THE MERCANTILE INSURANCE COMPANY, INC.
MINUTES OF THE MEETING
CORPORATE GOVERNANCE COMMITTEE of the BOARD
Via Hybrid Meeting on December 16, 2025 (Tuesday) at 3:00 PM

PRESENT:

Committee:	Resource Persons:
Chairperson: Dir. Claro F. Certeza Members: Dir. Romulo I. Delos Reyes, Jr. Dir. Leandro M. Estrera Dir. Evelyn N. Singun Dir. Joel T. Almagro	 Atty. Ivy Crystal T. Castillo Compliance Officer Atty. Rozaire G. Ombao-Bagares Corporate Secretary

Atty. Rozaire G. Ombao-Bagares Minute taker (Corporate Secretary)

CALL TO ORDER

The Meeting was called to order by the Chairperson of the Committee via a hybrid meeting – the Chairperson and Members attended virtually through the provided online platform. The Compliance Officer and Corporate Secretary attended in person at the MICI Conference Room, located at the MICI Head Office.

SERVICE OF NOTICE AND DETERMINATION OF QUORUM

The Corporate Secretary reported that, in accordance with the provisions of the Corporation Code and the Amended By-Laws of the Company, written notice of the meeting was served to all members of the CG Committee. The majority of the members of the committee are present to transact business at today's meeting.

DISCUSSION

Dir. Singun was appointed as the acting chairperson for the meeting.

The meeting began with introductions, including Dir. Almagro, Dir. Singun, and the President, Mr. Estrera.

1. **Matters for Presentation and Review**
   a. Presentation of the Annual Corporate Governance Report / Corporate Governance Scorecard
   b. Review of compliance status, governance metrics, and areas for improvement

The committee meeting discussed the submission of the ACGR covering 2024 operations, which was filed before the deadline. The committee reviewed various compliance items, including board training, committee composition, and external auditor changes.

Conglomerate Mapping

The group discussed the need for a single external auditor for the insurance group to ensure financial oversight and soundness across all members. They also noted their compliance with the PCIF membership requirement.

Mercantile's Internal Audit Expansion

The meeting discussed the status and future of the internal audit department at Mercantile, with Dir. Singun inquiring about its structure and compliance with corporate governance requirements. The discussion revealed that while there is currently a temporary internal auditor, Ms. Pahilga, the organization is expanding and will soon need a full-time head and additional internal auditors to support their growing operations, including new branches and distribution units. The team acknowledged that while they may achieve substantial compliance for now, they will need to hire more staff to fully comply with the requirements as the organization expands.

Internal Audit Leadership Transition

The meeting discussed the appointment of internal auditors, with Ms. Pahilga temporarily heading the internal audit department until a dedicated internal auditor is appointed. Dir. Singun raised concerns about audit committee compliance and the need to consult both internal and external auditors. The discussion also touched on the remuneration and nomination committee's membership, specifically regarding the resignation of the former Dir. Justin Liu from the committee. This was addressed by the Compliance Officer.

2. Presentation of the Corporate Governance Charter
– Review of provisions, updates, alignment with regulatory issuances, and Committee recommendations for Board approval

Board Committee and Governance Updates

The committee discussed the composition of committees, particularly the Remuneration and Nomination committee, and agreed to replace outgoing members with incoming ones while maintaining the majority of independent directors. They reviewed the proposed corporate governance charter, with Dir. Singun raising questions about the definition of conglomerates and holding companies, which the committee agreed to address. Dir. Singun requested that the term "holding company" be defined in the CG Charter.

The committee also discussed the need for a Chief Risk Officer and the importance of compliance with corporate governance rules, particularly regarding enterprise risk management. Upon initial discussion on ORSA led by Dir. Almagro, the committee agreed to request that the group arrange a seminar on ORSA and to consider a board calendar for better scheduling of meetings.

ADJOURNMENT

There being no other matters to be taken up, the meeting was adjourned at 3:45 p.m.

Certified Correct:

(sgd)
ATTY. ROZAIRE G. OMBAO-BAGARES
Corporate Secretary