

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

OF

FPG INSURANCE CO., INC.

DATE - APRIL 11, 2022

TIME - 4:00 P. M.

PLACE - 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 Makati 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 Paranaque City

MS. JEAN A. ISRAEL
Treasurer/CFO
Using laptop in Makati

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 APRIL 5, 2021

The Chairman conveyed to the stockholders present that the minutes of the Stockholders' Meeting held on April 5, 2021 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 April 5, 2021 be, as it hereby is dispensed with, and that the same be, as they hereby are, approved."

PRESIDENT'S REPORT FOR THE YEAR 2021

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"

2021 continued to be a challenging year as Covid-19 persisted for the 2nd consecutive year. Notwithstanding this, we remained focused on achieving our goal to transform the company and build a profitable and sustainable business consistent with our 3-year Corporate Goal - 'To be among the Top Most Profitable and the Most Innovative Non-Life Insurance Company with The Best Customer Service by 2023'.

Within two years and in the midst of a global pandemic, our financial results have significantly improved and our digital transformation have gained traction.

We managed to keep GPW at previous year's levels at PHP4 Billion, despite the continued adverse effects of the pandemic. However, Net Underwriting Income grew 31% to PHP559 Million and Net Income from Operations showed a 61% improvement year-on-year. Net Income after Tax amounted to PHP59 Million, a significant turnaround from the previous year's PHP175 Million loss. Combined ratio for 2021 stood at 103.6%, a 3.1pts improvement from last year. The improvement in our financial results were driven mainly by lower losses incurred, partly due to the recognition of prior year's BAU adjustments in dormant claims.

As a result of the above, our Industry Ranking in terms of profitability significantly improved to 23rd from last year's 2nd from the bottom (48th last year), whilst maintaining our Top 5 ranking in terms of GPW.

We would like to briefly discuss the key achievements in line with our Strategic Initiatives that resulted in our improved performance in 2021.

STRATEGIC PILLARS

- Stronger and Profitable Distribution
- Ease of Doing Business & Strategic Cost
- Product Innovation & Alternative Channels
- Data & Digital Transformation
- Brand Pride & Prestige
- Highly Engaged People

Stronger and Profitable Distribution: Strengthening Agency and Broker Channels and Optimizing Underwriting Capacity

- **Rebalancing of the Portfolio**
 - Instituted monthly profitability reviews by LOB to monitor and manage profitability that enabled Underwriting decisions and changes in guidelines to be anchored on the resulting analysis from the reviews.

- **Revive Agency Distribution Channel**
 - Introduced a new consistency bonus scheme for Agents (replacing the original Nett rating arrangements) which improved the impact on our financials and spurred consistent production from agents;
 - We focused on agency recruitment and created licensing and product reviews which resulted in 22 newly licensed agents nationwide, reversing the historical declining trend in the agency force.
- **Strengthen Strategic Partnerships with Brokers**
 - Implemented catch-up calls with Brokers focusing on regular performance reviews, identification of new business opportunities, collection of receivables and feedback on FPG performance.
 - We managed to improve our Insurer's Approval scorecard with BDOI, one of our largest brokers, from a score of F to A. And our ranking with Cebuena Lhuiller, where we currently rank 2nd out of their seven partner insurers from 3rd last year.
- **Optimize Underwriting Capacity**
 - Optimized the number of Occupancy Categories in our Treaty's which resulted in an increase in our capacity from 70% to 100%.
 - We modified formulas used in the Underwriting distribution calculator which allowed us to increase capacity deployment and optimize the use of FPG's proportional treaties.

Ease of Doing Business & Strategic Cost: Lower Combined Ratio and Efficient Cost Management

- **Product/Partnership Development**
 - We reviewed and standardized the Product Development process resulting in a consistent and streamlined process.
- **Ease of Doing Business**
 - We Launched the Front-End System to eliminate the manual issuance of policies and ensure timely posting of policies.
 - We rolled out our internal Rater/Checklist for targeted lines, which allowed branches to quote directly without going to the HO for approval. This improved operational efficiency at both the branches and underwriting team in HO.
 - We automated the Renewal Review process for key LOBs which has policies with specific characteristics. The streamlined process has increased the efficiency of policy review.
- **Efficient Cost Management**
 - Identified further cost-saving opportunities focused on adequate capacity planning in terms of FTE, rental savings, repairs & and maintenance, & advertising & promo resulting to an aggregate saving of PHP19.2Mn or 5% lower compared to 2020.

- Further Branch Rationalization for 2021 (Makati Business Lounge and Alabang) resulting to a combined annual savings in branch-related expenses amounting to PHP7.7Mn.

Product Innovation & Alternative Channels: New Products, Rebranding, and Alternative Channels

- **Rebranding/Improvement of Products**
 - Rebranded “Shield” to “MyMate” to be more relatable to our target audience.
 - Launched digital brochures for all FPG products which enabled faster and easier filling up of forms and reduction in printed materials.
 - Improved the coverage of MyHomeMate & MyCondoMate
- **Launch New Products**
 - MyPapMate (January 2021)
 - Orange Circle (March 2021)
 - MyBusinessMate (October 2021)
- **Develop new and expand alternative channels**
 - We entered into a 2-year exclusive contract with Cebuana expanding our reach through their 2,700 branch network.
 - We launched our CTPL and PA products in partnership with GCash making us the 1st non-life insurance company to be in their platform. This allowed us access to their 40 Million subscribers.
 - We also revived our partnership with comparable sites such as Kwikinsure and AutoDeal.

Data & Digital Transformation: Claims and Business Center Transformation

- **Data Integrity**
 - We Launched the Data Integrity Project to drive accurate, updated, and quality data and we rolled out KYC policy for client on-boarding.
- **Drive Digital Channels**
 - Enhanced our agent app (“SIMONE”), the 1st in the industry, which enables agents to view their portfolio, do online payments, purchase CTPL and comprehensive insurance, renew policies and file claims.
 - We continued to improvement our website to enable end-to-end sales for select products (e.g. motor) and we launched our Website Chatbot “Sam”.
- **Claims Transformation**
 - Centralized and rationalized the structure of the Claims team in QC that improved overall turnaround time in processing claims (from 3 days to 1 day for simple claims, from 5 days to 3 days for medium claims, and from 7 days to 5 days for complex claims).
 - Created a dashboard to monitor TAT, simplified claims requirements, and established a claims hotline, resulting to faster TAT and client responses.

- Improved subrogation (Php 4.5Mn/50 counts) and salvage recovery (Php 71.1Mn/271 units) compared to (Php1.6Mn/39 counts) and (Php73.3Mn/107 units), respectively, from prior year.

Brand Pride & Prestige: Increasing Brand Awareness and Prestige

- Increase Brand Awareness and Brand Prestige
 - FPG was awarded “Insuretech Initiative of the Year” by the Insurance Asia Awards for our Software-Defined Wide Network (SD-WAN). This award recognizes our commitment towards Digitalization.
- Revitalize the FPG Brand
 - Improved FPG Branding thru revamping social media and website designs, redesigning branch signage, and rolling out of standardized virtual background for virtual meetings.
- Improve Customer Service
 - Introduced a post-service survey for our hotlines, social media, website and corporate inbox, receiving a Customer Satisfaction score of 92.4% .
 - Launched FPG Web Payment to provide additional premium payment channels to customers.
 - Launched FPG Claims Hotline as an additional customer touchpoint dedicated to claims-related concerns.

Highly Engaged People: Focusing on People Development and Engagement Activities

- Went Live with our HR Information System.
- Rolled-out the Performance Management System for a holistic assessment of all staff.
- Launched Employee Development activities (e.g., Leadership Development Modules (Mancom), FPG Quest: Competency Development for employees).
- Conducted Quarterly Townhalls to promote engagement with FPG employees.
- Conducted Annual Employee Engagement Survey, achieving a score of 4.03, slightly lower than the 4.17 last year, while participation rate improved to 97% from 68%.

It has been a challenging but rewarding year for us and all these achievements were realized through the commitment and dedication of the entire team in achieving our corporate goal and for the valuable support, trust and guidance of our Board and shareholders. There is still much to be done but our 2021 performance puts us in a better position to achieve our corporate goal by 2023 and beyond.

We look forward to your continued support and we are determined to make 2022 an even better year.

Thank you.”

The Chairman then asked for comments on the President's Report, and there being none, on motion duly made and seconded, it was

FPG Insurance Co., Inc.
Circular Resolution No. 4-11-2022(14)
"RESOLVED, that the Report of the President be, as it hereby is noted."

RATIFICATION AND APPROVAL OF THE 2021 AUDITED FINANCIAL STATEMENT

The President informed the Stockholders present that the Board of Directors in its Special Meeting held on April 8, 2022, approved the Company's 2021 Audited Financial Statement, as presented by the Company's External Auditor, Sycip Gorres Velayo & Co.

The Stockholders, after a lengthy discussion, unanimously approved and ratified the 2021 Audited Financial Statement, as presented. Thus, on motion duly made and seconded, it was

FPG Insurance Co., Inc.
Circular Resolution No. 4-11-2022(15)

"RESOLVED, that the Stockholders of **FPG INSURANCE CO., INC.** (the "Corporation") approved, ratified and confirmed the Corporation's 2021 Audited Financial Statement as prepared by the Corporation's External Auditor, Sycip Gorres Velayo & Co., and endorsed by the Board of Directors."

RATIFICATION OF THE ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS DURING THE YEAR 2021

The Chairman asked for comments on the acts and proceedings of the Board of Directors during the year 2021. 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. 4-11-2022(16)

"RESOLVED, that all acts and proceedings of the Board of Directors during the year 2021 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 2022-2023:

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 2022-2023. Thus, on motion duly made and seconded, it was

FPG Insurance Co., Inc.,
Circular Resolution No. 4-11-2022(17)

"RESOLVED, the following stockholders of **FPG INSURANCE CO., INC.** (the "Corporation") were re-elected directors of the Corporation for fiscal 2022-2023, 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

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. 4-11-2022(18)

"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.

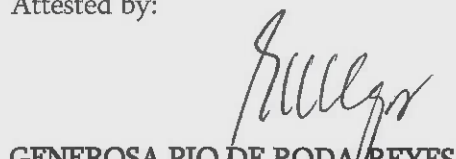


ANA LIZA A. PERALTA
Corporate Secretary




DAVID ZUELLIG
Chairman


Attested by:



GENEROSA PIO DE RODA-REYES
STOCKHOLDER



KASIGOD V. JAMIAS
STOCKHOLDER



AVELINO M. SEBASTIAN, JR.
STOCKHOLDER