Mercantile Insurance
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MINUTES OF THE 2025 ANNUAL STOCKHOLDERS MEETING

The Mercantile Insurance Company, Inc.
Date: 30 May 2025
Venue: Mercantile Board Room, 2nd Floor Mercantile Insurance Building, Beaterio corner General Luna Streets, Intramuros, Manila

Attendees:

Esther C. Tan
Leandro M. Estrera
Romulo I. Delos Reyes Jr.
Justin T. Liu
Nicolas David C. Mercado
Ermie I. Delos Reyes
Joel T. Almagro
Arturo B. Reyes
Atty. Claro F. Certeza
Evelyn N. Singun
Elrey T. Ramos

Also Present:
Atty. Ruth G. Cervantes
Atty. Ivy Crystal T. Castillo
Pamela A. Nepomuceno
Josa Q. Romualdo

CALL TO ORDER:

On May 30, 2025, at exactly 5:00 o'clock in the afternoon, the Annual Meeting of the Stockholders of the Mercantile Insurance Company, Inc. was formally called to order by Chairperson, Ms. Esther Tan, at the Mercantile Insurance's boardroom. The Corporate Secretary, Atty. Ruth Cervantes, certified that all stockholders of record have been duly notified of the meeting and agenda, at least twenty-one (21) days in advance, in compliance with SEC Memorandum Circular No. 3, series of 2020. A summary of the notice distribution as show on the screen in the meeting, is incorporated herein by reference (Annex A).

ROLL CALL:

The roll call was conducted to determine the presence of a quorum. Each stockholder was requested to state their name for the record, and indicate if they were attending as a proxy and the name of the corporate stockholder they represent.

DETERMINATION OF QUORUM:

The Corporate Secretary certified that stockholders representing approximately 90.39% of the total issued and outstanding capital stock of Mercantile Insurance were present, thereby confirming the presence of a quorum for the meeting.

Prior to the Stockholders' Meeting, the Office of the Corporate Secretary received a Proxy Agreement dated 02 May 2025, whereby Camerton, Inc, assigned its voting rights over its 90.39% shareholdings to the Quickway Holdings, Inc. (QHI) group. Stockholders Arturo Reyes and Romulo I. Delos Reyes, participated in the meeting and exercised voting rights under the said proxy.

OVERVIEW OF AGENDA:

The Chairperson stated that, as indicated in the notices sent to all stockholders of the Company, the agenda for the meeting includes the following items of business:

1. Call to Order
2. Roll Call and Certification of Notice and Quorum
3. President's Report
4. Ratification of Acts and Resolutions of the Board of Directors (from the date of the last Annual Shareholders' Meeting until May 30, 2025)
5. Proposal to Increase the Numbers of Directors for 2025-2026
6. Election of Directors for 2025–2026
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

PRESIDENT'S REPORT:

Mr. Leandro M. Estrera delivered the President's Report, highlighting Mercantile Insurance's accomplishments and challenges for the year 2024, based primarily on the company's 2024 Audited Financial Statement.

He reported that in March 2025, Mercantile Insurance became part of the largest insurance group in the country following the sale of Camerton, Inc.'s shares.

As of date, the company employs 336 personnel across 23 offices nationwide and recorded a 6% attrition rate in 2024.

Mr. Estrera noted that the Philippine economy grappled with fluctuating inflation rates, which affected both business and consumer spending. The insurance industry also faced headwinds, particularly in Motor Car lines and increasing reinsurance costs.

In 1st Quarter of 2025, Motor Car and Fire insurance led the company's premium production, with Head Office contributing the highest volume. While premium collections saw a decline, net income improved due to enhanced underwriting risk management and collection efficiency. Despite the challenges of 2024, Mercantile Insurance demonstrated resilience, successfully reduced its liabilities, and strengthened its net worth. The President emphasized the company's goal of achieving profitable growth in 2025 and the years ahead.

Following the report, Mr. Justin Liu moved for the confirmation and adoption of the President's Report together with the 2024 Audited Financial Statement. Mr. Nicolas Mercado seconded the motion. With no objections raised, the motion was carried, and the President's Report along with the 2024 Audited Financial Statement were confirmed and approved by the stockholders.

RATIFICATION OF ALL ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS:

Chairperson Esther Tan introduced the next item on the agenda: the Ratification of All Acts and Resolutions of the Board of Directors for the year 2024.

The Office of the Corporate Secretary provided a summary of these resolutions, which pertained to matters integral to the Company's continued operations and sound corporate governance. These included the execution of key agreements—such as Non-Disclosure Agreements with current and prospective partners, various Memoranda of Agreement, and authorities issued to designated signatories for legal compliance, bank accreditation, and intermediary arrangements.

Mr. Ermie Delos Reyes moved for the approval and ratification of all acts and resolutions of the Board of Directors from May 31, 2024 to May 08, 2025. Mr. Estrera seconded the motion.

With no objections, the motion was carried unanimously. All acts and resolutions of the Board of Directors within the stated period were ratified by the Stockholders.

PROPOSAL TO INCREASE THE NUMBER OF DIRECTORS FOR 2025-2026:

A proposal was put forward to increase the number of directors serving on the Board. It was noted that under **Article V, Section 1** of the Company's By-Laws, the number of of directors must be **no fewer than five (5) and no more than eleven (11).**

Increasing the number of directors would support the Company's compliance with the requirements for committee composition under the **Annual Corporate Governance Report (ACGR).** It would also ensure that the Company has a sufficient number of qualified directors to effectively serve on key Board committees and discharge their governance responsibilities.

Mr. Leandro Estrera moved to approve the proposal to increase the number of directors of the board. Mr. Nicolas Mercado seconded the motion. There being no objections, the motion was carried with the "AYES," and the proposal to increase the number of directors was duly approved.

ELECTION OF THE BOARD OF DIRECTORS:

The meeting proceeded with the **Election of the Board of Directors.** In accordance with the Company's By-Laws, **eight (8) Regular Directors** and **three (3) Independent Directors** for the term 2025–2026 based on the Final List of Nominees submitted to the Office of the Corporate Secretary.

Election Inspectors Atty. Ivy Castillo and Ms. Josa Romualdo were present to facilitate the process. The **Nomination Committee** had pre-screened all candidates and evaluluated all candidates in accordance with applicable corporate governance rules and found them to be eligible and qualified. Corporate Secretary Atty. Ruth Cervantes formally announced the names of the nominees for both Regular and Independent Directors.

Mr. Justin Liu moved to approve the list of nominees. Mr. Leandro Estrera seconded the motion. There being no objections, the motion was carried, and the list of nominees was approved.

CASTING OF VOTES AND ELECTION RESULTS

The stockholders were requested to cast their votes by filling out the official ballot, indicating their choice —**For, Against**, or **Abstain** — and specifying the corresponding number of shares represented.

Chairperson Esther Tan informed the assembly that a **majority of the votes of Common Stock** present and represented at the meeting had been **cast in favor of the nominated candidates.**

Accordingly, the following were **elected as Members of the Board of Directors for the term 2025-2026**:

Leandro M. Estrera;
Romulo I. Delos Reyes Jr.;
Justin T. Liu;
Jerry Liu;
Nicolas David C. Mercado;
Ermie I. Delos Reyes;
Arturo B. Reyes;
Joel T. Almagro;

Atty. Claro F. Certeza;
Elrey T. Ramos;
Evelyn N. Singun

ELECTION OF OFFICERS:

Following the announcement of the newly elected members of the Board of Directors, Chairperson Esther Tan opened the floor for **nominations for the key officer positions of Chairman of the Board, President and Treasurer.**

Mr. Nicolas Mercado nominated **Mr. Romulo I. Delos Reyes Jr.** for Chairman, **Mr. Leandro M. Estrera** for President, and **Mr. Ermie I. Delos Reyes** for Treasurer. With no other nominations, Mr. Mercado moved that the shareholders confirm and elect the nominees to their respective positions. The motion being duly seconded, and there being no objections, the motion was **unanimously carried**, and the following officers were **duly elected and confirmed.**

Romulo I. Delos Reyes Jr. – Chairman of the Board;
Leandro M. Estrera – President;
Ermie I. Delos Reyes - Treasurer

APPOINTMENT OF EXTERNAL AUDITOR:

The Chairperson informed the assembly that the **Board of Directors** had received a recommendation from the Audit Committee regarding the appointment of the Corporation's **external auditor for the fiscal year 2025–2026.** The selected auditing firm would be responsible for preparing the Corporation's **audited financial statement** for the fiscal year.

Mr. Ermie Delos Reyes moved for the appointment of **IT Sabado & Associates** as the Corporation's external auditor for fiscal year 2025–2026. Mr. Estrera seconded the motion.

There being no objections, the motion was unanimously carried, and **IT Sabado & Associates** was formally appointed as the external auditor of the Corporation for the fiscal year 2025–2026.

OTHER MATTERS

Madame Chair Esther Tan inquired if there were any other matters the stockholders wished to raise or discuss. There being none, the meeting proceeded to the next item on the agenda.

ADJOURNMENT

Mr. Leandro Estrera moved to adjourn the meeting. The motion was duly seconded by Mr. Nicolas Mercado. With no objections, the meeting was officially adjourned at **5:48 p.m.**

Certified Correct:

RUTH G. CERVANTES
Corporate Secretary

Minutes Read and Approved By:

ESTHER C. TAN
Chairman of the Board

LEANDRO M. ESTRERA
President

ROMULO I. DELOS REYES, JR.
Director

JUSTIN T. LIU
Director

JERRY LIU
Director

NICOLAS DAVID C. MERCADO
Independent Director

ERMIE I. DELOS REYES
Independent Director