

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF
PETROGEN INSURANCE CORPORATION
(March 9, 2021)**

Time and Place

The Annual Stockholders' Meeting of **PETROGEN INSURANCE CORPORATION** (the "Corporation") was held on March 9, 2021 at 2:15 p.m. via remote communication through MS Teams.

Attendance and Quorum

Present in person or by proxy were the following stockholders:

<u>In Person</u>	<u>No. of Shares</u>
Lubin B. Nepomuceno (Chairman)	1
Emmanuel E. Eraña (President and Chief Executive Officer)	1
Robert Coyiuto, Jr.	1
Carmen N. Pedrosa (Independent Director)	1
Melinda Gonzales-Manto (Independent Director)	1
 <u>By Proxy</u>	
San Miguel Corporation represented by Lubin B. Nepomuceno	1,494,973
Petron Corporation represented by Emmanuel E. Eraña	499,996
Total Shares Represented	1,994,969

Also present at the meeting were:

Joel Angelo C. Cruz
Antonio S. Sy

Call to Order

There being a quorum of the stockholders present, Chairman Mr. Lubin B. Nepomuceno called the meeting to order and presided thereat. The Corporate Secretary, Atty. Joel Angelo C. Cruz, recorded the minutes of the meeting.

Approval of Minutes of Previous Meeting

The minutes of the Special Stockholders' Meeting held on December 3, 2020 were approved by the stockholders.

Matters for Action

A. Election of Directors

Atty. Cruz presented the nominees endorsed by the Nomination Committee for election as directors of the Corporation for 2021-2022. The stockholders agreed to dispense with the casting of ballots. And upon motion duly made and seconded, the following resolution was passed:

RESOLVED, that the following are elected as directors of Petrogen Insurance Corporation for 2021-2022 who shall serve as such until their successors shall have been duly elected and qualified:

Ramon S. Ang
Aurora T. Calderon
Robert Coyiuto, Jr.
Rhogel S. Gandingco
Susan Y. Yu
Carmen N. Pedrosa - Independent Director
Melinda Gonzales-Manto - Independent Director

B. Management Report

The Management Report and the 2020 financial statements of the Corporation were presented to the stockholders by Mr. Antonio S. Sy, the General Manager. Highlights of this report are set out below.

Net income for 2020 amounted to ₱54.9 million, 31% or ₱24.2 million lower compared to previous year's ₱79.1 million. This can be traced to the ₱56.2 million drop in net premiums earned due to the following: (1) reduction in marine cargo premiums with the decline in shipments due to pandemic, (2) absence of no-claim bonus for 2019 IAR policy and (3) additional reinsurance premiums for Marine Cargo - War, Strike, Riot and Civil Commotion in 2019 booked in 2020.

In addition, there was a decrease in investment and other income on account of lower interest rate and reinsurance commission. On the other hand, (a) underwriting income increased by ₱23.7 million, (b) income tax expense decreased by ₱11.5 million with the drop in taxable income, and (c) general and administrative expenses decreased by ₱1.3 million due to lower miscellaneous taxes and other employee costs.

As of December 31, 2020, total assets stood 39% lower at ₱1.7 billion from ₱2.8 billion as of end 2019. The ₱1.1 billion decrease in assets was attributed to lower insurance receivables mainly traced to adjustment in claims from reinsurers on PBR- earthquake related incident.

Similarly, total liabilities decreased by ₱1.2 billion from ₱1.9 billion to ₱732.6 million. Aside from the ₱1 billion adjustment in claims, there were various settlements made in 2020 such as the (a) PBR earthquake claim (by ₱59.0 million), (b) related loss adjustment expense (by ₱4.6 million) and Batangas Earthquake Claim (by ₱1.4 million).

Stockholders' equity increased by 6% from ₱950.7 million to ₱1.0 billion owing largely to the ₱54.9 million net income during the year.

After discussion and upon motion duly made and seconded, the stockholders passed the following resolution:

“RESOLVED, that the Management Report as well as the Report on Financial Performance of Petrogen Insurance Corporation (the “Corporation”) for the year 2020 and the corresponding Audited Financial Statements of the Corporation for the year ended December 31, 2020 be, and hereby are, accepted and filed as part of the minutes of the present meeting.”

C. Re-Appointment of External Auditor

Atty. Cruz informed the stockholders that, based on the satisfactory performance of external auditor R.G. Manabat & Co., CPAs/KPMG, Management was proposing to extend the engagement of the firm for the year 2021. After discussion, the stockholders approved the following resolution:

“RESOLVED, that the appointment of accounting firm R.G. Manabat & Co., CPAs/ KPMG as the independent external auditor of Petrogen Insurance Corporation for the year 2021 be, and hereby is, approved.”

D. Ratification of All Acts of the Board of Directors and Management Since the Last Stockholders’ Meeting in the Year 2020

Atty. Cruz explained that the next item in the agenda is the ratification of all acts and proceedings of the Board and the Management. On motion duly made and seconded, the stockholders passed the following resolution:

“RESOLVED, that all previous acts and proceedings of the Board of Directors and the Management of Petrogen Insurance Corporation since the last stockholders’ meeting held on April 11, 2020 be, and hereby are, confirmed and ratified.”

Adjournment

There being no further business to be discussed, the meeting was adjourned at 2:45 p.m. upon motion duly made and seconded.

Respectfully submitted:


JOEL ANGELO C. CRUZ
Corporate Secretary 

Approved by:


LUBIN B. NEPOMUCENO
Chairman