

MINUTES OF THE BOARD OF DIRECTORS MEETING

Generali Life Assurance Philippines, Inc. (“GLAPI”)

October 30, 2020 at 3:00 P.M. via Video Conference

DIRECTORS PRESENT:	ALSO PRESENT:
Robert Hector John Spence	Atty. Michael Gerard T. Victoriano
Maria Sharon B. Maranan	Kathleen Anne Z. Capistrano
Betty G. Lui	
Maria Fe D. Velasco	

I. CALL TO ORDER

Mr. John Spence, as Chairman of the Board, called the meeting to order and presided over the same. The Acting Corporate Secretary, Atty. Kristel Francine L. Tiu through Atty. Michael Gerard T. Victoriano, recorded the minutes of the proceedings.

II. ROLL CALL

In compliance with SEC Memorandum Circular No. 06-2020, the Chairman instructed the Corporate Secretary to make a roll call. Each attendees, stated for the records the following:

1. Full name and position
2. Location
3. Confirmation that he/she can clearly see and hear the other attendees
4. Confirmation that he/she received the notice of the meeting, agenda and materials.
5. Specified the device used in the meeting.

III. PROOF OF NOTICE AND DETERMINATION OF QUORUM

The Acting Secretary certified that notices of the regular meeting of the Board have been sent to all the directors of record and that a quorum existed for the transaction of business.

IV. MESSAGE OF SYMPATHY AND CONDOLENCES TO MR. REY CENTENO.

The Board resolved to convey a message of deepest sympathy and condolences to Mr. Rey Centeno who is currently on bereavement leave due to the recent passing of his wife.

V. RATIFICATION OF THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS DATED 22 JUNE 2020

The Acting Secretary provided the members of the Board of Directors, a copy of the minutes of their meeting held on 22 June 2020. Upon motion duly moved and seconded, the Board of Directors confirmed and ratified the minutes of their meeting. Thereafter, upon motion duly moved and seconded, it was –

“**RESOLVED**, as it is hereby resolved, the Minutes of the Meeting of the Board of Directors held on 22 June 2020 are hereby confirmed and ratified.”

VI. APPROVAL OF VARIOUS RESOLUTIONS

A. Approval of the Appointment of Atty. Kristel Francine L. Tiu as Acting Corporate Secretary

The appointment of Atty. Kristel Francine L. Tiu as the Acting Corporate Secretary and recognition of Atty. Michael Gerard T. Victoriano as her authorized representative for this meeting. Thereafter, upon motion duly moved and seconded, it was –

“**RESOLVED**, as it is hereby resolved, Atty. Kristel Francine L. Tiu is hereby appointed/elected as the Acting Corporate Secretary to hold office until the date of the next annual election as provided in the By-Laws of the Corporation or until her successor has been elected and qualified.”

B. Approval of the Proposed Amendments to the Risk Management Policy Section – 3.3.1 Risk Appetite Framework

The amendments to the GLAPI Risk Management Policy were discussed, particularly the Risk Appetite Framework (RAF) provision. Such proposed amendment increases the Hard Tolerance Limit from 100% to 110%, and the Soft Tolerance Limit from 120% to 130%.

Thereafter, upon motion duly moved and seconded, it was –

“**RESOLVED**, as it is hereby resolved, the Proposed Amendments to the Risk Management Policy are approved and adopted.”

C. Approval and Adoption of the Risk Concentrations Management Policy – Reinsurance and Underwriting Exposure

The Risk Concentrations Management Policy for Reinsurance and Underwriting Exposure was discussed. The policy aims at defining:

- The methodology to identify and measure exposures, distinguishing between reinsurance counterparty default risk exposures;
- The thresholds that identify significant concentrations;
- The criteria that identify Concentrations to be reported in all circumstances;

- The definition of the Operational limits for risk concentrations;
- The procedures to monitor and manage risk concentrations;
- The system of governance in place for reporting and approving risk concentrations according to their potential impact on the solvency and liquidity of the Company and the escalation process to be implemented when appropriate.

Thereafter, upon motion duly moved and seconded, it was –

“**RESOLVED**, as it is hereby resolved, the Risk Concentrations Management Policy – Reinsurance and Underwriting Exposure is approved and adopted.”

D. Approval and Adoption of Reinsurance and Other Risk Mitigation Techniques Policy

The Reinsurance and Other Risk Mitigation Techniques Policy was discussed. The policy performs the following functions:

- Describes the purposes and formation methodology of Reinsurance Contracts;
- Provides that GLAPI should establish appropriate Underwriting Risk Tolerance Limits;
- Gives directions as to the use of Treaties and FacultatIVES;
- Indicates the key general terms and conditions of the outward Reinsurance Contracts, in particular liquidity risk mitigation clauses to deal with any timing mismatch between claims’ payment and reinsurance recoveries from third party Reinsurers;
- Sets out the procedure to be followed to identify eligible Reinsurers and their maximum Economic Commitment;
- Sets out the principles for the selection of the Brokers and the main contents of the Engagement Agreements;
- Describes the identification of the level of risk transfer appropriate to the risk tolerance limits related with the Other Risk Mitigation Techniques;
- sets out the criteria and procedures for the recourse to Other Risk Mitigation Techniques;
- Describes the main characteristics of Other Risk Mitigation Techniques, as well as the criteria for the counterparties and business partners selection and the processes of evaluation and monitoring of the related contractual positions;
- Sets out contents and timing of the reports detailed in paragraph 8 - Reporting.

Thereafter, upon motion duly moved and seconded, it was –

“**RESOLVED**, as it is hereby resolved, the Reinsurance and Other Risk Mitigation Techniques Policy is approved and adopted.”

E. Approval and Adoption of Updated Treasury Group Policy

The Updated Treasury Group Policy was discussed. The policy reflects the latest organization updates at the Regional level which resulted to changes in certain Titles and terminologies, roles and responsibilities of affected functional units, as well as the Introduction of Commercial Paper as a new Liquidity Centralization Instrument. The Local unit roles and responsibilities include:

- Steers, coordinates and monitors the local’s Corporate Treasury Activities;
- Coordinates and informs the Group CFO Function with regards to liquidity management projects involving negotiation with banks;
- Is responsible for producing the reporting to the Local CEO, to the Local Risk Committee, to local AMBS (Administrative, Management or Supervisory Body) and to the local regulator about the treasury activity and about any significant risk issue possibly arisen from the treasury activity;
- Informs the GCFO Function and Local CRO about relevant risk issues arisen from the treasury activity, proposes potential remediation activities and in charge of the implementation of such activities at local level.

Thereafter, upon motion duly moved and seconded, it was –

“**RESOLVED**, as it is hereby resolved, the Updated Treasury Group Policy is approved and adopted.”

F. Approval of the Capital Management Plan for SP2021-2023

The Capital Management Plan covering the strategic planning period 2021 to 2023 was discussed. The Capital Management Plan includes the following:

- Analysis of the solvency ratio explaining the decrease from 368% in 2019 to 326% in 2020 mainly because of higher IT-related capex acquisitions for system development and work-from-home implementation projects, and higher reinsurance assets and bond purchases, affecting C1 and C3 risks, respectively;
- Analysis of the eligible capital of Php 1.13B, Php 1.22N, Php 1.46B, and Php 1.71B for 2020, 2021, 2022 and 2023, respectively, taking into consideration the capital injections, earnings, and change in unrealized gain or loss from AFS investments, increase in deductible assets for solvency computation purposes, and showing the year-on-year movement of assets and liabilities;
- Analysis of the solvency capital requirement due to various risks (credit, insurance liability, market, operational); and
- Capital optimization initiatives which include close monitoring of claims experience of major accounts, proactive sales activity management, and minimization of non-admitted assets, among others.

Thereafter, upon motion duly moved and seconded, it was –

“**RESOLVED**, as it is hereby resolved, the Capital Management Plan for SP2021-2023 is approved and adopted.”

VII. AUDIT COMMITTEE’S REPORT

The Audit Committee Chair, Ms. Beth Lui, reported to the Board the matters discussed in an earlier meeting of the Committee for the consideration and approval of the Board. Upon careful review and consideration, the Committee resolved to endorse the following matters for the adoption and approval of the Board:

1. External Auditor’s Audit Plan for 2020
2. 2020 Internal Audit Report (01 June 2020 – 15 October 2020)
3. Internal Audit Department Revised Audit Group Policy
4. Group Audit Report on Group Audit 2021 Annual Plan
5. Management Status Report on Actions Taken on External Auditor’s Recommendations from 2019 Audit

Thereafter, upon motion duly moved and seconded, it was –

“**RESOLVED**, as it is hereby resolved, that the External Auditor’s Audit Plan for 2020, 2020 Internal Audit Report (01 June 2020 – 15 October 2020), Internal Audit Department Revised Audit Group Policy, Group Audit Report on Group Audit 2021 Annual Plan, and the Management Status Report on Actions Taken on External Auditor’s Recommendations from 2019 Audit are hereby approved.”

VIII. OFFICER’S REPORTS

A. President’s Report

The President’s Report was Reported by Ms. Maria Sharon B. Maranan for Mr. Rey Centeno. The following were reported to the Board: Key Messages of the President, Management Responses to the COVID19 situation, Top Priorities for the remainder of 2020, Status of Strategic Projects, and YTD September 2020 Gross Written Premiums.

The 2020 and current performance of the Company was presented and discussed.

Thereafter, the Board discussed and *noted* the report.

B. Financial Report

The Chief Financial Officer, Maria Fe D. Velasco, reported the 2020 and current financial result of the Corporation. The following were reported to the Board: Financial Highlights – YTD Actual, YTD September 2020 Profit and Loss – Actual vs. Budget, YTD September 2020 Statement of Earnings – Actual vs. Budget, and September 2020 Net Worth of the Company.

Thereafter, the Board discussed and *noted* the report.

IX. OTHER MATTERS

No other matters was discussed and presented to the Board.

X. ADJOURNMENT

There being no other matters to discuss, the meeting was, on motion made and seconded, adjourned.

Certified Correct:



Kristel Francine L. Tiu (Feb 15, 2021 17:23 GMT+8)
ATTY. KRISTEL FRANCINE L. TIU
Acting Corporate Secretary

ATTESTED BY:


John Spence (Feb 16, 2021 12:53 GMT+8)

ROBERT HECTOR JOHN SPENCE
Chairman of the Meeting


MINUTES READ AND APPROVED:


MARIAFEVELASCO (Feb 17, 2021 13:01 GMT+8)

MARIA FE D. VELASCO


Beth G Lui (Feb 19, 2021 19:59 GMT+8)

BETTY G. LUI


Maria Sharon B. Maranan (Feb 22, 2021 18:17 GMT+8)
MARIA SHARON B. MARANAN

GLAPI Minutes of the Meeting of the Board of Directors - 30 October 2020

Final Audit Report


2021-02-22

Created:	2021-02-15
By:	Michael Gerard Victoriano (michaelgerardvictoriano@gmail.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAPVqsoquYcyGjKJxHsV-zFgwCL9ACulkm

"GLAPI Minutes of the Meeting of the Board of Directors - 30 October 2020" History

 Document created by Michael Gerard Victoriano (michaelgerardvictoriano@gmail.com)

2021-02-15 - 8:47:07 AM GMT- IP address: 120.89.41.74

 Document emailed to Kristel Francine L. Tiu (tiu.krissy@gmail.com) for signature


2021-02-15 - 8:50:58 AM GMT

 Email viewed by Kristel Francine L. Tiu (tiu.krissy@gmail.com)


2021-02-15 - 9:22:23 AM GMT- IP address: 66.249.84.85

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Signature Date: 2021-02-15 - 9:23:36 AM GMT - Time Source: server- IP address: 112.211.7.45

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2021-02-15 - 9:23:38 AM GMT

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2021-02-15 - 11:56:53 PM GMT- IP address: 219.73.51.61

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2021-02-16 - 4:53:40 AM GMT


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2021-02-16 - 12:45:16 PM GMT- IP address: 136.158.8.90


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2021-02-17 - 4:58:49 AM GMT- IP address: 136.158.8.90


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2021-02-17 - 5:01:32 AM GMT


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2021-02-19 - 11:58:00 AM GMT- IP address: 180.191.159.62

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2021-02-19 - 11:59:24 AM GMT

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2021-02-22 - 10:14:49 AM GMT- IP address: 180.191.242.22

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2021-02-22 - 10:17:05 AM GMT