

MAXICARE HEALTHCARE CORPORATION  
**MINUTES OF THE RELATED PARTY TRANSACTIONS  
COMMITTEE MEETING**

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

**PRESENT:**

TERESITA M. ALEGRE  
ENRICO S. CRUZ  
RIZALINA G. MANTARING  
TEODORO M. PANGANIBAN

**ALSO PRESENT:**

ESTHER WILEEN S. GO  
BRIAN M. GO  
CHRISTIAN S. ARGOS  
MARIA TERESITA A. ESPALLARDO  
JOSEPH L. REYES  
JERRY PEREZ  
ATTY. DANNY E. BUNYI  
ATTY. MARY ZOELLI R. VELASCO  
RIZ GAURAN

**I. CALL TO ORDER AND DETERMINATION OF QUORUM**

The Chairperson of the Related Party Transaction (“RPT”) Committee (the “Committee”), Ms. Teresita M. Alegre, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Danny E. Bunyi, recorded the Minutes of the proceedings.

Atty. Bunyi certified that notices were sent to all members of the Committee in accordance with Maxicare Healthcare Corporation’s (the “Corporation” or “Maxicare”) By-Laws. Since majority of the members of the Committee were present, the Corporate Secretary certified the existence of a quorum for the transaction of business at hand.

---

<sup>1</sup> The meeting was conducted virtually through video conferencing (Zoom Video Conferencing) pursuant to Securities and Exchange Commission Memorandum Circular No. 6-2020, dated 12 March 2020, and in accordance with the Corporation’s duly approved and adopted *Internal Rules of Procedures for the Conduct of the Board and Shareholders Meetings*.

## II. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING

The Chairperson presented to the members for approval the Minutes of the Related Party Transaction Committee Meeting held on 13 October 2023, a copy of which was previously distributed to the members of the Committee. Upon motion duly made and duly seconded, the Minutes of the Meeting held on 13 October 2023 was approved.

## III. MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING

The Chairperson confirmed whether there are matters arising from the Minutes of the previous Committee meeting. The Committee and the Corporate Secretary confirmed that there are no matters arising from the Minutes of the previous meeting.

## IV. REPORT ON RELATED PARTIES AND RPTs FOR THE QUARTER ENDED 31 DECEMBER 2023

Mr. Jerry Perez, (“Mr. Perez”) the Corporation’s Senior Manager (Finance Team), reported on the current RPT materiality threshold, related parties, RPTs for the covered period, and Material RPTs for the Year-to-Date, the details of which were set forth in the presentation materials. A copy of such is attached hereto as **Annex “A”**.

### *Current RPT Materiality Threshold*

As reported by Mr. Perez, the current materiality threshold was at \_\_\_\_\_ which represented \_\_\_\_\_ of the total shareholders’ equity, based on the audited financial statements.

### *Related Parties and RPTs for the quarter ended 31 December 2023*

Mr. Perez reported to the Committee the transactions with the following related parties, for the quarter ended 31 December 2023:

- i. *Pin-An Holdings Corporation (“Pin-An”) (major shareholder)*. During the covered period, the following transactions were reported: (a) the outstanding balance on the subscription to Maxicare’s preferred shares in the amount of \_\_\_\_\_, (b) payment of \_\_\_\_\_ against the long-term loan from Pin-An; (c) interest expense for the long-term loan amounting to \_\_\_\_\_, and (d) Reversal of provision for Dividends on Cumulative Preferred shares of \_\_\_\_\_. The

reversal of the provision for Dividends is in accordance with Maxicare's discussion with its external auditors.

- ii. *Maxicare Health Services, Inc. ("MHSI") (wholly-owned subsidiary).* The material transactions and balances reported were as follows: (i) outstanding balance of investment in subsidiary that operates medical clinics and provides various health services, amounting to \$1,000,000, (ii) healthcare benefits and claims – outpatient amounting to \$500,000, and (iii) accounts payable (healthcare benefits and claims – outpatient), amounting to \$250,000.
- iii. *Equicom Savings Bank (affiliate).* The material transactions and balances for the covered period pertained to the outstanding balance of CASA Deposit Accounts amounting to \$1,000,000. The transactions were undertaken in the normal course of business.
- iv. *Robinsons Bank Corporation ("Robinsons Bank") (affiliate).* The material transactions and balances for the covered period mainly pertained to: (i) CASA Deposit Accounts amounting to \$1,000,000, (ii) outstanding balance of various time deposit placements amounting to \$500,000, (iii) various time deposit maturities amounting to \$250,000, (iv) outstanding time deposit account (90 days) amounting to \$125,000, (v) outstanding balance of various short-term investments amounting to \$125,000, and (vi) interest income earned in these deposits amounting to \$12,500. The transactions were undertaken in the normal course of business.

*Report on Material RPT for the Year-To-Date ("YTD") as of 31 December 2023*

- i. *Pin-An (parent).* The material YTD transactions were: (a) payment of \$1,000,000 against the long-term loan from Pin-An, which has an outstanding balance at the end of the covered period amounting to \$1,000,000; (b) payment of \$1,000,000 representing the outstanding balance on the subscription to Maxicare's preferred shares
- ii. *MHSI (wholly-owned subsidiary).* The healthcare benefits and claims – outpatient transactions amounting to \$500,000. The transactions were undertaken under ordinary healthcare provider terms and conditions.
- iii. *Doctor Anywhere (affiliate).* The Telephone consultation ("Teleconsult") transactions amounting to \$250,000. The

transactions were undertaken under ordinary healthcare provider terms and conditions.

- iv. *Equicom Services, Inc. (affiliate)*. The material YTD transactions were: (i) Contractual Services amounting to \_\_\_\_\_, and (ii) Teleconsult transactions amounting to \_\_\_\_\_.
- v. *Robinsons Retail Holdings, Inc. (affiliate)*. The RPT for its YTD as of 31 December 2023, the HMO Business amounting to \_\_\_\_\_. The transactions were undertaken in the normal course of business.
- vi. *JG Summit Holdings, Inc. and its subsidiaries (affiliate)*. The RPT for its YTD as of 31 December 2023, the HMO Business amounting to \_\_\_\_\_ Million. The transactions were undertaken in the normal course of business.
- vii. *Universal Robina Corporation (affiliate)*. The RPT for its YTD as of 31 December 2023, the HMO Business amounting to \_\_\_\_\_. The transactions were undertaken in the normal course of business.
- viii. *Cebu Air, Inc. (affiliate)*. For the first quarter of 2023, the RPT for its YTD as of 31 December 2023, the HMO Business amounting to \_\_\_\_\_. The transactions were undertaken in the normal course of business.

Mr. Perez confirmed that the reported material RPTs were entered into at arm's length and that the relevant price discoveries were conducted.

The Chairman asked for any other reaction as regards the report. As there was no response, she relayed that they will move forward with the presentation of Mr. Joseph L. Reyes, ("Mr. Reyes").

## **V. AMENDMENTS TO THE RPT POLICY MANUAL**

Mr. Reyes, the Chief Audit and Compliance Officer, presented to the Committee the proposed amendments to the RPT Policy Manual. According to Mr. Reyes, these amendments were prepared in consideration of the comments received during the last Committee meeting.

*Proposed Amendments to the RPT Policy Manual:*

- (i) *Materiality Threshold and Internal Limits.*

### A. Materiality Threshold.

Mr. Reyes presented the deleted phrase in the provision, which was merely illustrating how the materiality is computed. The phrase was deleted because it is assumed that the stakeholders are already familiar with the materiality computation. Mr. Reyes discussed the added provision was from Mr. Brian Go's, ("Mr. Go") suggestion that the aggregate value of all individual transactions of one affiliate or related party shall be considered as material RPT if such aggregate amount would reach the materiality threshold, it reads:

In addition, one or more financial transactions or contracts with a related party and with total estimated value over a twelve-month period equivalent to or more of than 10% of the total stockholders' equity shall be also considered material RPT.

Mr. Go approved the added provision with a minor suggested revision. He proposed to change it from "with a related party..." to "with the same related party..." for avoidance of doubt.

Ms. Rizalina Mantaring ("Ms. Mantaring") inquired whether the prescribed manner of rounding off to the nearest million to determine materiality would violate Securities and Exchange Commission's ("SEC") regulations. Mr. Reyes clarified that Maxicare's RPT Policy Manual materiality threshold is more stringent than the SEC's threshold. Maxicare's threshold is of the stockholder's equity while SEC's prescribed materiality threshold is of the total assets.

Mr. Reyes posed a question to the Committee whether Maxicare would report to the Insurance Commission ("IC") these individual transactions with the same related party which total value aggregates to of the stockholder's equity. Mr. Reyes explained that the IC does not require the same standard of reporting aggregate value of transactions but only to report an individual transaction that has met the threshold. However, Ms. Mantaring pointed out that based on her experience and observation, the IC would flag multiple transactions with one related party, each valued of stockholder's equity. Therefore, she suggested to report these individual transactions aggregating to of the total stockholder's equity to the IC since the essence and intention of the policy is to regulate and monitor RPTs. The Board agreed with Ms. Mantaring.

*B. Internal Limits for Aggregate Exposures.*

Mr. Reyes discussed that the previous concern on the proposed revision to the definition of "exposures" in relation to financial transaction. Based on his findings, exposure is a condition of being at risk of financial loss. Given that definition, "exposures" should refer to: deposits, investments, and all receivables from related parties where Maxicare assumes the risk that those assets will not be collected, and their value would be impaired thus resulting to a financial loss. This would also cover cases of loan commitments to related parties and credit guarantees of related party exposure as this would expose Maxicare to future liabilities and losses in the future.

Mr. Reyes and his team proposed the following limits of the total asset aggregate exposure limit to a related party, and of the total asset to all related parties. Additionally, a provision was added in accordance with IC Circular 2017-19, it reads:

Any breach in the above internal limits shall be reported to the Board. The Board shall resolve on whether to accept the exposure or to take steps to address the breaches.

Mr. Reyes explained that if the limit would apply, then the transactions with Robinsons Bank had already exceeded. However, Mr. Teodoro M. Panganiban pointed out that this was already moot since Robinsons Bank has ceased to exist since its merger with Bank of the Philippine Islands ("BPI") was effective on January 1, 2024.

Mr. Reyes inquired whether the merger would make BPI a related party of Maxicare. If BPI would be considered as a related party of Maxicare then the limit would still be breached. However the Board discussed that it is still not confirmed on the structure of the merger and it is still uncertain if BPI would be considered as a related party. Mr. Go suggested to defer to BPI's policy in the determination whether Maxicare and BPI are related parties.

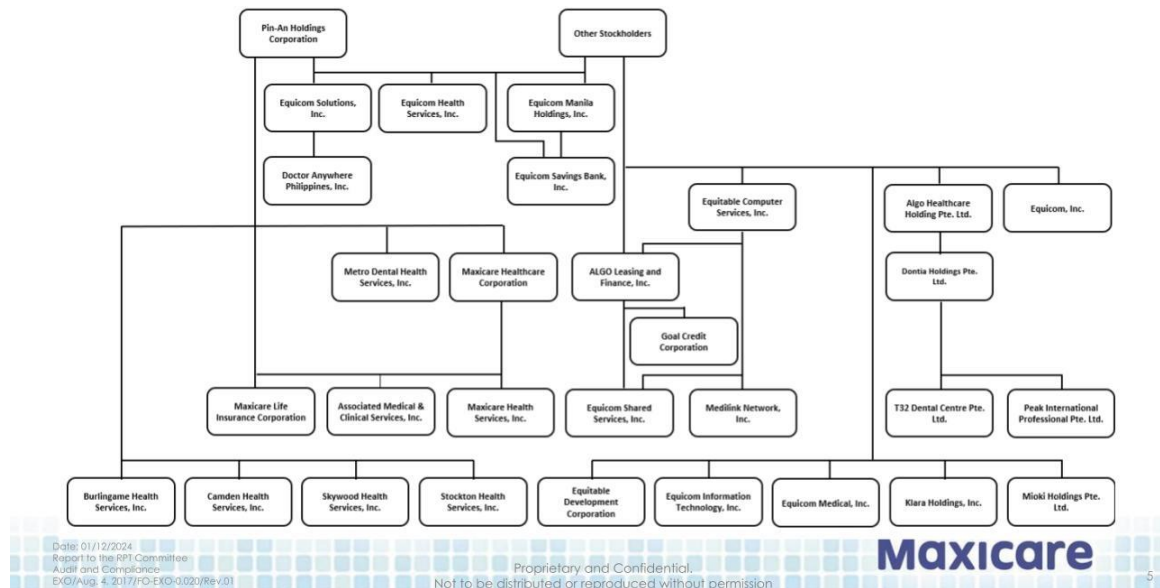
Mr. Enrico S. Cruz moved for the approval of the proposed amendments to the RPT Policy Manual, subject to the minor revision of Mr. Go. Upon motion duly made and duly seconded, the proposed amendments to the RPT Policy Manual were approved.

## VI. CONGLOMERATE MAP

Maxicare is required to submit by 30 January 2024 to IC the two conglomerate maps of its parent companies, the Equicom Group and JE Holdings, Inc. Group. Mr. Reyes informed that the JE Holdings group conglomerate map was still being completed.

Mr. Reyes presented the Equicom Group conglomerate map:

### 2023 Conglomerate Map – Equicom Group



Mr. Reyes discussed that there were only two changes from the previous Equicom conglomerate map. First, as of 31 December 2023, Maxicare had divested shares from Equicom Shared Services, Inc. Second, Equicom Information Technology, Inc. changed its corporate name to Equicom Property Holdings. Mr. Reyes assured that he would reflect the necessary changes before submitting the conglomerate map.

Mr. Panganiban clarified whether these entities presented in the Equicom Group conglomerate map were all considered as related parties of Maxicare. Mr. Reyes confirmed that these entities are related parties of Maxicare.

## III. OTHER MATTERS

There were no other matters discussed.

## IV. ADJOURNMENT

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

CERTIFIED TRUE AND CORRECT:

**ATTY. DANNY E. BUNYI**

*Corporate Secretary*

ATTESTED BY:

**TERESITA M. ALEGRE**

*Chairperson*

**ENRICO S. CRUZ**

**RIZALINA G. MANTARING**

**TEODORO M. PANGANIBAN**