mr. A. Go requested to size the potential in respect of the partnership with SouthStar Drug. Mr. Argos committed to providing the same.

As to systems, there have been five key systems driving transformation which were ongoing:

The allows for converging of voice and non-voice, and automation of customer interaction services. This also differentiates the service levels by product. Thus, a product can be exclusively non-voice, particularly if the same was at a lower price point. If at a higher price point, the product can be a voice and video concierge.

Mr. Argos further discussed that the can limit who has access to the same. It does not only have the capability, but it can also automatically route because investments have been made in SSOs[10].

Thus, whenever clients make calls, the will be able to recognize the client and what service level and product would be needed. Depending on the client, he or she will be able to get what he or she paid for.

Mr. A. Go discussed the importance of convincing the customers to use the non-voice instead, as the same would be cheaper to service. He suggested to coordinate with SouthStar Drug in integrating the same into a mobile app so customers can simply click from their mobile phones.

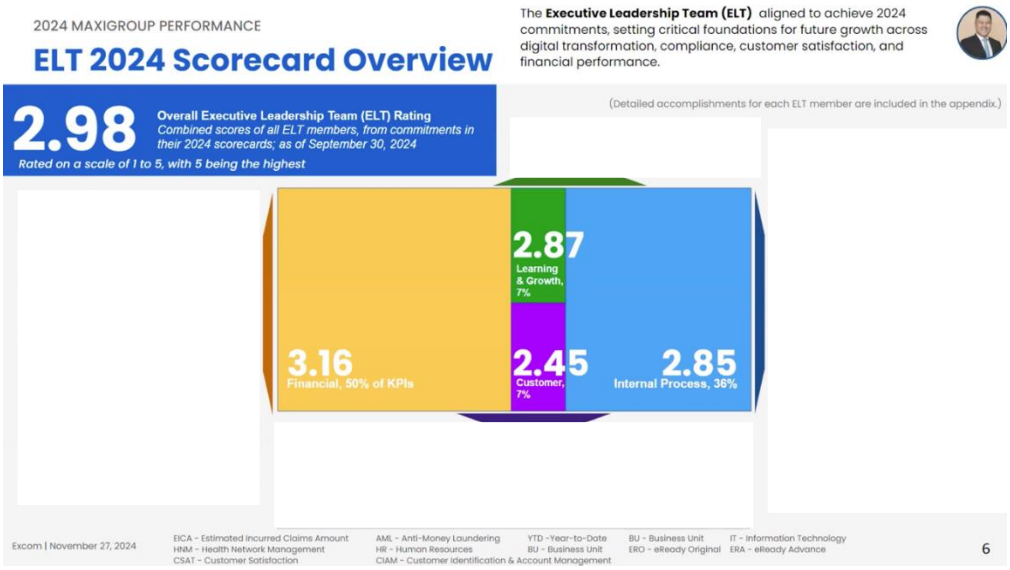
Mr. B. Go inquired whether the medicine discounts were working well. Mr. Argos reported that there has been little traction in terms of the discounts, particularly on the generic medicines.

Mr. A. Go discussed that ideally, after consultation, the customer should be able to click from the mobile phone and choose what was needed. Mr. Argos explained that SouthStar Drug has that capability. Mr. A. Go noted that such capability must be integrated with the platform.

As to the will be released on while was aimed to be released by , which is focused primarily on delivering a better experience in results out of the PCCs. It was also discussed that would be a web responsive mobile page.

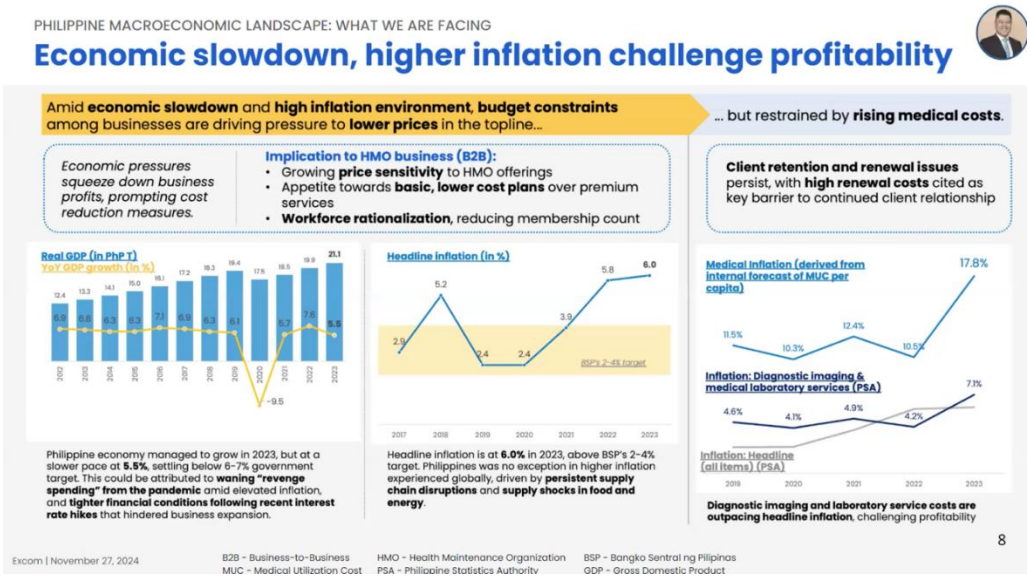
The ELT[11] 2024 Scorecard as of September showed a score of 2.98 and explained that a score of 3 means going beyond expectations. Mr. Argos reported that he expected the score to further deteriorate by the full year scorecard, at around 2.5 or lower. The main miss out would be the top-line revenue and net income on the score card. Mr. A. Go remarked that customer satisfaction should be the top priority.

[10] Single Sign On
[11] Executive Leadership Team



He discussed that year 2024 had shown a slowdown in the main platform due to corporate client base's ability to pay increasing premiums. He explained that increasing premiums were driven by inflation. Medical inflation was two to three times the headline inflation rate because the same was further up the value chain so the inflation accumulates.

B. Macroeconomic Landscape



Clients relayed that 30% increases in premium cannot be given every year, because their budgets were not increasing by 30%. Thus, clients asked for a product that should be able to give a predictable and sustainable price increase every year.

Mr. Argos further explained that there was a bit more willingness to adjust the benefits or service level because of such price sensitivity. Thus, Mr. Argos classified the corporate clients into two.

The first class of corporate clients were a bit more willing to pay increasing premiums as they put more value on the customer experience and service, and these were usually captives.

The have reached the point where they can no longer afford increases in their HMO cost. Further, the Philippines has been flagged a country which has a big risk in terms of being uncompetitive for customer interaction. Because of AI[12], the advantage of the Filipino accent has been completely neutralized. He shared that has even been shifting work to , which was previously unheard of.

Essentially, the ask of the clients for year 2025 was for them to be able to have HMO benefits that should fit their budget per capita. The old model of looking at loss ratio and pricing, with a comfortable margin should soon be obsolete for this market.

Mr. Gokongwei noted the good insights of Mr. Argos' report and agreed with the differentiation between captive markets and those serving third parties. He stated that the bulk of the Corporation's business were third parties. He further noted that he agreed with the strategy, that is, to develop a lower cost model.

Mr. Gokongwei raised a query as to how receptive the market is in relation to the co-payment of products. Mr. Argos replied that there was a huge demand for co-paying as this was perceived to reduce cost.

Before, there had been a huge resistance against co-payment because of the focus on employee engagement. Now, there had been receptiveness for any mechanism that would shift some of the accountability and the cost to the covered individual.

Mr. Gokongwei inquired as to how co-payment was done in the United States. Mr. Argos explained that there were various methods of sharing the cost, (i.e., co-payment, co-insurance, deductible plans, or second-layer benefits).

For instance, in a co-payment or sharing deposit, instead of giving to executives, and to rank and file, it can all be equalized to . The executives would have medical insurance coverage that gives them additional , and the portion of second layer can be funded out-of-pocket as optional.

[12] Artificial Intelligence

Thus, Mr. Argos highlighted the importance of having the flexibility to support various mechanisms of sharing. Mr. Gokongwei commented that it would be good to set up a few models of pricing so that customers could see the actual payment scheme and direct customer feedback.

Mr. Argos shared that was very open to a second layer benefit that gives them access to an additional if the client has employees with specific illnesses because their executives were getting cancer, heart attacks and strokes. Therefore, even a or was no longer sufficient.

Mr. B. Go explained that the benefit was that the surveys were simplified to a quick test and learning, and the product launch could be very quick as well. He further noted the importance of having the flexibility for proper configuration.

Mr. Argos explained that there may be instances where Maxicare was the base plan, but the critical illness was MaxiLife, and the ECU was MaxiHealth. He noted that the customer will only talk to one person, who is the MaxiGroup account officer.

As such, Mr. B. Go raised that product development could be more of a test and learn model, as success was not always assured.

Mr. Argos also explained that there must be something visible across the three companies. As such, there will be a more affordable, broad-based consumer product. However, there must be an ability to test with a level of precision that should be able to go down to regional product variants (i.e., a product variant in Baguio should vary from a product variant at a different place).

He highlighted that they have the ability to cut access based on geography and service. For instance, if St. Luke's Hospital ("St. Luke's") was accredited for a customer, then, everything else should be accredited as well. It cannot be said that the customer should go to the PCC for outpatient, but if the case was an emergency, the customer may be recommended to go to St. Luke's instead.

Mr. Argos further discussed that they now have the ability to determine the benefits of a customer on a granular basis. For each benefit, they can determine whoever was paying for it (i.e., insurance, HMO, co-payment or out of pocket).

The other variable was where to get the product (i.e., at the PCC in a particular place only). Thus, he highlighted the importance of simplifying the product into a bundle, which could be value adding as it avoids confusing the client. Mr. Argos further discussed that there were two ways to do it at a transactional level. For instance, in the case of Prima, the most basic product variant was actually a fee for service. There would be a bundle of inclusions and if the customer exceeds the product construct, a fee must be paid. However, they also have the flexibility to create a variant such that every time a customer visits a PCC for

consultation, shall be shouldered by the customer, and shall be covered by Prima. The enabler should be a very slick mobile application for this purpose.

Mr. A. Go noted that a different conversation could be had with GoTyme because they issue a Visa card, which could be an issue for reimbursement of fees.

Mr. Argos explained that they had been trying to explore the possibility of an ASO model for individuals. The limitation was that there was a reliance on third parties. Instead of an ASO model for individuals, it would be a "fee for service for individuals". Thus, they will not incur the risk because MaxiGroup would be delivering the service first before paying. It would really be the Prima product for fee for service individuals.

The tests based on the doctor's assessment would already be displayed on the mobile application and the customer would then decide if payment should be made for such tests. Such process side steps the ASO problem encountered before, where a fund would first be set up because a digital payment would be made, and payment should be made first before services are rendered. There would be no collection risk as opposed to an ASO model. It also lowers the barrier to entry for individuals. Before, for individuals, there was a need to first deposit around but very few people will deposit such amount.

Mr. Argos explained that the closest analogy would be the membership where there is individual and corporate membership. MaxiGroup can do a fee for service for SME, but the customer must buy a card and be enrolled as a member. On the other hand, for small businesses, the corporate Prima card may be an option, which would be preloaded, and would be bought with a consumable amount which, if exceeded, could just be paid by the customer. If the customer was a small business owner, it can be given to anyone, with no anti-selection risk. However, from the underwriting perspective, the challenge would be KYC.

The process would completely change the product for SME, because previously, SME was just MaxiPlus or Maxicare Business Essentials.

Mr. Gokongwei requested to deconstruct the products of Philcare, ValuCare, so that the features of the same could be presented to the Executive Committee next meeting. This should allow them to compare the said product with MaxiGroup's proposed product, and determine whether the features like costs and benefits are better, or if they have lower margin or costs. Mr. Gokongwei wanted to understand whether they were offering a different product or just the same one.

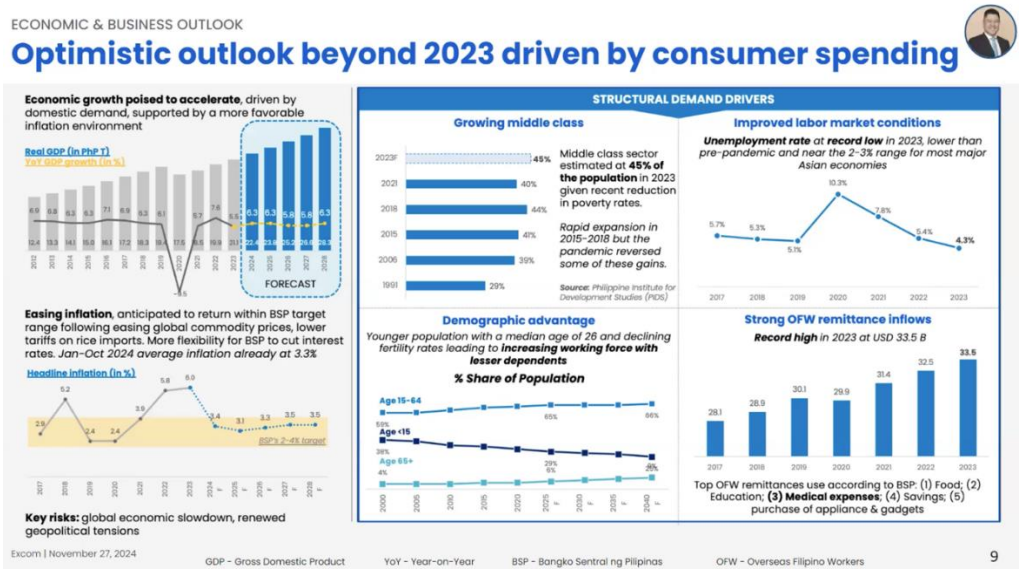
Ms. Fiona Victoria ("Ms. Victoria") reported that three teams were working on the competitive scan. Different point persons are looking at certain aspects. She

explained that Mr. Raymond Hernandez ("Mr. Hernandez") was looking at the customer experience from purchase up to usage across different HMO providers and shopping of certain products. The Sales Team was also checking on the comparatives in terms of contracts and policies written for new and renewal businesses. As such, there were comparisons regarding the contents of the proposals (i.e., pricing and terms and conditions that may be noted during the proposal generation stage). She also mentioned that Mr. Kurleigh Gacutan ("Mr. Gacutan") of the Data and Strategy Team was also reviewing the sources of other income-generated fees. Ms. Victoria committed to consolidate all the reviews which should be presented in the next Committee meeting for exploration on the details for competitive comparison.

Mr. A. Go inquired whether the Prima product would include the issuance of a card with the customer's name. Mr. A. Go suggested not include the name. However, Mr. B. Go raised that the customer might forget his or her own card.

Mr. Argos discussed that there were certain products whose access must be locked to an individual because they were underwritten, but there were also products whose access need not be locked to an individual. Thus, Mr. Argos raised the need to differentiate between the two. An insurance product would probably be tighter in terms of identifying a healthcare product, which should be a fee for service and bundled under MHSI. There could be a bit more flexibility regarding who uses the benefit, but such usage should still track every single thing done. Mr. B. Go suggested exploring giving virtual cards as well.

Mr. Argos reported that the MaxiGroup could really grow into the consumer aspect, as he foresees an optimistic outlook beyond 2023 as driven by consumer spending.



Healthcare ranked very high in the priorities of individuals. The challenge was to shed the one size fits all mentality as an HMO turned towards a premium group. There was only one SLA[13] for approving LOAs, and one flow of claims with one experience for every Maxicare member.

Hence, for Maxicare to engage consumers and avoid the act of limiting the market to just certain groups, lower price points should be hit. Maxicare should have the ability to fulfil the benefits and experience, and to differentiate service delivery based on the product. The product must also be tailored for the right market segment. This was noted to be a huge opportunity for Maxicare.

Mr. Argos highlighted the importance of the consumer and value price to expand the current base beyond the typical premium corporate B2B, where the margins were compressed. Even if there would be a drop in the margin to zero, Maxicare would still be unaffordable for certain B2B clients.

Mr. Argos reported that there have been unusual movements in respect of ValuCare's financial results as they were currently stabilizing and were not aggressive. Mr. Argos foresees that they might have a different strategy by the start of 2025, because they really focused on stabilization and transition from the old owners to the new owners.

Philcare and ICare have been responding well to the market demand, but they may not be executing such response well. Thus, Maxicare must find a way to perform such execution in a better manner.

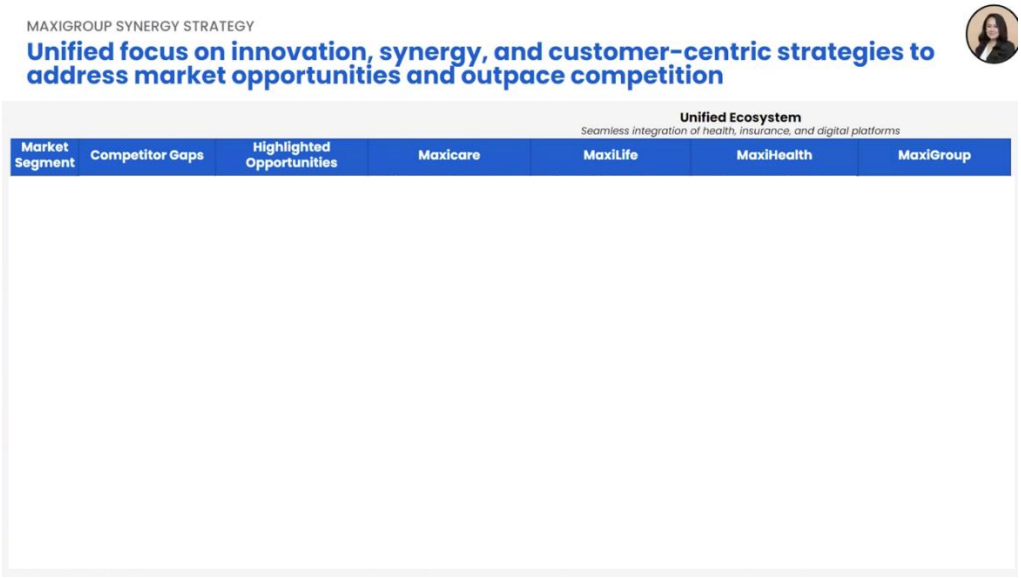
C. Healthcare Industry and Evolving Customer Expectations

As to the Healthcare Industry and Evolving Customer Expectation, Ms. Victoria reported that after a scan of both the HMO and life insurance segments, she mentioned that the healthcare spend in 2023, and a monitoring thereof should be looked into in preparation for year 2025.

She discussed that out of the or around household out-of-pocket, which was initially the target as well when the OGSM was done back in 2024, there was a deeper or more efficient synergy that had to be done across the business units of MaxiGroup.

[13] SLA: Service Level Agreement.

The synergies related to both the product development side on the operational efficiency and the technical driven solutions that would be enforced in 2025.



A study on the internal gaps for different market segments was also made, which yielded to a finding that while MaxiGroup remained focused on B2B, it was also very cautious on the efforts towards B2C and B2B2C, all in product strategy, go-to-market strategy and operational efficiency. While the current focus was on cost-effectiveness, cost efficiency and reducing MUC as a risk, there was also a limited integration of the products both on the HMO and the life insurance side.

Insights on how to make the collaboration more effective, and how the products can be complementary for each industry and target segment would later be provided. There will also be improvements on the basic offerings for SMEs as the focus for 2025, including health and life insurance packages that must be

combined for B2C and improvements on customer engagements directed towards B2B2C.

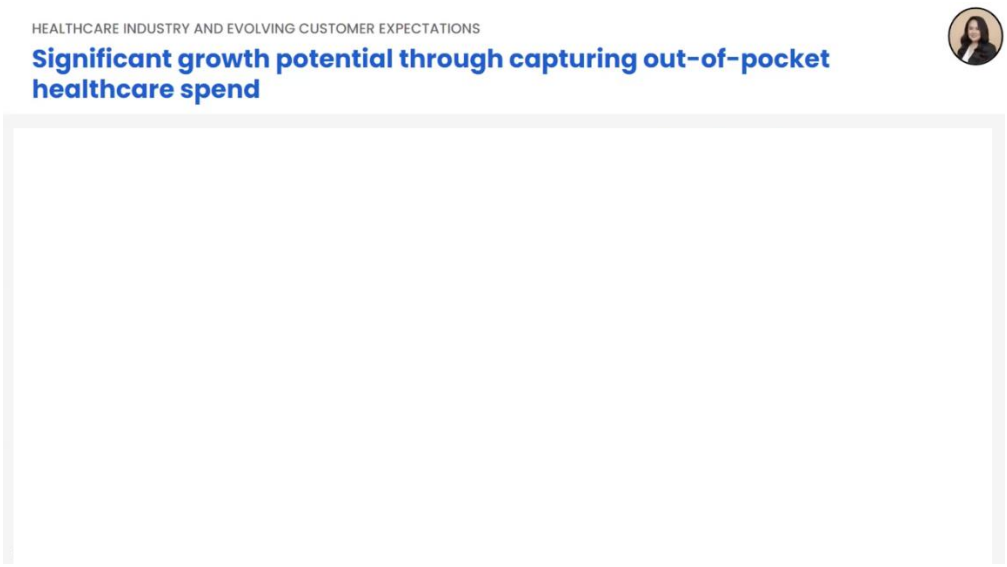
The opportunities as a result of the competitive and competitor scan from both life and insurance segments showed that there were emerging growth leaders in MaxiLife. The complementary products moving towards the health segment were very important that MaxiGroup's standards must be solidified as well to ensure that the products would be available by January 2025.

There was also a need to create flexible and customizable plans. Customer personas were established in 2024, but aside from the customer personas, MaxiGroup has nurturing sponsors and thriving achievers. The demands and needs per age, gender and profile of the members have been identified but they will also be superimposing another layer which was a customized or tailored solution in addressing the customer experience.

The ability to adopt to technology and the ability to pay on demand will also be supplemented when the customer personas in market segments have been identified.

Each of the business units will be driving initiatives for 2025, which will show a unified ecosystem for the year and will tackle seamless integration of health insurance and digital platforms.

Aside from the customer personas identified in 2024, the customers' needs per persona will be superimposed. For example, preventive solutions should be well-defined when a member would like to prioritize better health quality over life span for a specific nurturing achiever. As such, wellness initiatives or care pathways that will be beneficial when moved to the primary steerage network will be produced. The same shall be focused on steerage towards internal medicine, family medicine, and general pediatricians before moving to sub-specialists and specialists care, but the same should also highlight the need for convenience and seamless healthcare access. Aside from just purely automating the solutions, the same should be a valued touch point and time saving touch point for the member to also improve customer experience.



There would be outperforming digital channels or non-digital channels, which should be successfully mapped per persona or identified customer. The digital living per persona should likewise be measured.

MaxiGroup should likewise be cautious as to how these personas or customers will embrace technology integrated healthcare while moving towards AI enablement for customer service. Aside from the Genesys platform coupled with the ability to do the next best action under SMEC and Genesys, there will also be some features in terms of serving customers with higher health demands or customer service demands. Different products set as mentioned by Mr. Argos may require different customer levels and that was what should be defined when 2025 comes for product refinement.

Overall, the value-added health instructions, interactions and personalization will complete the cycle for ensuring that both sensory technology-driven brand interaction and modular spending preferences will also be identified for each of the product and services for release next year.

For this part of the report, Mr. A. Go requested that the platform (i.e., Genesys) that would be used for each segment should be indicated.

D. Key Insights

Ms. Victoria highlighted the key trends and business opportunities for 2025, and its implications to MaxiGroup as follows:

Cost-efficient B2B products tailored for budget-conscious clients will be developed. Further B2C offerings that capitalize on rising consumer spending and focus on affordability and accessibility will scale up.

Priority will also be given to efficiency improvements and scalable models to strengthen margins, more than forecasting the need to identify controls and prompts. This was to measure profitability at any real time or regular cadences as profitability gains and riska were reported to the management and Executive Committee.

Pricing agility, innovation, and differentiation to maintain competitiveness would also be leveraged. While the brand dynamics have been very strong as the market share has been retained, there were still emerging growth leaders both from HMO and other sectors which MaxiGroup should remain cautious of moving forward.

The integrated digital health ecosystem moving towards the successful implementation of the MIS project will allow MaxiGroup to perform a predictive analysis and enable AI because data would be needed when moving towards AI, Genesys, or in general, the next best action.

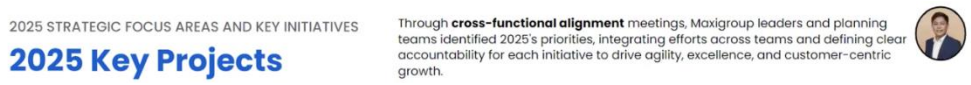
Mr. A. Go reiterated his request to specify the specific software for each action reported by Ms. Victoria. She ensured that they shall present a roadmap for this purpose in the next Executive Committee meeting. For each action, the respective enablers would be identified and that would actually define the four pillars of the project or plans for 2025.

Ms. Victoria explained that since the MaxiGroup had already been informed of the competitive market and opportunities and trends last 2024, and has performed an industry scan, there will be a shift of focus for 2025 – particularly,

on the four pillars about product development, operational excellence and improvement, innovating customer, and leveraging data and technology.

E. 2025 Strategic Focus Areas and Key Initiatives

Mr. Gacutan reported on the 2025 Strategic Focus Areas and Key Initiatives. He reported that five areas have been identified with the acronym for the five pillars, four of which have already been identified by Ms. Victoria.



Noting that people were important for the project, another incorporation pillar had been added, which was centered on strengthening talent and collaboration.

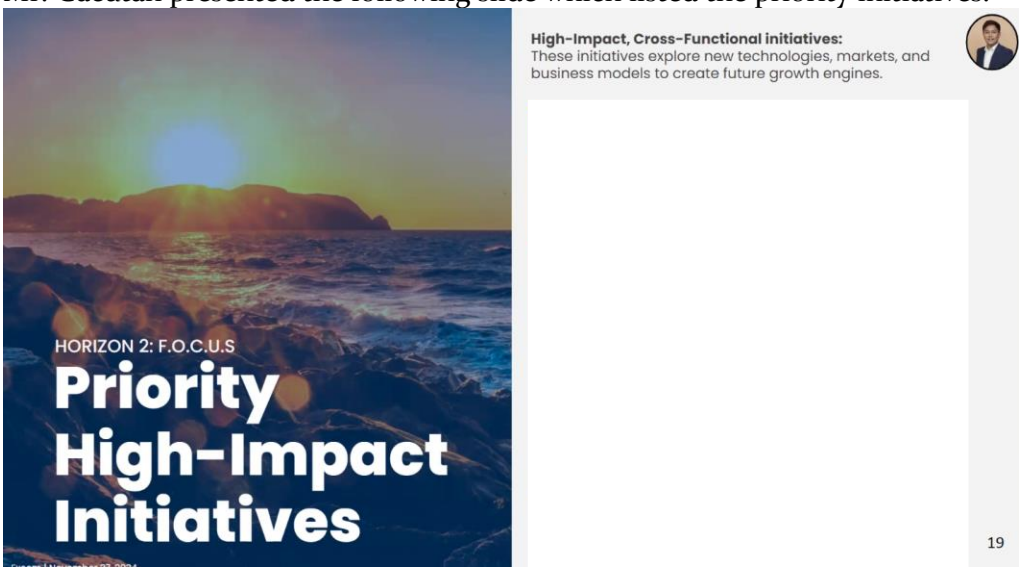
By aligning all of these efforts across multiple functions, these initiatives aim to position MaxiGroup into a transformative growth starting 2025.

The approach to achieving these strategic objectives was anchored on the following prioritization framework:

In the said framework, the initiatives have been streamlined to those which will reside as part of for businesses and projects like Audit Management Solution, IT Enrichment Solutions or the MaxiGroup Contact Life Cycle Management, and Risk Manual which was under Atty. Andrew Fornier ("Atty. Fornier"). These can already be embedded as part of the functional BAU projects which will be executed in 2025.

Mr. A. Go inquired as to who would do the call center. It was answered that Maxicare would be synergizing with the customer care unit to centralize customer service.

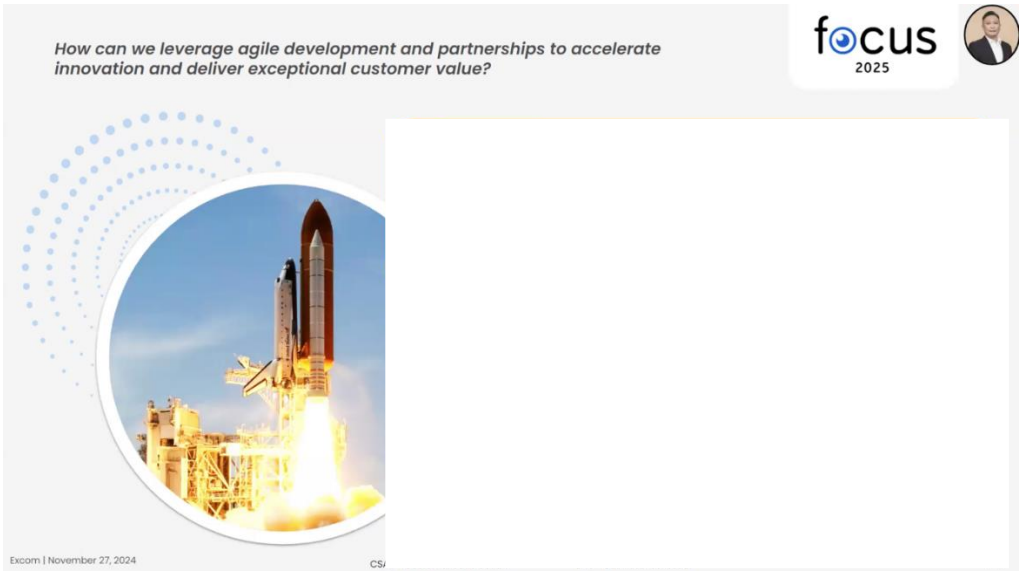
Mr. Gacutan presented the following slide which listed the priority initiatives.



He then directed the Committee to the next reporter, Mr. Hernandez.

F. Product Development

Mr. Hernandez discussed that focuses firstly on the responsiveness to the market, particularly on competition and secondly, on the quality of products. While MaxiGroup aimed to address the competition, it should still maintain focus on client experience. Finally, focus will also be made on sustainable growth.



Mr. A. Go discussed that customer satisfaction and retention are two completely different things. He inquired as to what was the percentage for customer satisfaction.

It was reported that MaxiGroup was looking at a rate equal to or greater than for customer satisfaction. For customer retention, it was reported that there was no measure yet for the same. Ms. Victoria reported that the measurement of persistency would be standardized. Previously, the same was computed based on contract value, but henceforth it will be computed based on currencies in the model. Currently, the measurement was at but the goal was to stretch it to

G. Project

The product roadmap for the first project was presented as follows:

One of the main discussions points was that growth will really come from the consumer side. While being undertaken, the same would not be sustained without protecting the core base.

For the first two (2) quarters, bracket A would be the
which will be products that will be developed to combat

Bracket B would be the which were the products that would be released by the while at the same time, it would go heavy into prepaid or bite-sized products, particularly, which was already launched, along with its iterations and in Quarter 2.

Quarter 3 and Quarter 4 focus on priority demographic and disease-specific products. Whatever was developed for will continue to be built because was 100% customer-centric driven.

What was aimed to be achieved in the next couple of months was to have an process within the clinic which will not involve any
Once such enabler comes into place, which was targeted to be launched by then, the ability can be maximized.

The idea for and was to serve as a channel for out-of-pocket expenses. However, moving forward, the goal was to transform the PCCs into an acquisition channel so the products can still be bought by clients and not just out-of-pocket additional expenses.

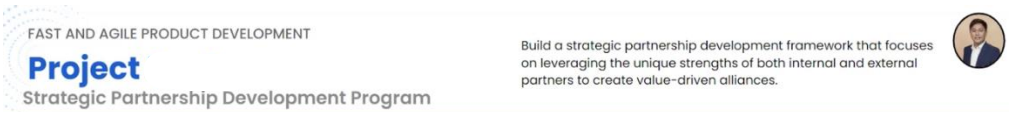
[14] Individual and Family
[15] Executive Check-Up

Quarter 3 and Quarter 4 were reported as generic as this will be the manner by which they will capitalize on what they were able to do, as well as taking advantage of the capabilities once all the systems are in place.

In terms of volume commitment, the entire product roadmap aimed to generate in sales for 2025. This was part of the with a balance, which will be addressed in Quarter 3 and Quarter 4 based on the current capabilities.

H. Project

Mr. Gacutan presented Project This project aims to support all of the product launches, and to do the same, there must be a strong subset of partners:



The goal for Project was to have a structured initiative that will go into five stages

For the coming year, the aim was to decrease partnership formation time by There has been a commitment in respect of revenues, as well as improvement in terms of customer retention targets, but the same will be crystallized once a roadmap will be formed with existing partners.

Discussions were regarding partnering with the . It was clarified that partnerships were not yet made a priority.

I. Operational Excellence

Ms. Victoria reported that with respect to Operational Excellence, the aim is to highlight process efficiency by increasing its metrics by 15% for next year.

There were also certain initiatives that will drive process efficiency, both in manpower and technology driven workflows.

As to cost control, the aim was to achieve a cost reduction of 10% across key areas, whether internal or external. As to regulatory compliance, the aim was to ensure 100% compliance in all audits. As to risk management, the aim was to be more mindful and strategic in reducing risk incidents by 25%.

The major projects for Project Operation Excellence were:

Mr. A. Go sought clarification on the expansion of the workforce in relation to the projects for which the following slide was flashed.

Mr. B. Go asked what the reporters meant by "risk-incidents". Ms. Victoria responded that they are identifying customer touch points where the Corporation is highly at risk (i.e. release of results to members, inability to issue approvals, or contract management risks, etc.).

J. Project

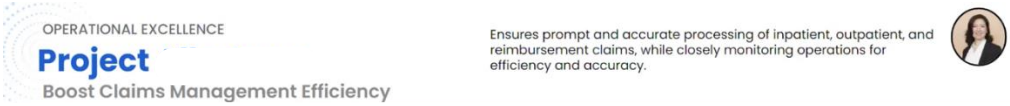
Ms. Elizabeth Gregorio ("Ms. Gregorio") reported on Network Curation or Project The goal of this project for next year was to be able to manage costs through various cost control initiatives. This would be largely implemented using containment of rates particularly for outpatient where around 50% of utilization was from OP[16] lab.

[16] Outpatient.

Packages for in-patient would also be looked into. The discounts will either be in the form of an outright discount, or account payment discount. Another option would be a revolving fund.

As to boosting claims management efficiency, it was reported that the same would be undertaken under Project .

K. Project



It was noted that the reimbursement process has become more efficient after partnering with for the processing of reimbursement claims.

The aim of the Project , is to strengthen controls, which are centered on fraud-based abuse, errors, and validations.

While these initiatives were in place, the goal was to improve processing time. In terms of process efficiency, the aim was to reduce processing time by 15% by utilizing automation, improve accuracy of validation by 20%, as well as to decrease overall claims processing cost by

L. Project

On the finance side, Mr. Cheng reported on Project , which aims to improve both pricing and capacity accuracy. Last year, this was done by coming up with a more granular analysis, making sure that both MUC and CM were accurately reflected.

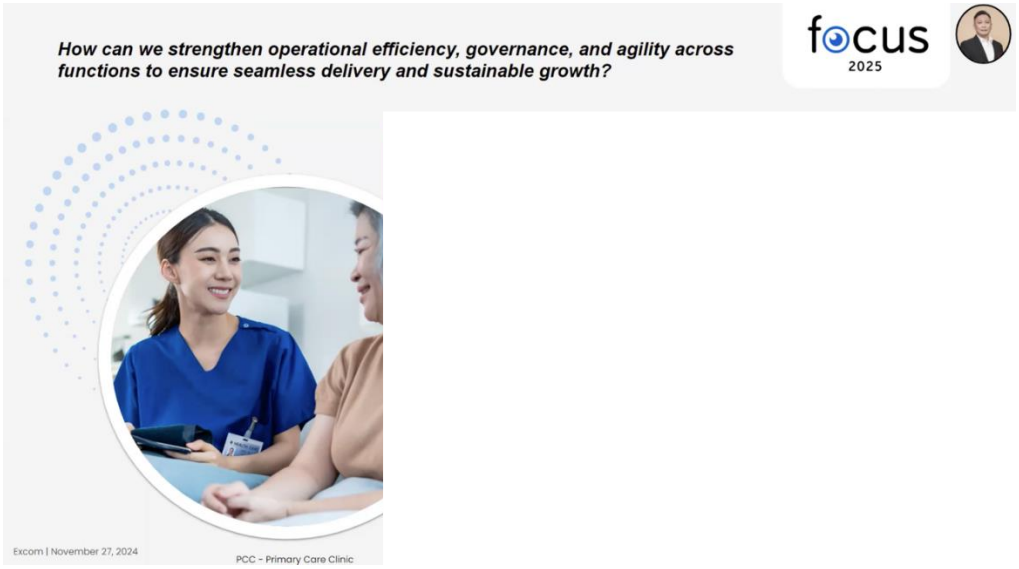
Moving forward, a new element will be added where there will be a building of benefit designs and partnerships with product development done in collaboration with operations, so that it will actually have features that would enable the MaxiGroup to provide the controls without disappointing clients. One important step was that after the contract has been closed, there must also be close monitoring afterwards.

In 2024, monitoring was only done for a limited set of accounts. This will be expanded and will be on full automation.

As to the customer-centric growth initiatives, the main focus was the manner on how to make a better overall experience for clients by elevating the end-to-end customer experience, improving response times, reducing complaints, as well as enhancing loyalty.

M. Customer-Centric Growth

Mr. Hernandez reported on the customer-centric growth initiatives, viz:



The primary goal of this project is to elevate overall customer experience by improving response time, reducing complaints, and enhancing loyalty.

The main projects under this bracket are:

N. Project l and Project

Projects and on the improvement of PCCs and eMedCore+ were discussed by Ms. Lopez.[17]

O. Project .

Mr. Hernandez reported on the next initiative, Project , which was on a unified branding across MaxiGroup.

[17] This portion will be tackled in the MHSI minutes.

The goal was to seamlessly align the values, vision, and identity across all platforms and Business Units. The benefits will be as follows:

The project was targeted to start by , and finish before the end of the half year.

Mr. B. Go asked if a secondary line was launched, like a value product for B2B products, whether such product will fall under this project. This was confirmed by Mr. Argos. It was further explained that the current study was to understand the implication from the business side, particularly of having the sub-HMO brand.

Mr. B. Go also inquired whether there was a need for a separate sub-brand. It was discussed that a sub brand would be further developed, particularly when going heavy into the B2C market and affordable products. The aim was to refrain from cannibalizing the existing market.

Ms. Esther S. Go ("Ms. Go") pointed out that the websites of the companies looked really different from one another. She requested that these web pages look more unified.

It was reported that the branding exercise will finish by , as the same will start by of the same year. The websites will actually be the first channels that will get affected by the change. By , the website should have been updated. It was recognized that there were many items that should be revised in the websites, but it would make more sense to wait for the final branding for the entire group, so that resources would not be unnecessarily wasted. It was further reported that the branding was being done without outside assistance.

Ms. Go raised the topic of channels, as the same was related to branding. She discussed that in many cases, insurance companies partner with banks or bank assurances, but mainly for investment products. Ms. Go floated the idea of MaxiGroup partnering with lenders and payroll providers to corporates so that there can be pseudo-bank assurances, but what was being sold would be an HMO product rather than an investment product. The masterlist for payroll and HMO are fairly similar.

Mr. A. Go discussed that such method was being done in GoTyme, but that only one bank can be chosen. Ms. Go, however, noted that some insurance companies choose more than one bank.

To manage the Maxicare expectations on GoTyme, Mr. Gokongwei discussed that GoTyme has worked closely with Maxicare in relation to payment to doctors, but given the amount of integration required and priority list, the first priority was lending. He raised that Maxicare may not be ready to sell its products until year 2026. Most banks have one (1) or two (2) partners, but Maxicare can distribute through multiple channels. The most important factor was to really develop the consumer.

Mr. Argos explained that GoTyme can serve as a payment enabler. Mr. Gokongwei further noted that GoTyme was gaining a lot of market share.

Mr. A. Go inquired as to the merchandise rate to be expected. Mr. Argos explained that the payroll in GoTyme was a standard capability.

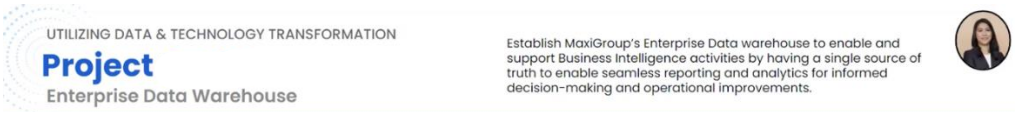
For technology, one of the key strategic initiatives identified for next year was leveraging data and technology transformation.

P. Data Technology and Transformation

Ms. Grace Aglubat ("Ms. Aglubat") reported on technology transformation. This will measure the data quality, user adoption rates as are being implemented, security incident rates, and process efficiency. Overall, these were critical for improving the efficiency, effectiveness and agility across all business functions. However, to fully harness the potential of data and new platforms and systems, there must be a focus on strengthening data integration, establishing comprehensive governance frameworks, and aligning technology effectively with the clinical requirements and needs of business owners, users and customers. Without these initiatives in place, challenges such as litigation issues, technology debt or poorly designed code, and usability concerns will continue to be faced and hinder the operations, which would negatively affect customers rights.

The following areas will be the focus of Project Utilizing Data and Technology Transformation:

Q. Project



Enhancing Data Integration and Technology Frameworks was deemed to be crucial. Currently, the three Business Units were being managed with diverse business processes, dealing with multiple platforms and databases. In Maxicare, core applications across multiple databases were being managed. There may be central or replicated databases, but the data quality suffers due to the duplicate entries, inconsistencies, and data which were stored differently across multiple systems. Additionally, inconsistencies may arise from various formats, updates, synchronization, or replication errors between systems.

In 2025, the challenges shall be addressed by establishing an for 1 MaxiGroup as a single source of data. This initiative will enable seamless reporting and analytics to derive better decision making and operational improvements.

The key success metrics include: enhanced data quality, centralized data access, and consistent data management.

The project will be done in coordination with the Data Governance Team under the Strategy Office and for which they will define governance frameworks, policies, standards and metrics. The IT Team will be implementing the same in the Enterprise Data Warehouse platform, while also leveraging licenses with Embedded Analytics Data Warehouses, utilizing it as one MaxiGroup Enterprise page warehouse.

It was explained that it was not only Maxicare which was covered by the data warehouse, but that data coming from MaxiHealth and MaxiLife will likewise be covered.

The target was to enable the data warehouse by while working with CSO and other business functions to identify the critical data elements that will be prioritized starting for critical reports.

By , data from and legacy systems will be fully integrated into 1 MaxiGroup Enterprise Data Warehouse, which will establish the single source of truth.

R. Project

Project is the MaxiGroup Insurance Solution ("MIS"). The July 1 Go Live distribution panels include: leads and opportunity management portals, product and benefit configuration for corporate and SME products, provider and utilization management covering also pre-authorizations and some algorithms. This shall also cover revenue and billing, as well as financial management and procurement. The financial management and procurement shall cover Maxicare and MaxiLife.

As to the November 1 Go Live, this will be extended to include individual and family products, ASO, and hybrid accounts. The implementation approach focuses on operational transformation through end-to-end integrated solutions and streamlining processes from member enrollment to claims management.

Mr. A. Go stated that if shall be used, the adoption rate should be more than 75%, the security incident should be less than 1%, and the process efficiency rate should be at 50%, not 15%.

Project also focuses on customer experience through the The will replace the mobile application Member Gateway plus and the web-based Maxicare Gateway.

Ms. Aglubat updated that the were undergoing development for MVP 1 and was related the Console Medical Test and capturing of results from Legacy to eMedcore Plus. She also mentioned that the target launch for MVP 1.3 is

Mr. A. Go requested for a month-by-month monitoring of the whole Project, as well as the milestones corresponding to such months.

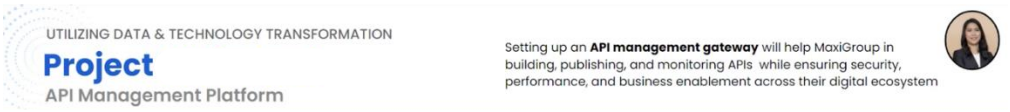
Ms. Aglubat reported that as of the date of the meeting until the end of 2024, they were in the process of data extractions.

Mr. A. Go further raised a query as to how duplication of data would be prevented. He requested for an actual demonstration on how the policies, products, and individual plans were consolidated into one (1) record, thereby, obviating duplication of records.

Lastly, the digital transformation initiative was centered on streamlining data integration, enhancing system interoperability, scalable and agile interaction systems between and Legacy systems, as well as other platforms, including Maxicare and MaxiLife. Adopting an API[18] Management Platform will be critical in addressing data interoperability and integration challenges.

[18] Application Programming Interface

S. Project



Ms. Aglubat explained that healthcare organizations utilize diverse technologies and platforms such as electronic HRs, claims management, and other patient portals. An API[19] management platform facilitates seamless integration among these systems. Thus, this will eventually be connected to laboratory systems, pharmacies, providers, and insurance. A unified and comprehensive view of patient health is essential for coordination and patient care management or continuous care management must be created. API shall play a pivotal role in data management, and most of these platforms will be simplified having the API management integration in all the systems.

Mr. B. Go raised a query as to how this project in relation to API was different from the previous project which was also related to API. It was discussed that the plan for the current project was to monetize just transaction calls through current API platforms, where data would be integrated. It was further clarified that API for this purpose was not API as a service, but the creation of API as MaxiGroup's own platform, and eventually to monetize the data.

The goal was to create a platform, where an API will be created, and which can also be accessed by different legacies.

T. Project

Mr. Gacutan presented Project

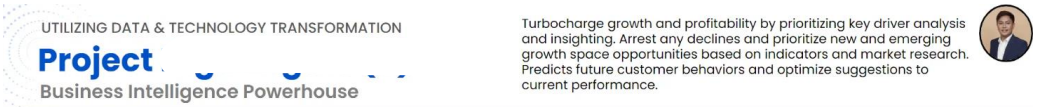
[19] API: Application Programming Interface.

This was composed of two components with the first one on data governance framework.

Members of Project [redacted] would be working closely with Project [redacted] as the five point governance approach will also be set, (i.e., monitoring of data quality, promotion of operational efficiency, achieving regulatory compliance, enhancement of decision making, and data security).

Mr. A. Go noted that data quality would be mostly self-service or internet accessed. This was acknowledged by Mr. Gactuan and he expounded that the standard for the measurement of the quality of data will likewise be set up.

The Business Intelligence Powerhouse would also be looking into the [redacted] as well as additional value for the business.



Mr. A. Go noted that only one standard deviation or not more than 2.5% difference shall be acceptable.

U. Strengthening Talent and Collaboration

Mr. G. Go presented this portion.

Given that there were three business units to be united as one, there were also new functions that have to be more collaborative. The aim for the employee engagement score was to achieve a score equal to or greater than . As to project delivery timeliness, the goal was to ensure of projects are delivered on time. The aim for the training completion rate was to also reach a rate of

There should also be an increase in the business value generated by through employee initiatives.

V. Project

Project covers several items related to both organizational design and change in management.

A lot of the items were related to the Transformation Gear Up workshops, ensuring that the capability gaps for particular functions will be cleared, as well as bringing up the Maxicare Academy which will be presented by January or February 2025 once both MaxiLife and MaxiHealth are combined. To ensure the retention and development of top talents, there has to be a clear promotion plan for people, and that training will be undertaken to enable them to get promoted. On leadership bench readiness, a succession program will be developed for this purpose. The Maxicare Academy will also include proficiency ratings for different companies across the group. Lastly, there will also be a Leadership Index Percentage. The information will be taken from surveys which are provided every year to gauge the leadership quality in the group. There will also be a section related to KPIs and performance management which will work well with strategy and ensuring that scorecards from the leaders all the way down are faithful from top to bottom.

What has been accomplished so far was the group wide transformation. However, Mr. Argos also requested the team to focus and prioritize MaxiLife and MaxiHealth with their own Project Aorta.

W. Project

Mr. Gacutan described Project . as the accelerator program which aims to embed agile ways of working across the organization.

The goal was to follow an . process, with hopefully two cycles which were geared towards problem discovery. It has a bias on problem statement definition and all the way to solutions delivery to enrich the actual initiative and align different initiatives across MaxiGroup altogether.

X. Key Projects

Ms. Victoria presented the timelines of the Key Projects:

Ms. Victoria reported that there were six current business or strategic priority projects in line from January until December 2025. Five business priorities have

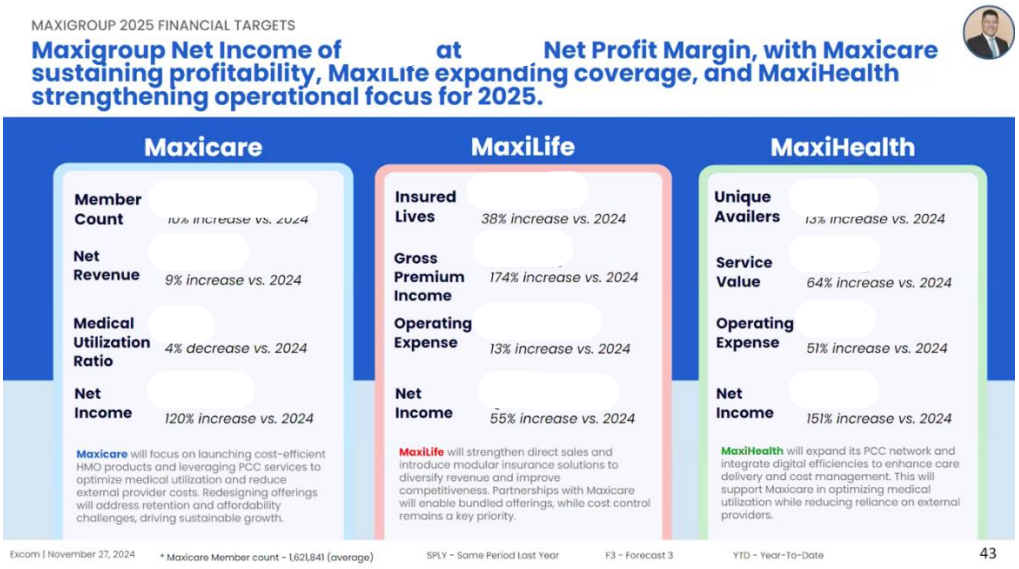
already been started as early as Q2 for Project MIS or Project Phoenix and five starting Q4 in preparation for the January 1 activities.

These were the key projects which will also be reported regularly during Executive Committee meetings, along with highlights and milestone reports from each of the project.

Mr. A. Go requested for a detailed roadmap for each project and an identification of which of the projects are customer-centric.

Y. Financial Targets

Mr. Argos reported on the proposed 2025 financial targets for MaxiGroup:



At a group level, Mr. Argos reported that the proposal was a target of net profit margin. He also noted that the 2025 budget still reflects a period where MaxiGroup is starting to maximize the investments that they have made.

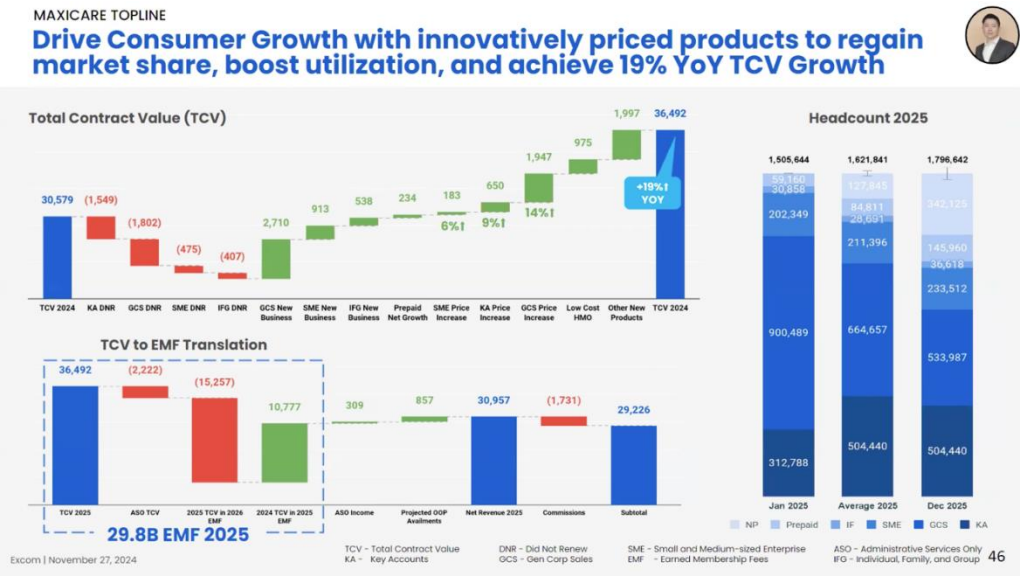
Mr. A. Go requested that the negative income as presented in the reports be highlighted in red.

As to the OGSM, Mr. A. Go inquired as to what was the focus for this purpose. Mr. Argos explained that the focus was on the new products for B2C. Ms. Victoria further expounded that the products were just one aspect of the OGSM, as there were also technical preparations and the personnel.

Mr. Gokongwei raised the need to differentiate between the HMO members and those individuals availing of products, in relation to the figure

reflected as the member count for Maxicare. Mr. Argos committed to separating such figures.

Mr. A. Go commented that the figures for the net revenue were too modest. Mr. Argos explained that said figures have a timing element depending on when the product was launched, as well as when it would be sold and thereafter booked as revenues because the same would be amortized on a monthly basis.



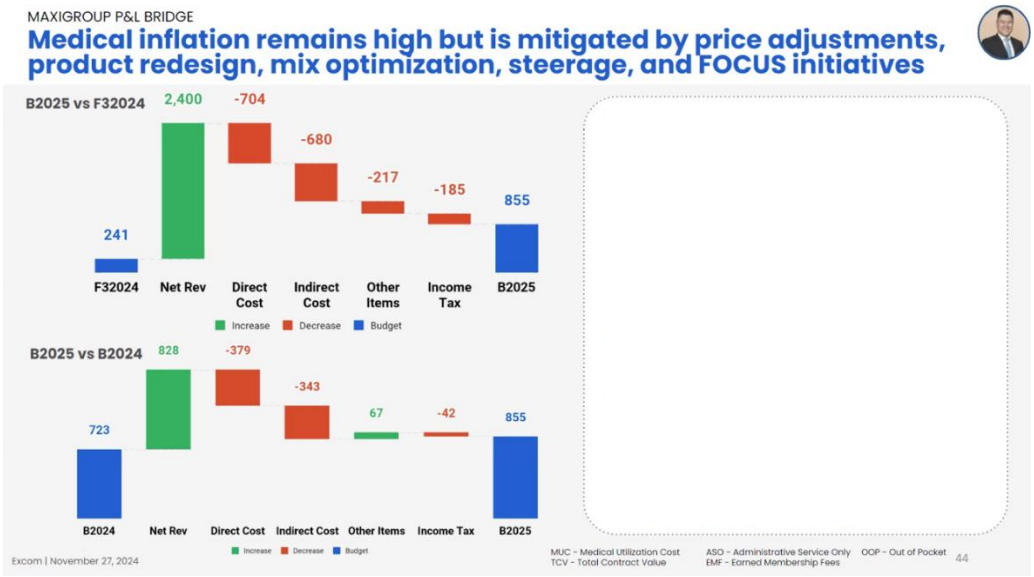
It was explained that the TCV does not necessarily translate to a revenue figure but was only a figure for the total contract value. The same is annualized so some of the figures spills over to year 2026 as well.

Mr. Argos explained that the key takeaway in terms of the target next year was the transition from predominantly Maxicare in terms of lives covered and shifting to new business opportunities at lower price points and consumer products that individuals can buy at more affordable price points.

While only 20% were added in terms of member count coming off from a January 1, 2025 takeoff point, there has been a 40% increase in MaxiLife and 30% increase on the Maxicare side as far as members are concerned.

Mr. Argos ensured that they will be more responsible in terms of advertising the products.

Z. MaxiGroup Profit and Loss Bridge



A review of the profit bridge as compared to both the original budget and fix drivers would show that there has been a big uplift in new net revenue. The TCV was seen to grow from to

Mr. A. Go commented that it was very good that the products were being presented, but he also highlighted the importance of specifying a specific market and figuring out how to penetrate such market with the product (product and market development).

Mr. Argos emphasized that the key point of the report was that the revenues were being diversified, particularly, where the business was growing, and the desire was to do a 50-50 split eventually between B2B vis-à-vis consumers.

The bulk of the uplift will be from the next generation of products, which will either be a consumer product or an affordable group product. It will be a lower average revenue per individual, but they should be able to go into an SME segment, or an underserved segment where the margins could be enjoyed because of the efficiency of the PCCs. These will be products for people who did not have a viable option before, or new product segments which were not focused on before.

Mr. Argos further explained that revenue recognition will vary once there has been a shift from a fee for service product into MHSI.

There were certain benefits that were not priced with risk but were priced based on what will be used and consumed. It will be the company that will decide such factor. The service price will be charged directly to the consumer.

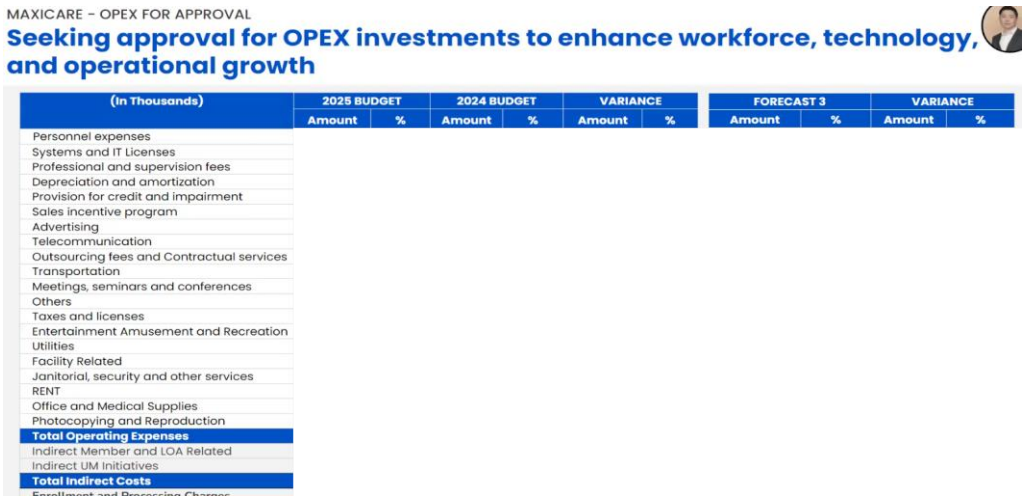
AA. MaxiGroup Profit and Loss

Mr. Cheng presented the following slide on revenue growth and cost optimization:

He noted that the net income across MaxiGroup is expected to increase in 2025. The positive income is projected to come from the roll-out of the new and affordable products. As to the MUC, the increase will be derived from the scaling up of the PCCs. The focus for Maxicare was to control utilization in 2025.

BB. OPEX For Approval

Mr. Cheng presented the OPEX for approval, viz:



He directed the Committee members to the Total Indirect Costs movement which showed a increase mostly due to systems and IT as well as depreciation, all of which are related to the Corporation's investment in its data capability and operating systems. Mr. Cheng likewise pointed out the increase in consultation fees which offsets the movement in personnel costs.

No objection was noted for this item.

CC. CAPEX For Approval

The following slide was presented for CAPEX:

No objection was noted for this item.

VII. ADJOURNMENT

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

Prepared by:

ATTY. DANNY E. BUNYI
Corporate Secretary

Attested by:

LANCE Y. GOKONGWEI **ANTONIO L. GO**

BRIAN M. GO **ESTHER WILEEN S. GO**

ROBERTO J. MACASAET, JR. **RENE J. BUENAVENTURA**

MICHAEL P. LIWANAG