

EASTWEST HEALTHCARE, INC.

MINUTES OF ANNUAL MEETING OF STOCKHOLDERS JUNE 15, 2020

The Annual Meeting of Stockholders of the Company was held on June 15, 2020 at 10:00 o'clock a.m. via video conference/zoom meeting. The attendance of the Stockholders and/or Board of Directors at the meeting as follows:

1. ATTENDANCE

Present:

JASON C. PORCIUNCULA
ORBIVITANO. D. DIAZ,
JAY B. IRABON
RUSTIE C. PORCIUNCULA
IRISH TOM T. TOLENTINO
EPHREM R. ACLERA
ANNABELLE SANCHEZ. M.D

2. CALL TO ORDER

The President & Chief Operating Officer, Mr. Jason Porciuncula, called the meeting to order and presided over the same. The Corporate Secretary recorded the minutes of the proceedings.

3. CERTIFICATION OF QUORUM

The Corporate Secretary reported that there was quorum for the meeting, since majority stockholders were present for the transaction of any business at hand.

4. **MESSAGE OF THE PRESIDENT AND CHIEF OPERATING OFFICER**

Let us all keep silent, and in the silence of hearts offer prayers for our beloved Founder, intelligent, humble and compassionate, Mr. Jaime. L. Porciuncula, Chairman and Managing Director of EastWest Healthcare, Inc, and my dearly beloved Father.

For a decade and two years, our founder, a great man who believed in leading by examples. He left us a legacy that we will treasure. We may run the business differently but we must not forget what we learned from him, His vision to make EastWest Healthcare BIG enwraps with giving opportunities to people and enriching them with stability and drive to attain one mission of keeping his legacy growing.

In 2019 we closed our books with Php 920 Million Gross Revenues Earned with over 500++ corporations trusting their healthcare coverage with EastWest Healthcare. Our Total Asset grew from Php 345 Million to Php 358 Million, with a total cost/expense of Php 896 Million we were able to attain a net income of Php 22 Million. A great 2019, my thanks to each and every EastWest Healthcare employee for contributing and making this possible.

2020

We have an enemy we cannot see. It is all over, infecting, and killing people, attacking the core of economy worldwide. In our country, 2,000 SME's have shut down leaving 7.5 millions jobless. Some companies are still struggling to stay afloat. In reality the HMO industry is under attack, It too is facing business crisis. The market is repositioning itself and HMO coverage for their employees is their top priority over promotions and other investments, this is our chance to grow. We must attack the market with a careful yet aggressive plan of action.

Our liquidity to date is still favorable with an available cash on hand of Php 184 Million. The utilization incurred the last 3 months from March dramatically decreased by 86% on average which will serve as breathing room for loss business. However, to stay afloat we have to religiously observe the following:

1. Liquidity must be Guaranteed
2. Close monitoring of Cash Flows
3. Renew Existing Accounts
4. Refrain from Major Spending till business stabilizes
5. Control and Manage Payables

6. Review and convert operational expense to savings
7. Generate new businesses

There will be a multitude of reasons of not getting new business. We must be creative in our Market Approach and be Innovative in Products to offer. We must be open to new ideas. We should open our horizon to unique opportunities.

We will scale horizontally and not vertically. We must be pro-active conservators. We should embrace with passion the dedication to serve our clients. We must put an extra mile in service so as not to lose them. Let us be on our toes for immediate response to our clients needs.

TOGETHER WE WILL EMERGE AS SUCCESSFUL WARRIORS TO THIS VERY UNPREDICTABLE CRITICAL SITUATION.

Thank you...

Keep Safe and Best Regards,

Jason Porciuncula
PRESIDENT

5. CHIEF FINANCE OFFICER'S REPORT

The Chief Finance Officer, Atty. Irish Tom Tolentino, stated that some of the highlights of the 2019 tentative audited financial statements were already presented in the President's Message.

He said that the Company is compliant with the Insurance Commission ("IC") requirement with regard to Liquidity Test and Capitalization Test but not with Net Worth Test. Further, some of the accounts in the 2019 financial statements were reclassified to conform with the IC reportorial standards.

There was an approximately 31M increase in the non-cash provision that may affect the 2019 audited financial statements. Atty. Tom and Sir Tano said that they will talk to the Mr. Ernie Reyes, the Company's Independent Actuary, with regard to the non-cash provision. They said that they will give an update in the next scheduled meeting.

(The 2019 tentative audited financial statements were attached hereto for easy reference.)

6. APPROVAL OF 2019 AUDITED FINANCIAL STATEMENTS

The next item on the agenda is the approval of the 2019 Audited Financial Statements.

Atty. Irish Tom Tolentino have told the stockholders that the 2019 audited financial statements are not yet final as of the date of this meeting. Hence, the approval thereto will be made on the next scheduled meeting.

7. ACTUARIAL AND UNDERWRITING REPORT OF THE COMPANY

The next item on the agenda is the actuarial and underwriting report on the Company. Mr. Tano Diaz reported the following:

Portfolio Status as of June 1, 2020			
Particulars	ETCV	No. of Accounts	Percentage
DNR	65.2M	47	7.1%
Extended	4.5M	3	0.5%
Pending	19.3M	16	2.1%
Renewed	220.9M	168	24.1%
For renewal	605.6M	274	66.1%
Grand Total	915.7M	508	100%
New business	113.5M	37	12%

Mr. Tano Diaz reiterated to the other stockholders that non-renewal of some accounts had nothing to do with how the Company delivered its services to clients nor its pricing offered to prospective clients but mainly due to economic impact of COVID 19 pandemic. .

8. ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS

The meeting proceeded to the election of Directors for the ensuing year 2020-2021.

Upon motion duly made and seconded, except for the deceased Chairman, Mr. Jaime L. Porciuncula, the remaining incumbent members of the Board shall be re-elected and the vacant seat to be filled-up by a new member, thus the following were duly elected members of the Board of Directors to serve for the ensuing year and until their successors are duly elected and qualified:

RUSTIE C. PORCIUNCULA	Chairman
JASON C. PORCIUNCULA	Member

ORVIBITANO R. DIAZ	Member
JAY B. IRABON	Member
IRISH TOM T. TOLENTINO	Member
EPHREM R. ACLERA	Member
ANNABELLE SANCHEZ	Member

9. ELECTION OF THE COMPANY’S OFFICERS AND TOP MANAGEMENT POSITION

The next item on the agenda is the election of the Company’s officers and top management position.

Upon motion duly made and seconded, following were duly elected as officers of the Company for ensuing year and until their successors are duly elected and qualified:

JASON C. PORCIUNCULA	President & Chief Operating Officer
ORBIVITANO. D. DIAZ	SVP-Actuary & Underwriting
JAY B. IRABON	SVP-Sales & Marketing
IRISH TOM T. TOLENTINO	Chief Finance Officer
ANNABELLE SANCHEZ	Medical Director
EPHREM R. ACLERA	Corporate Secretary

10. APPOINTMENT OF INDEPENDENT DIRECTORS

Upon motion duly made and seconded, and no objection from other stockholders was duly made, the incumbent independent directors of the Company were retained to serve for the ensuing year and until their successors are duly elected and qualified

The following resolution was thus adopted and approved:

“RESOLVED, that Sonia Hermosisima-Batucan and Dr. Howell Javonillo be, as they are hereby, re-appointed independent directors of the Company.”

11. APPOINTMENT OF EXTERNAL AUDITOR

Upon motion duly made and seconded, and no objections from other stockholders, Francia Laviña-Eugenio, was retained as the Company’s external auditor for the ensuing year.

The following resolution was thus adopted and approved:

“RESOLVED, that Francia Laviña-Eugenio, be, as he is hereby, retained as external auditor of the Company.”

12. RATIFICATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS FOR 2019

The next order of business was the ratification of the acts and resolutions of the Board of Directors and the Management from last year’s Annual Meeting up to this meeting.

Atty. Ephrem Aclera moved for the ratification of all acts and resolutions of the Board of Directors and Management from last year’s Annual Meeting up to this meeting. No objection was raised, thus, all acts and resolutions of the Board of Directors and Management from last year’s Annual Meeting up to this meeting were ratified unanimously.

The following resolution was thus adopted and approved:

“RESOLVED, that all acts and resolutions of the Board of Directors and Management from last year’s Annual Meeting up to this meeting be, as they hereby are, confirmed, ratified, and approved.”

Atty Tom Tolentino suggested to appoint two (2) custodians of records of all the minutes of meeting, board resolution and secretary certificate at the head office.

13. ASSIGNMENT OF SHARE TO DRA. ANNABELLE SANCHEZ

The President, Jason C. Porciuncula, agreed to assign one (1) share of stock to Dra. Annabelle Sanchez for her to qualify to become a member of the Board as mandated by the Corporation Code of the Philippines.

In view thereof, Atty. Ephrem Aclera will prepare the necessary agreement to effect the said assignment.

14. OTHER MATTERS

a.) Merit Increase and 14th Month Pay of the Employees.

To address the economic impact of the COVID-19 pandemic to the financial position of the Company, the members of the Board

unanimously vote to withhold the giving of merit increase and 14th month pay to employees of the Company.

b.) Incentive to retention team.

Majority of the stockholders voted to provide incentives to deserving employees of the retention team.

c.) Plan acquisition of the Company's accounting system

The Company plans to acquire an accounting system to address the statutory reportorial requirements of various regulatory agencies. The provider, Indicium Corp., had already submitted its proposal for review and comments by the members of the Board.

Atty. Tom Tolentino agreed to negotiate for the modes of payment favorable to the Company. Atty. Ephrem Aclera on the other hand will prepare the necessary service agreement which will include among other the posting of performance bond by the provider to ensure prompt and faithful performance of the provider's obligations and undertakings.

15. ADJOURNMENT

There being no other business to transact, upon motion duly made and seconded, the meeting was adjourned at 12:56 p.m.

CERTIFIED CORRECT BY:

ATTY. EPHREM ACLERA
Corporate Secretary

ATTESTED BY:

RUSTIE C. PORCIUNCULA
Chairman of the Board