

MINUTES OF THE REGULAR STOCKHOLDERS MEETING
JANUARY 16, 2026 @ 4:00PM
VENUE: ONSITE

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
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

Present by proxy:

Robert A. Quindoza	- Independent Director
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Number of shares present by proxy	- <u>0.00419%</u>
Percentage of Attendance	- <u>99.99581%</u>

AGENDA:

1. President's Report
2. VP Financial Report
3. Election of the Board of Directors
4. Other Matters

I. CALL TO ORDER

The Corporate Secretary, Ms. Lea Katrina Cerna, called the meeting to order at 4:05 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.

II. PRESENTATIONS

a. President's Report

Ms. Catherine B. Cerna, President/CEO, presented the second part of the president's report. She noted that while achievements for the period up to June 2025 as well as plans for the forthcoming term were covered during the previous Annual Stockholders Meeting, this supplemental report addresses the subsequent period. This shift follows the 27 August 2025 amendment to the Bylaws which moved the Annual Stockholders' Meeting from June to January, necessitating this continuation of the 2025 performance review.

Ms. Cathy announced the successful renewal of the Company's **Certificate of Registration and License to Operate** as a Health Maintenance Organization, valid from January 2026 to December 2028, ensuring continued regulatory compliance and operational stability.

She highlighted the Company's commitment to social responsibility through several key initiatives conducted during the period:

- (1) **Disaster relief:** Provided essential assistance to 400 families affected by the Bogo City earthquake, and organized a donation drive for 500 families affected by Typhoon Tino in Asturias.
- (2) **Community outreach:** Distributed school supplies to students of Abuno Elementary School during the Pasko sa Kabataan activity in coordination with MEPZ HRA.
- (3) **Welfare Support:** Provided food packs to inmates of the Lapu-Lapu City Jail during their Christmas Party.

Ms. Cathy further informed the Board that Reyes Tacandong Auditing Firm was engaged as Internal Auditor for the Corporate Governance compliance, and that the 2024-2025 audit is nearing completion, thus reinforcing the Company's commitment to transparency.

On the operational front, the Company has been proactively engaging with government agencies such as DepEd and LGUs. These strategic partnerships have positioned the organization favorably for growth and expansion in 2026.

Finally, Ms. Cathy commemorated the Company's 19th anniversary and expressed gratitude to the Board and the stockholders for their steadfast support which remains the foundation of the Company's enduring success.

b. VP Financial Report

Ms. Cheryl Medalla, Vice President for Finance, presented a summary of the Company's financial position, covering assets, liabilities, equity, income, and expenses.

From an operational standpoint, she reported that revenues were derived primarily from services, deposits, and other income streams. She further noted that despite recurring

operational expenses and capital requirements, the Company maintains a healthy liquidity position with adequate cash flows to meet all obligations.

Ms. Cheryl clarified, that unlike previous Stockholders' Meetings held in June – where fully audited Financial Statements (FS) were available – the figures presented in this January meeting were preliminary and unaudited. This was due to the recent amendment of the Bylaws, which moved the meeting to January while the annual audit remained in progress. However, she noted that previous year.

A significant portion of the presentation dovetailed to the reconciliation of reporting frameworks as required by the Commission. She clarified that management, for internal budgeting and forecasting purposes, currently adopts a cash-basis methodology. The Board observed a material variance in the reported net profit margins under the two approaches, and, after due discussion, resolved to adopt the lapsing of funds approach to better align financial tracking, forecasting, and regulatory reporting.

Following a detailed deliberation on the merits of each, the Stockholders **resolved to adopt the Lapsing of Funds approach** for all future financial tracking and forecasting. This decision aims to unify internal management reports with regulatory standards, ensuring greater transparency and accuracy in profit margin reporting. (*SH Resolution No. 2026-01-01*)

c. Election of the Board of Directors

Ms. Jaine Omega, member of the Corporate Governance Committee tasked to oversee the election of the Board of Directors, took the floor as Presiding Officer, and formally opened the election for the ensuing term and explained the election procedures. She began by outlining the election procedures and confirming that the Board stands to elect Directors for **nine (9) seats**: Three (3) INDEPENDENT DIRECTORS and six (6) REGULAR DIRECTORS.

Further, the stockholders at large were to elect two (2) Executive Directors and four (4) Non-Executive Directors for the REGULAR DIRECTOR SLOTS.

Atty. Perla moved to nominate the existing incumbent directors for another term, which motion was duly seconded. Following this, the Presiding Officer called for additional nominations from the floor. After several additional names were put forward and there being no further interest, a motion was made and seconded to close the nominations.

VOTING RESULTS. The election was conducted through secret ballot, after which the votes were duly tabulated and verified. Based on the tally, the following stockholders were declared duly elected to the Board of Directors for the upcoming term:

Executive Directors:

- Ms. Cathy Cerna
- Ms. Lea Katrina Cerna

Non-Executive Directors:

- Mr. Jed Justin Narvios
- Ms. Maria Bebeth Bernales
- Ms. Lourdes Lastimoso
- Ms. Jaine Omega

Following the announcement of the results, the 2026 Board of Directors took and signed their respective Oaths of Office. (*SH Resolution No. 2026-01-02*)

III. OTHER MATTERS

a. ENGAGEMENT WITH DIAZ MURILLO

The board ratified the appointment of Diaz Murillo Dalupan and Company (DMD) as the Corporation's external auditor and approved its continued engagement for the year 2026.

IV. ADJOURNMENT

There having been no other matters raised, the meeting was adjourned at 6:33 pm.

Certified Correct:


LEA KATRINA B. CERNA
Corporate Secretary

Noted by:



JED JUSTIN C. NARVIOS
Chairman of the Board