

MINUTES

*Of the Annual Stockholders' Meeting of PERLA COMPANIA DE SEGUROS, INC. held on February 6, 2023 at 5PM at its office at 2/F Perla Compania de Seguros Mansions, 117 C. Palanca St., Legaspi Village, Makati City*  
*The meeting was held online for most of the members especially due to the COVID Omicron virus.*

	<b>Number of Shares Represented</b>
Stockholder's present (physical or online)	201,728,677
Stockholder's represented by proxy voting	43,168,283
Absent Stockholder's	5,103,040
Total Shares Outstanding and entitled to Vote	250,000,000

**Directors Present** (physical or online)

<b>Name</b>	<b>Position</b>
Judy M Lou	Chairperson/Independent Director
Jeffrey Lim	Vice Chairperson/Director
James Alfred Lim	Director
Julia Fideles	Director/Corporate Secretary
Katherine Lim	Director
George Lee	Independent Director
Constantine Ang	Independent Director
Andrew Co	Candidate for Independent Director
Constantine Ang	Candidate for Independent Director

All directors attended the said meeting.

**I. Call to Order**

The Chairperson, Ms Judy Montinola Lou, called the meeting to order at 5:00 PM and presided over the same.

**II. Proof of Notice and determination of the existence of Quorum**

The Corporate Secretary, Ms Julia Fideles, certified that the notice of the meeting had been sent to all stockholders' of record in accordance with the Company's By-Laws. She further certified the attendance either in person or by proxy of stockholders owning majority of the issued and outstanding shares of the corporation. A total of 244,896,960 shares were represented in person or by proxy voting. This would constitute 97.96% of the shareholders and thus the meeting had quorum.



The Chairman requested the stockholders to approve the Minutes of the Annual Stockholder's Meeting held on February 7, 2022. Upon motion duly made and seconded, the reading of the minutes of the Annual Stockholder's Meeting held on February 1, 2021 was unanimously approved by the stockholders.

#### **IV. Management Report by the President**

On behalf of the Management, Mr. Jeffrey Lim, the President, presented to shareholders the preliminary and unaudited Highlights of the Financial Condition of the Corporation as of December 31, 2022. As the external audit was ongoing, the President presented the preliminary unaudited figures for the company. The company's sales continued to fall as several of the company's biggest clients including taxi and for hire vehicles have not recovered to pre-pandemic levels. Many of the clients have even moved to using motorcycles instead of cars/trucks for deliveries thus greatly reducing premiums that can be collected.

The company invested more in boosting its internet presence especially on Facebook and Instagram. It hopes to find more new customers using these tools. For 2022, the company also allowed customers to apply for the CTPL policies online via the company website.

The company net worth was expected to end at close to P1.6 Billion for end 2022. This would be substantially more than the minimum required net worth of P1.3 Billion. The main reason for this was the revaluation of the real estate holdings of the company done by an independent appraisal company which yielded close to P270 Million in additional real estate value. Yet even without the real estate revaluation, the company net worth would have closed at around P1.35 Billion thanks to a healthy net income for 2022.

#### **Discussion of Relevant Company Policies**

The Chairperson repeated important company policies that were discussed every year since 2020. First, that the company has a policy requiring that all Related Party Transactions be conducted in a way that they are fair and at arms' length. A committee of independent directors is tasked to review material/significant Related Party Transactions (RPTs) to determine whether they are in the best interests of the company and shareholders. Further information on this can be found in the Manual on Corporate Governance that is posted on the company's website at [www.perlainsurance.com](http://www.perlainsurance.com).

Additionally, the Chairperson disclosed that Directors were required to report their dealings in Company shares within 3 business days.

#### **V. Election of the Board of Directors for 2023**

Following this, the Chairperson announced the next item on the agenda was the election of directors of the corporation for the year 2023. The Chairperson noted that the Independent Directors Rodolfo Ang and George Lee had declined to be nominated again for this year. Their reasoning was they had already served as Independent Directors of the company for over 5 years and it was time to give others an opportunity to serve. The Chairperson thanked Rodolfo Ang and George Lee for their service and wished them well on all their future ventures.

In order to give better opportunities to minority shareholders, Cumulative Voting would be used



The Nominating Committee member, James A Lim, reported that there were two new candidates that had been found to be Independent Directors of the Company. They were chosen because they had over 20 years of relevant experience in the the Philippine Non-Life Insurance industry. The details of the new directors were provided below:

Constantine Ang

Former Vice President and Managing Director of Northwest Insurance

Over 20 years of experience in the Non-Life Insurance Industry working in areas such as Underwriting, Finance, Accounting and Claims.

Andrew Co

Former President of Reliance Surety and Insurance Co

Over 20 years of experience in the Non-Life Insurance Industry working in areas such as Underwriting, Finance, Marketing and Claims.

There were only seven (7) persons nominated to the board and all were qualified by the committee to serve as directors. The names were as follows:

Julia Fideles

James Alfred Lim

Jeffrey O. Lim

Katherine C. Lim

Independent Directors

Judy Montinola Lou

Constantine Ang

Andrew Co

Ballots were distributed to all stockholders and proxy holders and they were instructed to vote on the candidates. The Corporate Secretary was directed to cast the votes of all the stockholders represented. The results were as follows:

<b>Name of Director</b>	<b>Votes For</b>	<b>Votes Abstaining</b>
Judy Montinola Lou	244,896,960	0
Constantine Ang	244,896,960	0
Andrew Co	244,896,960	0
Jeffrey Lim	244,896,960	0
Katherine Lim	244,896,960	0
James Alfred Lim	244,896,960	0
Julia Fideles	244,896,960	0

All of the directors nominated and qualified were elected by a unanimous vote.

## **VI. Dividend Policy**

The Chairperson requested the Treasurer of the company to discuss the dividend policy to the assembled shareholders.

The Treasurer stated the dividend policy of the company which is as follows:



*distribution of dividends to all shareholders normally announced at the Annual Stockholder's Meeting.*

Thus the company stated that there would be a special cash dividend given this year of around P100 Million pending the results of the IC audit and the Synopsis for 2022. The special cash dividend is to be given to make up for the company not giving a cash dividend since 2014 as it used its net income to build up its capital and prepare for the new minimum net worth requirement of P1.3 Billion by end of 2022.

## **VII. Appointment of External Auditor**

The Chairperson asked the Chairman of the Audit Committee to discuss the appointment of the External Auditor.

The Audit Committee Chairperson, acting Chairperson Katherine Lim, announced that they were very pleased with the services of the External Auditor R. R. Tan for preparing the 2021 financial reports. R. R. Tan was the external auditor of the company for several years and the audit committee was very pleased with their professionalism and speed while working with Perla. A motion was made to retain R. R. Tan as the auditor for the year 2022. This motion was subsequently seconded and passed that R. R. Tan would serve as the External Auditor for 2022.

## **VIII. Other Matters**

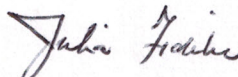
The Chairperson then announced that all shareholders would be given the opportunity to ask relevant questions or express any comments.

An anonymous question was sent regarding the company's dividend policy moving forward. The Treasurer stated that since the company had met the minimum net worth requirements, it would now resume giving out cash dividends annually while maintain at the required levels of capital for the required capitalization and RBC ratios. The company had previously given dividends every year since 2000 until it was stopped in 2014 due to the capital build up program. The company would now resume paying annual dividends.

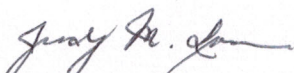
There were no other questions or comments raised by any of the shareholders.

## **IX. Adjournment**

There being no other matters to transact and on motion duly made and seconded, the meeting was adjourned at 6:30PM.

  
JULIA FIDELES  
Corporate Secretary

Attest by:

  
JUDY MONTINOLA LOU  
Chairman