

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
OF**

FPG INSURANCE CO., INC.

DATE - APRIL 5, 2021

TIME - 4:45 P. M.

PLACE - DUE TO THE ENHANCED COMMUNITY QUARANTINE IN METRO MANILA, THE MEETING WAS HELD VIA REMOTE COMMUNICATION SPECIFICALLY VIA ZOOM

STOCKHOLDERS PRESENT:

Name	Class A	Class B	Total
Golden Eight Group Limited (Proxy: Mr. David Zuellig) (via ZOOM)	34,800,000	8,699,992	43,499,992
Ricardo J. Romulo (via ZOOM) Using laptop in Makati City	-	2	2
David Zuellig (via ZOOM) Using laptop in Monaco	-	2	2
Kasigod V. Jamias (via ZOOM) Using laptop in Makati City	-	2	2
Generosa Pio de Roda-Reyes (via ZOOM) Using laptop in Alabang City	-	1	1
Avelino M. Sebastian, Jr. (via ZOOM) Using laptop in Quezon City	-	1	1
Total number of shares present in person/proxy	34,800,000	8,700,000	43,500,000

STOCKHOLDERS ABSENT:

None

Total number of shares outstanding and entitled to vote	34,800,000	8,700,000	43,500,000
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OTHERS PRESENT
(As Presenters/Resource
Persons/Secretariat)

- ATTY. ANA LIZA A. PERALTA (via ZOOM)
Corporate Secretary
Using laptop in Clark, Pampanga

MR. GERARD PENNEFATHER
Consultant
Using laptop in Singapore

MS. CARMINA ESTEBAN
Treasurer/CFO
Using laptop in Pateros

ATTY. MARY JANE ARISTOTELES
Risk & Compliance Head
Using laptop in Manila

MR. MIGUEL BALLESTEROS
Sycip Gorres Velayo & Company Representative
Using laptop in Pasig City

CALL TO ORDER/QUORUM

Before the meeting started, the Stockholders confirmed that they have received the Notice of the Meeting, Agenda/Materials for the meeting, and clearly saw and heard each other.

The Secretariat confirmed and noted the device/application being used by them and ascertained the identities of the Stockholders /proxies and attendees.

Atty. Ana Liza A. Peralta, Corporate Secretary, advised that notices were duly sent to all Stockholders, in accordance with law and the By-Laws of the Corporation and thereafter certified to the existence of a quorum, there being present at the meeting in person or by proxy, stockholders representing One Hundred (100%) percent of the Corporation's outstanding capital stock, and thereafter took the minutes of the proceedings.

Mr. David Zuellig, Chairman, called the meeting to order and thereafter presided.

READING AND APPROVAL OF MINUTES OF THE STOCKHOLDERS' MEETING HELD ON AUGUST 6, 2020

The Chairman conveyed to the stockholders present that the minutes of the Stockholders' Meeting held on August 6, 2020 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 August 6, 2020 be, as it hereby is dispensed with, and that the same be, as they hereby are, approved.”

PRESIDENT'S REPORT FOR THE YEAR 2020

The President, Ms. Generosa Pio de Roda-Reyes reported to the stockholders the financial performance of the Company, highlights of which are as follows:

PRESIDENT'S MESSAGE

The events of the past year brought about challenges both internally and externally. Internally, 2020 was a reset year where the main focus was to understand why the business wasn't performing since over the past few years, what were the fundamental gaps and what do we need to do to build a profitable and sustainable business. Externally, 2020 was an unprecedented year as the COVID-19 pandemic redefined our lives and businesses and how we did things. We had to quickly adopt to the changing needs of our customers and take advantage of the accelerated shift to digitalization. In summary, it was an extremely challenging year as we had to quickly fix our business and position it for sustainable growth amidst an uncertain, complex and ambiguous environment.

We started the year with defining our 3-year corporate goal to express our direction and WHY we were redefining the business.

Corporate Goal

To be among the top 5 most profitable and be the most innovative non-life insurance company with the best customer service (to our partners, customers, employees) by 2023.

To enable us to achieve this goal, we defined the following **Key Initiatives for 2020**:

- Have the right organizational structure with the right people
- Stronger and profitable distribution
- Ease of Doing Business and Strategic Cost
- Data and Digital Transformation
- Brand Pride & Prestige

- Productive Innovation
- Product Innovation
- Highly Engaged People

Overarching these key initiatives are more robust controls, risk monitoring and governance.

We wish to share the highlights of what we had achieved, thus far, for each of these key initiatives:

Have the right organizational structure with the right people

- Launched a revised Target Operating Model in April, 2020, centralizing the Underwriting function across all lines of business into the Chief Underwriting Officer
- Centralized policy issuance, claims and treasury functions in the branches into the central functions in the Head Office
- Hired key roles – CFO, Head of Claims, Audit, Head of Risk and Compliance and Chief Underwriting Officer and Head of HR

Stronger and profitable distribution

- Rebalanced the portfolio (previously concentrated on motor, as high as 60%) and drive other profitable lines of business. As of end-2020, motor accounted for 36% and property at 44% on a gross basis. On a net basis, motor remains as the largest line accounting for 79% of total GPW
- Reviewed and re-issued new Underwriting Guidelines to provide direction for the distribution channels
- Cleaned up previous year's claims
- Appointed a new Head of Retail and Agency Management to focus on growing the Agency Distribution Channel (joined in February, 2021)

Ease of Doing Business and Strategic Cost

- Rationalized unprofitable branches and those with limited growth potential. As a result, we closed six (6) branches (will generate annual savings of PhP16m in 2021), reducing our branch footprint from 21 to 15. The goal is for all branches to be profitable within 2021. The branches that were closed are as follows:
 - Palawan (closed June 30, 2020 – minimal accounts)
 - Masinag (closed July 30, 2020) – consolidated with Ortigas Branch
 - Bacolod Branch (closed September 30, 2020) – consolidated with Iloilo Branch
 - Cavite Branch (closed October 31, 2020) – consolidated with Alabang Branch

- Commonwealth (closed October 31, 2020) – consolidated with Quezon City Branch
- Batangas (closed December 31, 2020) – consolidated with Laguna Branch
- Automated, streamlined and digitalized some processes in policy issuance, billing and collections and claims and customer support to drive productivity and efficiency gains
- Build capacity planning and right-sized the operational units (branches, claims, business centre)
- In terms of FTE, we ended at 461, a 25% reduction from the budgeted FTE of 613, mainly coming from the non-renewal of contractuales and reduction of staff in branches following the branch rationalization exercise
- As a discipline, a cost-benefit analysis is conducted for any new initiative in terms of new products, channels and systems development
- Created operational dashboards for claims, credit and collection, and policy issuance for visibility in terms of service delivery to customers and partners.

Data and Digital Transformation

- Drive Digital Channels
 - Enhanced the Agent App which enables Agents to view their portfolio, provide quotes for new business and renewals for motor and residential policies. Further enhancements are planned to enable filing and monitoring of Claims (by 3Q21)
 - Enhanced the Corporate Website to drive direct sales as mentioned above. Further enhancements are planned to enable renewals and claims filing and monitoring (by 3Q21)

Brand Pride & Prestige

- Launched “Customer First” campaign to shift the mindset of our staff to be aware and to focus on customer impact
- Adopted consisted branding for products

Product Innovation

- Launched personal accident and residential fire products

Highly Engaged People

- Conducted quarterly CEO Townhalls
- Launched reward recognition programs (e.g. positive customer feedback) as well as various employee engagement activities
- Conducted an Employee Pulse Survey in October 2020 (4.17/5.0)

2020 was just the beginning and there is still a lot to do to bring our business to its full potential. We owe our success to the commitment of our shared vision amongst the management team and all our staff and key partners, the support and guidance of our Board and the trust and confidence of our key stakeholders. We thank you for your continued support and we look forward to a more successful 2021.”

After the President’s Report on the Company’s operations for 2020, the Treasurer, Ms. Carmina Esteban, proceeded to present the Company’s Audited Financial Statements for the fiscal year ending December 31, 2020. Ms. Esteban added that said audited financial report has been approved by the Board of Directors in its special meeting held earlier.

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

The Chairman, Mr. David Zuellig, reminded also the President to take a look into the Company’s cybersecurity threats especially during this time of pandemic. Mr. Gerard Pennefather, also asked whether or not the Company has an existing cybersecurity insurance policy. The President replied that the cybersecurity threats will be monitored and included in the Risk and Audit Committee Meeting. Further, the Compliance Officer, Atty. MJ Aristoteles also explained that currently we have an existing control or internal policies on cyber security. However, for the cybersecurity insurance policy, the Company still do not have one but currently exploring of getting one upon the advice of the IT head and Chief Underwriting Officer.

RATIFICATION OF THE ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS DURING THE YEAR 2020

The Chairman asked for comments on the acts and proceedings of the Board of Directors during the year 2020, there being none, and on motion made by Mr. Kasigod V. Jamias, duly seconded by Atty. Avelino M. Sebastian, it was

FPG Insurance Co., Inc.
Circular Resolution No. 4-5-2021(14)
“RESOLVED, that all acts and proceedings of the Board of Directors during the year 2020 be, as they hereby are ratified, confirmed and approved.”

ELECTION OF DIRECTORS

The following stockholders were nominated directors of FPG Insurance Co., Inc. for calendar year 2021-2022:

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, were the above-named stockholders elected directors of FPG Insurance Co., Inc. for the calendar year 2021-2022. Thus, on motion duly made and seconded, it was

FPG Insurance Co., Inc,
Circular Resolution No. 4-5-2021(15)
“RESOLVED, the following stockholders of **FPG INSURANCE CO., INC.** (the “Corporation”) elected the following as directors of the Corporation for fiscal 2021-2022, to serve as such until their successors shall have been elected and qualified:

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

In view of the proposed Amendment of the Company's Articles of Incorporation to reduce the number of Directors from Seven (7) to Five (5), which is part of the Agenda in today's meeting, the stockholders unanimously agreed to leave the two (2) seats in the Board vacant.

**AMENDMENT OF THE ARTICLES OF INCORPORATION TO REDUCE
THE NUMBER OF DIRECTORS FROM SEVEN (7) TO FIVE (5)**

The President advised the stockholders present that the Board of Directors in its meeting held earlier approved the amendment of the Corporation's Articles of Incorporation, particularly the Sixth Article, reducing the number of directors from Seven (7) to Five (5).

On motion made by Mr. Jamias, duly seconded by Atty. Romulo, it was

FPG Insurance Co., Inc,
Circular Resolution No. 4-5-2021(16)

"RESOLVED, that the stockholders of **FPG INSURANCE CO., INC.** (the "Corporation") unanimously approved the amendment of the Corporation's Articles of Incorporation, particularly the Sixth Article, reducing the number of the Corporation's board of directors from Seven (7) to Five (5);

RESOLVED, that ARTICLE SIXTH of the Corporation's Articles of Incorporation be, as it hereby is amended to read as follows:

SIXTH: That the number of directors of said corporation shall be FIVE (5), who shall serve as Directors until their successors are elected and qualified, as provided in the By-Laws."

APPOINTMENT OF EXTERNAL AUDITOR

On motion duly made by Mr. Jamias and seconded by Atty. Sebastian, it was

FPG Insurance Co., Inc,
Circular Resolution No. 4-5-2021(17)

"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.



ANA LIZA A. PERALTA
Corporate Secretary



DAVID ZUELLIG
Chairman

Attested by:



GENEROSA PIO DE RODA-REYES
Stockholder

RICARDO J. ROMULO
Stockholder

KASIGOD V. JAMIAS
Stockholder

AVELINO M. SEBASTIAN, JR.
Stockholder