

MINUTES OF THE SPECIAL
STOCKHOLDERS' MEETING OF
PHILIPPINE LIFE FINANCIAL ASSURANCE CORPORATION

28 October 2022
Conducted via Remote Communication

<u>SHAREHOLDERS</u>	<u>No. of Shares</u>
Total No. of Shares Present Or Represented by Proxy	35,417,216,043
Total No. of Shares Issued And Outstanding	37,914,229,646

I. CALL TO ORDER

The Chairman, Mr. Monico V. Jacob, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Arsenio C. Cabrera, recorded the minutes of the proceedings.

II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that in accordance with Section 5.03 of Article IV of the By-Laws of the Corporation, notices for the meeting were sent to all stockholders of record at least seven (7) days before the date of the meeting.

The Corporate Secretary further certified that the attendance record and the proxies and powers of attorney on hand showed that present in person or by proxy are 35,417,216,043 shares out of 37,914,229,646 shares of the outstanding capital stock of the Corporation or 93.41% thereof.

The meeting was conducted through remote communication pursuant to Section 49 of the Revised Corporation Code of the Philippines^[1] which authorizes that stockholders who cannot physically attend or vote at stockholders meetings can participate and vote through remote communication or stockholders in absenting.

The stockholders attended the meeting through remote communication via Zoom. The stockholders confirmed that they could completely and clearly hear each other. They likewise confirmed receipt of the agenda and all of the materials for the meeting.

After the roll call and foregoing confirmations, the Corporate Secretary, thereafter, certified as to the existence of quorum for the valid transaction of business.

^[1] Republic Act No. 11232. An Act Providing for the Revised Corporation Code of the Philippines.

III. APPROVAL OF PREVIOUS MINUTES

Upon motion made and duly seconded, stockholders owning 93.41% of the Corporation's issued and outstanding capital stock approved the minutes of the Annual Stockholders' Meeting held on 5 July 2022.

IV. AMENDMENT OF ARTICLES OF INCORPORATION

The Chairman informed the stockholders about the need to amend the Sixth Article of the Articles of Incorporation to increase the number of directors from nine to eleven directors.

After discussion and upon motion made and duly seconded, stockholders owning 93.41% of the Corporation's issued and outstanding capital stock approved the following resolutions in connection with the amendment of the Sixth Article of the Articles of Incorporation to increase the number of directors to eleven directors.

"RESOLVED, That the Sixth Article of the Articles of Incorporation of the Corporation be hereby amended to increase the number of members of the Board of Directors from nine (9) to eleven (11) directors:

"RESOLVED FINALLY, That the officers of the Corporation are hereby authorized to perform all acts as may be necessary to implement the foregoing resolution."

V. APPROVAL OF PROPERTY FOR SHARE SWAP

The Chairman informed the stockholders about the plan to do a property for share swap whereby Maestro Holdings, Inc. ("Maestro") will swap its condominium unit on the 11th floor of STI Holdings Center ("Subject Property") for shares in the Corporation (the "Property for Share Swap"). He explained that the purpose of the Property for Share Swap would be to infuse additional capital in the form of real property to meet the Insurance Commission's net worth requirement of Php1.3 Billion at the end of 2022.

The following details of the Property for Share Swap were presented:

- (a) Maestro is the absolute and registered owner of the Subject Property. The Subject Property has an area of 1,032 square meters. The appraised value of the Subject Property is Php [REDACTED] based on the appraisal report prepared by Royal Asia Appraisal Corporation as of September 2022.
- (b) Maestro will assign the Subject Property to the Corporation in exchange for 21,568,800,000 common shares (the "Shares") with a par value of Php0.01 per share or an aggregate par value of Php215,688,000.00. The Shares will be issued from the unissued portion of the Corporation's authorized capital stock.

The Property for Share Swap qualifies for the issuance of a tax-free ruling from the Bureau of Internal Revenue since Maestro will gain further control of the Corporation.

The Chairman informed the stockholders regarding the regulations of the Insurance Commission on infusion of real property to cover net worth deficiency. He noted that the Insurance Commission gives priority to cash infusions. Based on Circular Letter No. 2018-12, the President of the Corporation must submit a certification under oath that all efforts to infuse cash by the stockholders in accordance with the provisions of Section 200 of the Insurance Code have been exhausted and consequently failed and that a non-cash infusion was only resorted to as a result of such exhaustion and failure.

The Chairman added that real property infused by a life insurance company in exchange for equity must be utilized in accordance with Section 206(b)(1) of the Amended Insurance Code. This provides that the investment in real properties which serve as a life insurance company's main place of business shall not in the overall exceed twenty percent of its net worth as shown by its latest financial statements approved by the Insurance Commissioner.

The Chairman stated that the Corporation planned to offer the Shares to all stockholders of record as of 15 October 2022 on the same terms as those offered to Maestro and for the subscription price of Php0.01 per share payable on or before 28 October 2022. He noted that this stock rights offering would be undertaken to maintain the equity ownership of the Corporation's minority stockholders,

The Chairman noted that the Board of Directors had approved the Property for Share Swap during the Board meeting on 15 October 2022.

After discussion and upon motion made and duly seconded, stockholders owning 93.41% of the Corporation's issued and outstanding capital stock approved the Property for Share Swap in accordance with the terms discussed above and to comply with the net worth requirement mandated by the Insurance Commission.

VI. ADJOURNMENT

There being no other business to transact, the meeting was adjourned upon motion duly made and seconded.

ARSENIO C. CABRERA, JR.
Corporate Secretary



ATTEST:


MONICO V. JACOB
Chairman