

MINUTES OF REGULAR STOCKHOLDERS MEETING

JUNE 18, 2024 AT 4:00PM

VENUE: HYBRID (ONSITE AND ZOOM MEET)

Summary of Attendance

Present were:

Catherine B. Cerna	- Outgoing President/CEO
Jed Justin Narvios	- Outgoing Chairman of the Board
Lea Katrina B. Cerna	- Corporate Secretary/VP for Operations
Gabrielle Marcelo B. Cerna	- Director/VP Admin & Support
Cheryl C. Medalla	- Director/VP Finance & Accounting
Gillian Joy H. Dico-Cerna	- Director/VP Sales & Marketing
Ma. Bebeth N. Bernales	- Director/Outgoing Treasurer
Robert Quindoza	- Independent Director
Lelani E. Paredes	- Independent Director
Nazelle Vallespin	- Outgoing Independent Director
Julie B. Jabagat	- Stockholder
Perla G. Centino-Gullaksen	- Stockholder
Cynthia Cañete	- Stockholder
Delia S. Evardo	- Stockholder
Franco Baricuatro	- Stockholder
Charito Baricuatro	- Stockholder
Daisy Jaine L. Omega	- Stockholder

Absent:

Leo Cerna	- Stockholder
Rhee Medalla	- Stockholder

Number of shares present in person or by proxy	-	<u>71.73%</u>
Number of shares absent	-	<u>28.27 %</u>
Percentage of Attendance	-	<u>71.73%</u>

AGENDA:

1. President's Report
2. VP Financial Report
3. Election of Board of Directors
4. Re-election of Independent Directors
5. Other Matters

I. CALL TO ORDER

The Corporate Secretary, Ms. Lea Katrina Cerna, called the meeting to order at 4:28 PM with a prayer. Consent of the participants was elicited regarding the recording of the proceedings.

After verifying that notices for the annual shareholders' meeting had been correctly dispatched to all shareholders per the Corporation's By-laws, and that 71.73% of the total outstanding

capital stock was represented, ensuring a quorum for conducting business, Mr. Jed Justin Narvios, Chairman of the Board, presided the meeting.

II. PRESENTATIONS

a. President's Report

Ms. Catherine B. Cerna, President/CEO, was given the floor to present the company's progress and key achievements for 2023. She highlighted several notable events, including:

- Yearly Outreach Programs
- Medical Mission with clients
- Completion of conference room
- New mobile van for Mactan Laboratory
- The expansion of Mactan Laboratory
- The issuance of stock dividends

As a result of the stock dividends declaration, L&H paid-up capital has risen to Seventy-eight million six hundred sixty-three thousand six hundred (78,663,600.00), with the corresponding bond for the PUC approved by the IC.

This increase in the PUC enables the company to sell up to 15 times that amount, pursuant to Circular Letter 2016-41. The maximum allowable sales is now raised up to One billion, one hundred seventy-nine million, nine hundred fifty-four thousand pesos (Php1,179,954,000) for 2024. She addressed the strategic plans for 2024 should emphasize on the objectives to enhance revenue streams

Discussions after the presentation covered assessment on the company's accomplishment for 2023 vis-à-vis the 3 goals: increased income, retention of employees, and automation.

Ms. Catherine elaborated on the company's ongoing negotiations with Insular Life, which are crucial for compliance with the retirement program requirements. This commitment to the employees' future security is a testament to the company's dedication to staff's well-being. She also shared the automation accomplishments for 2023, including the successful implementation of e-signature and the conduct of Vulnerability Assessment and Penetration Testing (VAPT) to enhance cybersecurity measures.

The Board advised prudence in drafting the plan and entrusted the Human Resources Department with overseeing the implementation. Mr. Quindoza underscored the importance of clearly defining the procedures for establishing and allocating the necessary funds for the retirement plan.

b. VP Financial Report

The VP of finance, Ms. Cheryl Medalla, presented the financial report detailing the movements of the company's current and non-current assets, liabilities, equity, and comprehensive income. She highlighted the positive news that the company's assets increased by 12 percent, a significant boost attributed to improved collections, stricter enforcement of non-payment suspensions, and other investments. Mr. Narvios asked to clarify if there was an increase from 1.5% in the previous year to 2% in 2023, which Ms. Medalla confirmed, underlining this optimistic financial update's importance.

She mentioned that the vice presidents are cautious about their spending. Additionally, she mentioned that in 2024, the company plans to focus on careful expense management and increase efforts to enhance financial performance through cost-cutting measures and strategies for growing revenue.

The Board commended the positive performance for 2023, and raised the challenge of increased revenue stream for 2024 in view of the rise in the allowable sales cap.

III. ELECTION OF BOARD OF DIRECTORS

Ms. Lelani Paredes, heading the Nomination Committee, oversaw the nomination procedure. Taking into consideration the By-Laws as well as the Corporate Governance requirements, it was clarified that the stockholders at large should vote for board members with 2 slots coming from the executive group, and 4 from the non-executive group.

After reviewing eligible stockholders, the list among the non-executive stockholders was reduced to 4. The other non-executive stockholders opted out with valid reasons duly accepted by the body. As the remaining non-stock stockholders fully constitute already the 4 slots, it was moved and seconded that the following being elected to the directorial posts, namely: 1. Ma. Bebeth Bernales; 2. Delia Evardo; 3. Jed Justin Narvios; and 4. Daisy Jaine L. Omega.

For the 2 slots coming from the executive stockholders, the board decided to proceed with a viva voce, resulting in the nomination and election of 1. Catherine B. Cerna and 2. Cheryl C. Medalla.

IV. RE ELECTION OF INDEPENDENT DIRECTOR

Ms. Lea Cerna informed the board that Ms. Nazelle Vallespin's first term as an Independent Director is concluding, as per the company's bylaws, which state that an Independent Director's term is three (3) years, with a cumulative maximum of nine (9) years.

A motion was made by Atty. Gullaksen and duly seconded by Mr. Jed Narvios, that the nomination for a replacement Independent Director be dispensed, and that Miss Nazelle Vallespin be re-elected, to ensure continuity of projects and programs under her helm. Upon Ms. Vallespin's concurrence and signifying her willingness to serve another term, a unanimous approval through *viva voce* affirmed Miss Nazelle Vallespin's re-election for as second three-year term. **(Resolution No. 2024-06-6-1)**

Following the election, the newly installed directors took their oath of office before Atty. Cynthia A. Canete and Atty. Perla G. Centino:

Executive

1. Catherine B. Cerna
2. Cheryl Medalla

Non Executive

1. Ma. Bebeth Bernales
2. Delia Evarado
3. Jed Justin Narvios
4. Daisy Jaine L. Omega

Independent

1. Nazelle Vallespin

V. ADJOURNMENT

There being no matters left to transact, on motion duly made and seconded, the meeting was adjourned at 6:16 PM

Certified Correct:

LEA KATRINA B. CERNA
Secretary

Attested by:

JED JUSTIN C. NARVIOS
Chairman