

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

Boardroom, Maxicare Tower
203 Salcedo Street, Legaspi Village, Makati City¹
12 April 2024, 1:30 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
JERRY PEREZ
MARIA TERESITA A. ESPALLARDO
KRISTINE A. ROSALES
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, (“**Atty. 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.

¹ 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 12 January 2024, 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 12 January 2024 was approved.

III. MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING

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

IV. REPORT ON RELATED PARTIES AND RPTs FOR THE QUARTER ENDED 31 MARCH 2024

Mr. Jerry Perez, (“**Mr. Perez**”) the Corporation’s Senior Manager (Finance Team), reported on the current Material RPTs for first quarter of 2024, as follows.

Material RPTs for the first quarter ended 31 March 2024

Mr. Perez reported to the Committee the material transactions with the following related parties, for the quarter ended 31 March 2024:

- i. *Pin-An Holdings Corporation (“Pin-An”) (major shareholder).* During the covered period, the following transaction was reported: the outstanding balance on the subscription to Maxicare’s preferred shares in the amount of . The terms and conditions hereunder are in accordance with the Revised Corporation Code. The rationale for the transaction was that Pin-An was one of the sources of the company's funding requirements.
- 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 , (ii) healthcare benefits and claims – outpatient amounting to , and (iii) accounts payable (healthcare benefits and claims – outpatient), amounting to .

- 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 .. It was noted that the transactions were undertaken in the normal course of business.
- iv. *Equicom Services, Inc. (affiliate)*. The material transactions and balances for the covered period pertained to the outstanding balance of contractual service of .. The transactions were undertaken under ordinary service provider terms and conditions and in the normal course of business.

Mr. Perez noted that based on the policy, Maxicare shall report a single-party exposure limit of .. of the total assets of the Corporation and aggregated party's exposure limit shall be .. of the Corporation.

The Finance Team would also report transactions that have an estimated value of more than .. of the total stockholders' equity .. over a 12-month period. Mr. Perez said that the Finance Team was in the process of collating the data and they shall present the same in the second quarter reporting.

According to Mr. Perez, the Finance Team noted that there were no related party entity that exceeded both the .. threshold and the aggregate exposure limit of the entity.

Mr. Enrico S. Cruz ("**Ms. Cruz**") asked Mr. Perez whether the Finance Team can provide a rough estimate of the transactions. Mr. Perez explained that the value of the transactions with the related parties was currently static due to operational and strategical changes. He noted that further discussions with the Operations Team still have to be conducted.

Ms. Rizalina Mantaring ("**Ms. Mantaring**") inquired why the investments were considered as RPT transactions. Mr. Christian S. Argos ("**Mr. Argos**") discussed that the report was the company's current reporting standards incorporating interpretations from the prior Audit Team. Mr. Argos also explained that revisiting these interpretations could be beneficial for certain clients. The new internal audit chairperson, alongside the establishment of a dedicated legal risk and compliance function, presented a timely opportunity to reassess the definition of related party transactions. For instance, a more nuanced analysis of the MHSI investment is warranted. The team will likely

propose revisions during the next RPT committee meeting. These revisions will be considered by the newly formed legal and compliance team, whose candidate selection process was ongoing. Ms. Mantaring added that the investment transaction with MHSI should not be considered as an RPT since this transaction itself makes MHSI a related party. Mr. Perez agreed with Mr. Argos' discussion.

The following slide was presented:

Related Party	Relationship	Transaction Type	Transactions for 3-Months period			YTD Total Transactions	Outstanding Balance as at March 31, 2024 (PHP)
			January - March 2024 (PHP)				
			Material	Immaterial	Total		
Pilipinas Teleserv	DOSRI	HMO business					
		Membership fees receivable					
		ASO receivables					
		ASO income					
		Other receivables					
		ASO fund payable					
		Other payables					
		Contractual outsource					
		Other income					
		Total Pilipinas Teleserv					
Pilipinas Messerve Inc	DOSRI	Accruals					
		Postage & courier fees					
		Total Pilipinas Messerve Inc					

In response to Mr. Teodoro S. Panganiban's ("Mr. Panganiban") inquiry, Ms. Maria Teresita A. Espallardo ("Ms. Espallardo") confirmed that these were the only reportable transactions due to the set threshold. Mr. Panganiban asked about how Pilipinas Teleserv ("Teleserv") and Pilipinas Messerve Inc. ("Messerve") were related to Maxicare as DOSRI². Ms. Espallardo discussed that the owner of Teleserve and Messerve is the spouse of one of the sales officers.

Ms. Mantaring also clarified why the outstanding balances in banks were considered RPTs since she explained that the transactions should be reported and not the balance. Ms. Espallardo discussed that this was previously raised in the Committee meeting. It was included because the previous compliance officer included such. Ms. Espallardo noted and agreed with Ms. Mantaring's comment and the policy considering such an RPT would be revisited.

Moving forward, Mr. Panganiban proposed to highlight investigating market changes for various ongoing expenses. Specifically, he suggested benchmarking current rental rates against the market average for comparable spaces in Makati's commercial district. This periodic review, conducted annually, biannually, or coinciding with contract renewals, would ensure the company is paying fair market value (arm's length pricing) for rentals and other market-sensitive expenses. Mr. Cruz confirmed with Mr. Argos whether

² DOSRI: Directors, officers, stockholders, and related interests.

such a policy on benchmarking was already embedded in the current procurement policy. Mr. Argos explained that it was not yet consolidated with the procurement team nevertheless, the new internal audit chairperson would take on such responsibility to integrate it.

Mr. Perez ended the report by noting that the complete detailed report had been provided to the Committee members. Upon motion duly made and seconded, the report on material RPTs was approved.

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