THE MERCANTILE INSURANCE COMPANY, INC.
MINUTES OF THE MEETING
RELATED PARTY TRANSACTIONS COMMITTEE of the BOARD
Via Hybrid Meeting on December 16, 2025 (Tuesday) at 4:00 PM

PRESENT:

RPT Committee:	Resource Persons:
Chairperson: Dir. Claro F. Certeza Members: Dir. Evelyn N. Singun Dir. Elrey T. Ramos Dir. Ermie I. Delos Reyes Dir. Nicolas David C. Mercado Dir. Arturo B. Reyes	Ms. Jxyl Jill D. Pahilga - Internal Auditor Mr. Michael L. Fadriquela - Deputy Chief Financial Officer

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

CALL TO ORDER

The Meeting was called to order by the Chairperson of the RPT Committee via a hybrid meeting – the Chairperson, Members, and the Internal Auditor attended virtually through the provided online platform. The Deputy CFO 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 RPTCommittee. The majority of the members of the committee are present to validly transact business at today's meeting.

DISCUSSION

a. Approval of the Related Party Transactions (RPT) Policy and RPT Charter

The Related Party Transactions Committee held this meeting to review a proposed RPT policy, which was adapted from affiliates' policies. The committee discussed definitions, materiality thresholds, and whistleblowing mechanisms, with Dir. Singun suggesting changes to terminology and the committee is considering adjustments to the materiality threshold. The policy aims to ensure all related party transactions are conducted on an arm's length basis and that material transactions are reviewed by the Board.

Related-Party Transaction Approval Process

The discussion focused on the review and approval process for related-party transactions (RPTs), including the types of transactions excluded from materiality thresholds such as employment arrangements, compensation packages, and insurance-related transactions. Dir. Mercado explained that while these excluded transactions do not need to meet materiality thresholds, they must still be properly documented and monitored to ensure compliance with arm's length principles. The process requires RPTs to be evaluated by a committee and approved by the

Board before shareholder disclosure, typically through the annual report, with directors having conflicts of interest required to abstain from deliberations.

New Auditor and Board Planning

The meeting discussed the new external auditor for the company, starting June 2025. Dir. Singun raised questions about whistleblowing mechanisms and the relationship between Camerton and Mercantile, which were addressed by the Deputy CFO. The board calendar for 2026 was also mentioned as an upcoming initiative to better coordinate schedules for Board and committee meetings.

Retirement Plan Post-Merger Review

The meeting discussed the 2025 report and retirement plan obligations. Dir. Singun inquired about the current trustee, BPI Asset Management, which manages the employee retirement plan. Dir. Certeza requested a review of the retirement plan to ensure it is not underfunded, particularly after the merger with FPG Insurance. The company plans to integrate employees post-merger without displacement, focusing on internal transfers. The auditor will review the pension obligation and the group structure, and investment needs will be determined after the auditor's findings on FPG's net worth.

b. Updates on Significant RPT Developments

Status of the Merger between FPG Insurance and Mercantile Insurance

The committee also reviewed the status of the FPG and Mercantile merger, which has received approval from the Insurance Commission and is undergoing review by the Philippine Competition Commission. The PCC review is expected to be completed by January 2026, with integration activities already underway.

The committee noted that FPG Mercantile (the merged entity) will operate under a new logo and adopt the Geniisys system for insurance operations. Mercantile Insurance is currently using **GENIISYS** as its core insurance system for policy issuance and data processing. It serves as an integrated platform that supports the end-to-end insurance workflow, including policy creation and issuance, renewal processing, premium billing, distribution management, and reinsurance monitoring. It also provides centralized data consolidation and structured processing of underwriting and policy information, enabling more effective and efficient monitoring of risks and the company's overall portfolio. Additionally, the system includes reporting and inquiry functionalities that allow management and authorized users to generate operational reports, track policy details, and review portfolio performance for internal monitoring and regulatory compliance purposes.

ADJOURNMENT

There being no other matters to be taken up, the meeting was adjourned at 5:00 p.m.

Certified Correct:

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