

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

OF

FPG INSURANCE CO., INC.

DATE - AUGUST 6, 2020

TIME - 10:00 A. M.

PLACE - FPG BOARDROOM, 6/F ZUELLIG BUILDING
MAKATI AVENUE CORNER PASEO DE ROXAS
MAKATI CITY

STOCKHOLDERS PRESENT:

Name	Class A	Class B	Total
Golden Eight Group Limited (Proxy: Mr. David Zuellig)	28,000,000	6,999,992	34,999,992
Ricardo J. Romulo (via teleconference)	-	2	2
David Zuellig (via teleconference)	-	2	2
Kasigod V. Jamias	-	2	2
Generosa Pio de Roda-Reyes	-	1	1
Avelino M. Sebastian, Jr.	-	1	1
Total number of shares present in person/proxy	28,000,000	7,000,000	35,000,000

STOCKHOLDERS ABSENT:

None

Total number of shares outstanding and entitled to vote	28,000,000	7,000,000	35,000,000
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OTHERS PRESENT - ATTY. ANA LIZA A. PERALTA
Corporate Secretary

MS. CARMINA ESTEBAN
Treasurer/CFO

CALL TO ORDER/QUORUM

Prior to the meeting, the Corporate Secretary, Atty. Ana Liza A. Peralta, informed the Stockholders on the presence of Mr. David Zuellig and Atty. Romulo, via teleconferencing. Thereafter, she confirmed that Mr. Zuellig and Atty. Romulo are heard clearly by the other stockholders physically present in the meeting. Mr. Zuellig and Atty. Romulo likewise confirmed that they could clearly hear the Corporate Secretary and the rest of the stockholders.

Atty. Peralta then advised that notices were duly sent to all stockholders, in accordance with the By-Laws of the Corporation, and thereafter certified to the existence of a quorum, there being present at the meeting in person, via teleconference or by proxy, stockholders representing One Hundred (100%) percent of the Corporation's outstanding capital stock.

There being a quorum, Mr. David Zuellig, Chairman, called the meeting to order and presided thereat.

READING AND APPROVAL OF MINUTES OF THE STOCKHOLDERS' MEETING HELD ON MARCH 14, 2019

The Chairman conveyed to the stockholders present that the minutes of the Stockholders' Meeting held on March 14, 2019 were previously circularized. He then asked for comments and/or amendments, and on motion duly made and seconded, it was

“RESOLVED, that the reading of minutes of the Stockholders' Meeting held on March 14, 2019 be, as it hereby is dispensed with, and that the same be, as they hereby are, approved.”

REPORT OF THE PRESIDENT ON THE FINANCIAL PERFORMANCE OF THE COMPANY DURING THE PRECEDING FISCAL YEAR

The President, Ms. Generosa Pio de Roda-Reyes reported on the financial performance of the Company.

Financial Highlights

- FPG registered a GPW of P5.1B in 2019 with net earned premiums of P3.1B.
- High losses on claims resulted to a net loss after taxes of P224 Million. For the non-motor business, losses incurred from various earthquake claims and one big fire loss totaling P136M highly impacted the Profit and Loss for the year. Likewise, high incidence of losses in Motor business mainly coming from dealers/multiyear program and the recognition of previous years' un-booked claims outweighed the revenues coming from this line of business.
- The recognition of previous year's claims adjustment required a restatement of the 2018 Audited Financial Statements, which resulted to a net loss of P472M.
- Mitigating actions to address the falling trend in income on the motorcar business are as follows:
 - Exit from non-profitable motorcar campaign programs
 - Increase in pricing by adapting higher premium rates
 - Increase in client's participation or deductibles
 - Tightening of certain controls in booking and provisioning of claims losses
 - Review and amend Motor Underwriting policies

The President also reported that with the negative result in the bottom line, FPG is required to infuse additional capital to comply with the Insurance Commission's implementation of the mandatory increase of Net Worth to Nine Hundred Million Pesos (P900,000,000.00), Philippine Currency as of December 31, 2019. The Company requested from the Insurance Commission a final extension to comply with the Networth requirement by August 15, 2020 and the Insurance Commission granted its request. After the President's Report on the Company's operations for 2019, the Treasurer, Ms. Carmina Esteban, proceeded to present the Company's audited financial statements for the fiscal year ending December 31, 2019. Ms. Esteban added that said audited financial report has been approved by the Board of Directors in its special meeting held on July 15, 2020.

After her presentation, the stockholders unanimously approved and ratified the Audited Financial Statement, as presented.

RATIFICATION OF THE ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS DURING THE YEAR 2019

The Chairman asked for comments on the acts and proceedings of the Board of Directors during the year 2019, there being none, and on motion made by Mr. Kasigod V. Jamias, duly seconded by Atty. Avelino M. Sebastian, it was

“RESOLVED, that all acts and proceedings of the Board of Directors during the year 2019 be, as they hereby are ratified, confirmed and approved.”

ELECTION OF DIRECTORS

The following stockholders were nominated directors of FPG Insurance Co., Inc. for the calendar year 2020-2021:

Kasigod V. Jamias
Generosa Pio de Roda-Reyes
Ricardo J. Romulo
Avelino M. Sebastian, Jr.
David Zuellig

There being no other nominations nor objection to the above nominees, the above-named stockholders were re-elected directors of FPG Insurance Co., Inc. for the calendar year 2020-2021.

The stockholders unanimously agreed to leave two (2) seats in the Board vacant for the time being.

APPOINTMENT OF EXTERNAL AUDITOR

On motion duly made by Mr. Jamias and seconded by Ms. Pio de Roda-Reyes, it was

“RESOLVED, that **SYCIP GORRES VELAYO & COMPANY, INC.** be, as it hereby is retained as the Company’s External Auditor for the new fiscal year.”

ADJOURNMENT

There being no further business to transact, the meeting was, on motion duly made and seconded, declared adjourned.

DAVID ZUELLIG
Chairman

ANA LIZA A. PERALTA
Corporate Secretary

Attested by:

GENEROSA PIO DE RODA-REYES
President/Chief Executive Officer

KASIGOD V. JAMIAS

RICARDO J. ROMULO

AVELINO M. SEBASTIAN, JR.