

THE MERCANTILE INSURANCE CO., INC.

2/F MERCANTILE INSURANCE BUILDING, BEATERIO CORNER GEN. LUNA STS., INTRAMUROS, MANILA

**MINUTES OF THE SHAREHOLDER'S MEETING
26 JUNE 2020**

What: Annual Regular Shareholder's Meeting

When: 26 June 2020, 1:00PM (registration at 12:00NN)

Where: Mercantile Insurance Building

How: actual or physical meeting and via video conferencing

At 1:00 p.m., the Asst. Corporate Secretary, RTL, laid down the guidelines or rules on participation, *to wit:*

1. Please use your complete name in your profile for identification purposes.
2. As a default mode, please mute your respective speakers and just turn it on when you have something to say and after you have been recognized by the Chairman.
3. Whenever you want to speak, kindly click the "raise hand" button located in the "Participant" dialog box and wait for the Chairman or the presiding officer to recognize you.
4. Please turn on your camera all the time.
5. We expect every one to show courtesy and avoid unnecessary noise or interruption while the Chairman or any recognized speaker is talking.

All shareholders were given the grace period of 15 minutes from the start of the meeting or until 1:15PM to attend and participate.

I. CALL TO ORDER

The Chairman, JTL, called the meeting to order at 1:15PM. Atty. Ruth Cervantes, Asst. Manager for BLR Department, was requested to lead the prayer.

II. QUORUM

RTL did the calling of the roll. Thereafter, JTL asked RTL if there was a quorum. RTL confirmed that there was a quorum. Shareholders owning 68.16% of the outstanding capital stock were determined to be present.

Also, present are the Corporate Officers, namely, SDJ and JNR

III. PRESIDENT'S REPORT

Subsequently, MCM reported the Financial Position for the Year Ended 31 December 2019. Attached hereto is the President's Report dated ____ and made an integral part hereof.

IV. MATTERS APPROVAL

With the instruction of the Chairman, RTL initiated the discussion on the matters for approval. RTL pointed out the significance of each item.

a. Increase in Authorized Capital Stock

RTL discussed that, as required by the Insurance Commission and as approved by the Board on 3 October 2019 and 19 February 2020, the Company needs to increase its capitalization.

By the end of December 2022, all insurance companies will be required to have a capitalization of 1.3 Billion Pesos.

b. Infusion of Additional Capitalization

Subsequently, RTL opened up the next item. In relation to item number one, by 31 December 2019, all insurance companies are expected to have a capitalization of 900 Million Pesos.

The net worth is conservatively estimated to have a final value of 550 Million Pesos. Thus, there will be a deficiency of approximately, 350 Million Pesos.

As per latest General Information Sheet dated 30 January 2020, the total subscribed capital stock is at 331,442,200.00 Pesos. By infusing the additional capitalization, the Company will have an ending value of 681,442,200.00 Pesos.

c. Amendment of the Articles of Incorporation, in particular:

- 1. Increase ACS to 1.3 Billion Pesos**
- 2. Increase SCS and PUC to 681,442,220.00 Pesos**
- 3. Change the number of directors to seven**
- 4. Change the names of directors based on who will be elected in today's meeting**

With the permission of the Chairman, RTL proceeded to discuss the guidelines on voting, to wit:

- In the zoom application, there will be a poll that will pop out on your screen indicating the matter/s to be resolved and the available choices: for, against, or abstain.
- Each Shareholder may vote for, against or abstain on matters raised for approval.
- If you decide to vote in favor, please click the circle corresponding to the word "FOR". If you desire to vote against, please click the circle corresponding to the word "AGAINST". If you decide to abstain from voting on the resolution, please click the circle corresponding to the word "ABSTAIN".

Subsequently, the shareholders voted on the matters for approval. RTL informed the body that the voting result will be given before the meeting is adjourned and after the team of canvassers has finished tallying the votes.

V. ELECTION OF THE MEMBERS OF THE BOARD

The Chairman then proceeded to the next item. RTL presided the election. Before proceeding to the election proper, he discussed the guidelines on voting, to wit:

- To nominate, kindly click the "raise hand" button located in the "Participant" dialog box. And once recognized by the Presiding Officer, the Shareholder may nominate by stating the complete name of the desired nominee.
- Each Shareholder is entitled to vote based on the following:

No. of Share x No. of Members of the Board to be elected = No. of Votes

I.e. If you have one share in the company and there are seven shareholders to be elected, you are entitled to seven votes.

- In the zoom application, there will be a poll that will pop out indicating the names of the nominated directors. You can elect and click as much candidate/s as you prefer.
- Your votes can be distributed among the candidates of your choice. If no distribution of votes is made, the votes will be divided equally among the candidates. If vote/s are incapable of equal distribution, votes will be added in the order of their appearance in the enumeration.
- If the votes will not be distributed equally, please write down in the comment section the preferred distribution and send it in private to the Office of the Corporate Secretary (OCS) account name.

RTL then opened the floor for nomination. MCM nominated the following: Justin T. Liu, Jerry S. Liu, Michael Stephen T. Lim, Brian Gregory T. Liu, Nelia T. Liu, and Sigrid Von D. De Jesus. JTL nominated Melecio C. Mallillin. The nomination was then closed upon motion of MCM.

RTL informed the body that the result of the election will be given before the meeting is adjourned and after the team of canvassers has finished tallying the votes.

VI. OFFER FOR SUBSCRIPTION

The Shareholders are then offered to subscribe additional shares. RTL explained that each shareholder has the corresponding amount that they are entitled to subscribe before giving the other shareholders the opportunity to subscribe for the remaining amount that is needed to be infused.

Camerton Inc., thru its representative, JTL, signified intention to subscribe.

VII. ELECTION AND VOTING RESULT

After the team of canvassers has finished canvassing the votes, RTL informed the body of the result:

MATTERS TO RESOLVE	RESOLUTION
FIRST MATTER: Increase ACS to 1.3 Billion Pesos	Resolved unanimously in favor
SECOND MATTER: Infusion of Additional Capitalization amounting to 350 Million Pesos	Resolved unanimously in favor
THIRD MATTER: Amendment of certain provisions in the AOI, in particular, Increase in ACS to 1.3 Billion Pesos	Resolved unanimously in favor
Amendment of certain provisions in the AOI, in particular, Increase SCS and PUC to 681,442,220.00 Pesos	Resolved unanimously in favor
Amendment of certain provisions in the AOI, in particular, Change the number of directors to seven	Resolved unanimously in favor


Amendment of certain provisions in the AOI, in particular, Change the names of directors based on who will be elected in today's meeting	Resolved unanimously in favor
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ELECTED MEMBERS OF THE BOARD	
JUSTIN T. LIU	JERRY S. LIU
MICHAEL STEPHEN T. LIU	BRIAN GREGORY T. LIU
NELIA T. LIU	SIGRID VON D. DE JESUS
MELECIO C. MALLILLIN	

Thereafter, the Chairman opened the floor for any matter that any shareholder wishes to discuss. But none was raised.

VIII. ADJOURNMENT

After all the matters have been threshed out and resolved, the meeting was adjourned at 2:15pm.


SUBMITTED BY: 

 **ATTY. ROBERT JAY T. LIM**
Asst. Corporate Secretary

 **SIGRID VON D. DE JESUS**
Corporate Secretary / Director

APPROVED BY:

MEMBERS OF THE BOARD

 **JUSTIN T. LIU**
Chairman / Director

MELECIO C. MALLILLIN 
President / Director

JERRY S. LIU

Director

NELIA T. LIU

Director

MICHAEL STEPHEN T. LIU

Director

BRIAN GREGORY T. LIU

Director

SIGRID VON D. DE JESUS

Director