

MINUTES

Of the Annual Stockholders' Meeting of PERLA COMPANIA DE SEGUROS, INC. held on February 7, 2021 at 5PM at its office at 2/F Perla Compania de Seguros Mansions, 117 C. Palanca St., Legaspi Village, Makati City

	Number of Shares Represented
Stockholder's in person	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

Name	Position
Judy M Lou	Chairperson/Independent Director
Jeffrey Lim	Vice Chairperson/Director
Rodolfo Ang	Independent Director
George Lee	Independent Director
James Alfred Lim	Director
Julia Fideles	Director/Corporate Secretary
Katherine Lim	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.

III. Approval of Minutes of the Annual Stockholder's Meeting held on February 3, 2020

The Chairman requested the stockholders to approve the Minutes of the Annual Stockholder's Meeting held on February 3, 2020. Upon motion duly made and seconded, the reading of the minutes of the Annual Stockholder's Meeting held on February 3, 2020 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 Highlights of the Financial Condition of the Corporation as of December 31, 2021. As the external audit was ongoing, the President presented the preliminary unaudited figures for the company.

The company reported another drop in its sales. Sales dropped by over 5% and continues a downtrend experienced for the past several years. The overall market has gotten much more competitive and the company has focused on maintaining profit margins thus losing on much business. The steady drop in sales has slowly led to the overhead ratio (overhead expenses / total revenues) steadily climbing. In addition, the company has increased expenses to boost marketing and promotions for the company in the hope that this will eventually lead to increased sales.

On a positive note, the President noted that the net worth of the company was projected to end at over P1.28 Billion by the end of 2021. Thus the company would easily be able to hit its goal of having a net worth over P1.3 Billion by the end of 2022. The president estimated that simply revaluing the company's real estate assets would generate over P40 Million of gains and this would allow the company to hit the 1.3Billion in net worth requirement of the IC without even factoring income for 2022.

Discussion of Relevant Company Policies

The Chairperson repeated important company policies that were discussed in the previous year. 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.

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 2021

Following this, the Chairperson announced the next item on the agenda was the election of directors of the corporation for the year 2021. In order to give better opportunities to minority shareholders, Cumulative Voting would be used. The Chairperson requested the Chairman of the Nominating Committee to submit the list of individuals who were nominated as directors and who had the qualifications and none of the disqualifications, as evaluated by the Nominating Committee.

The Nominating Committee Chairman, George Lee, reported that 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
Rodolfo P. Ang
George Edwin Lee

All of these directors had served during previous years and were up for re-election.

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:

Name of Director	Votes For	Votes Abstaining
Judy Montinola Lou	244,896,960	0
Rodolfo Ang	244,896,960	0
George Edwin Lee	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.

Following this, the 2 independent directors George Lee and Rodolfo Ang gave notice that they had served on the board of Perla Compania de Seguros, Inc for several years already and to comply with SEC requirements, this would be the final year that they would run for a board position.

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:

Perla Compania de Seguros, Inc recognizes the importance of sharing the profits that the company generates with its Stockholders while maintaining healthy capital levels to ensure that the company has financial flexibility. The Board of Directors may, at its discretion and depending on the business results for the year, capital needs of the business, or prevailing law, declare and approve the distribution of dividends to all shareholders normally announced at the Annual Stockholder's Meeting.

The Treasurer reported that the company increased its income from the previous year. However due to the passage of Republic Act (RA) 10607 or the Insurance Code of the Philippines, he once again recommended to the board that the dividend of the company be withheld until the company could be certain to meet the Company minimum net worth requirements that were set forth in the code for end 2022 or a networth of P1.3 Billion. The Company was likely to resume paying dividends following the release of 2022 financial statements.

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, Rodolfo Ang, announced that they were very pleased with the services of the External Auditor R. R. Tan for preparing the 2022 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.

Shareholder Rosario Co asked about the company's plans to hit the minimum net worth by 2022 and when dividend payouts could resume. The Treasurer said that the company would hit P1.3 Billion in net worth in 2022 especially when real estate had been revalued. The company felt it would be prudent to delay releasing dividends until the target of P1.3 Billion net worth was reached. This way the company would not need to raise money from stockholders in the event that earnings came up short. The company would resume dividend payouts as soon as the P1.3 Billion net worth was reached.

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