

MINUTES OF THE REGULAR STOCKHOLDERS MEETING

JUNE 26, 2025 @ 5:00PM

VENUE: HYBRID (ONSITE AND MICROSOFT TEAMS)

Summary of Attendance

Present were:

Catherine B. Cerna	- President/CEO
Jed Justin Narvios	- Chairman of the Board
Cheryl C. Medalla	- Director/VP Finance & Accounting
Maria Bebeth N. Bernales	- Director/Treasurer
Daisy Jaine L. Omega	- Director
Nazelle M. Vallespin	- Independent Director
Robert A. Quindoza	- Independent Director
Lelani E. Paredes	- Independent Director
Lea Katrina B. Cerna	- Corporate Secretary/COO
Gabrielle Marcelo B. Cerna	- VP HR-Admin & Support
Gillian Joy H. Dico-Cerna	- VP Sales & Mktg.
Julie B. Jabagat	- Stockholder
Perla G. Centino-Gullaksen	- Stockholder
Cynthia A. Cañete	- Stockholder
Lourdes B. Lastimoso	- Stockholder
Leo Cerna	- Stockholder

Absent:

Delia Evardo	- Director
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Number of shares present by proxy - 28.17198%Percentage of Attendance - 71.82802%**AGENDA:**

1. VP Financial Report 2024
2. President's Annual Report
3. Amendment of the By-laws to change the stockholders' meeting

I. CALL TO ORDER

The Corporate Secretary, Ms. Lea Katrina Cerna, called the meeting to order at 5:06 PM. Consent of the participants was elicited regarding the recording of the proceedings.

A roll call of the attendance – physically present, online, and upon proxy – a quorum of the stockholders was declared. Thence, the floor was given to Mr. Jed Justin Narvios, Chairman of the Board, to preside over the meeting.

II. PRESENTATIONS

a. VP Financial Report 2024

Ms. Cheryl Medalla, VP of finance, presented the financial report, including assets, liabilities equity and total liabilities and equity. She highlighted a 28% increase in current assets and a 50% growth in non-current assets. She also reported improvements in net income from operations, as well as updates on restricted funds, operating expenses, and property assets.

For healthcare service-related disclosures, she noted a 10% increase in service-related liabilities, which included laboratories and Health Maintenance Organizations (HMOs). She explained that the main cost components comprised inpatient and outpatient services, professional fees, laboratory supplies, commissions, and precision services. Overall, the total cost of services rose by 16%.

After the report, she informed the board that the Insurance Commission had sent a letter confirming the closure of the 2024 Audited Financial Statements verification. The verification showed compliance with regulatory requirements under Circular Letter no. 2016-41, with no significant issues requiring corrective action from the company.

Mr. Jed Narvios inquired about the use of the term “approved by the Board” in reference to the financial statements. He noted that the financials reflect current performance and are presented for review, not for approval in the traditional sense, such as a proposal or request.

Atty. Cynthia clarified that the Board’s approval pertains specifically to the release of the financial statements to the appropriate regulatory agencies not the figures themselves. The release is being authorized based on the assumption that the accuracy and integrity of the data have been duly certified by the VP of finance.

It was emphasized that the Board is not attesting to the accuracy of the numbers presented. Instead, the responsibility and accountability for the financial information lie with management.

b. President’s Annual Report

Ms. Catherine B. Cerna, President/CEO, delivered a presentation on the company’s achievements and developments in 2024.

She reported that on September 22, 2024, the company successfully implemented an Employee Retirement Plan, a two-in-one package combining life and retirement benefits. This initiative marked a significant milestone in strengthening the company’s employee benefits program.

She shared that the company's Paid-Up Capital increased ₱60 million to ₱78 million driven by the issuance of stock dividends around the last quarter of 2023, which allows an increase in the membership base in the 2024 operations per IC regulations. An additional increase was also recorded last year following the entry of a new stockholder, bringing the total to ₱78,666,100.00.

On the regulatory front, Ms. Catherine reported that the Annual Corporate Governance Report (ACGR) was submitted on May 29, 2025. The report reflected the addition of 21 new compliance items, bringing the company's total compliant items to 116 out of 137, highlighting its continued adherence to corporate governance standards.

She also shared that new office spaces were secured in General Santos City and Butuan, aligned with increasing client demand and preparation for future expansion. In addition, the company celebrated the 10th Anniversary of the General Santos Office.

The company maintained its commitment to social responsibility through the following initiatives:

- Distribution of food packs to Lapu-Lapu City Jail on December 20, 2024, and April 29, 2025
- Medical mission (Operation Tuli) conducted at Peba Trading, Lapu-Lapu City on May 14, 2025
- Slipper donation drive at Pangan-an Elementary School, Olango Island on June 14, 2025.

Ms. Catherine also highlighted the expansion of membership coverage to government employees by virtue of the issuance of an Executive Order 64 which grants qualified government personnel an annual medical allowance of ₱7,000 to help subsidize HMO-type health benefits. She added that the company had strengthened partnership with LGUs in Balamban, Pinamungajan, Asturias, and Masbate, with further expansion anticipated in the coming year.

III. Amendment of the By-laws to change the stockholders' meeting

Mr. Jed Justin Narvios, Chairman of the Board, provided the background and rationale for the proposed amendment to the By-Laws. During the Board of Directors' meeting held on June 13, 2025, the board agreed to recommend changing the schedule of the Annual Stockholder' Meeting. The objective is to align the timing of the stockholders' meeting and board elections with the company's financial reporting cycle and performance evaluation, following the full calendar year (January to December).

The current provision under Article II, Section 1 of the By-Laws sets the Annual Stockholders' Meeting on the third Saturday of June. The proposed amendment is to move the meeting to the third Friday of January of each year.

The Board and stockholders were asked to vote on the proposed amendment. It was confirmed that the required two-thirds (2/3) vote of outstanding shares was achieved and the amendment was approved by unanimous vote of all present.

Following the amendment's approval, Mr. Jed also presented to the body of the BOD's recommendation to defer elections until January next year premised on the SEC approval of

Following the amendment's approval, Mr. Jed also presented to the body of the BOD's recommendation to defer elections until January next year premised on the SEC approval of the amended by-laws, and that the current members of the Board of Directors functioning in a holdover capacity. When the matter was tabled for the stockholders' votes, all those present expressed concurrence that the holdover resolution was unanimously approved.

c. Other Matters

Ms. Catherine Cerna, informed the Board that Ms. Delia Evardo had formally tendered her resignation as a member of the Board of Directors. This created a vacancy in the current board composition, leaving 8 sitting directors out of 9 positions.

Atty. Perla explained that under the Revised Corporation Code, the remaining majority of the Board of Directors is empowered to appoint a replacement to fill the vacancy until the next regular stockholders' meeting. She also clarified that the replacement must be a stockholder of the company. As the Board still maintains majority presence, it is legally qualified to appoint a replacement without the need for immediate stockholder election.

A nomination was made to consider Ms. Lourdes Lastimoso, as a potential appointee to the vacant seat. While the nomination was acknowledged, no formal appointment was made during the stockholders' meeting. It was noted that nominations from stockholders are welcome, but the Board of Directors will formally deliberate and make a decision on the matter during its next regular meeting.


IV. ADJOURMENT

There being no other matters left to transact, and on motion duly made and seconded, the meeting was adjourned at 6:19 PM.

Certified Correct:


LEA KATRINA B. CERNA
Corporate Secretary

Noted by:


JED JUSTIN C. NARVIOS
Chairman of the Board