



Armed Forces and Police Mutual Benefit Association, Inc.

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SUMMARY OF THE MINUTES OF THE 2020 ANNUAL GENERAL MEMBERSHIP MEETING

11 July 2020 - 9 A.M. – Video Conference

I. Call to Order

GEN FELIMON T SANTOS JR PA, Chairman of the AFPMBAI Board of Trustees, presided over the meeting and called the meeting to order at 9:06 A.M.

II. Proof of Due Notice of the Meeting

The Corporate Secretary, Atty Renato A David, attested that the Notice for the Annual General Membership (AGM) Meeting was duly published in the Manila Bulletin and in the People's Journal on 11 June 2020 in accordance with the required notices pursuant to Article V, Section 3 of the 2019 Bylaws, and that the Notice of Meeting, Agenda, and downloadable Proxy form had also been uploaded on the AFPMBAI website on the same date.

III. Proof of Presence of Quorum

Atty David reported that there were 40 registered regular members virtually present, composing the quorum. He also introduced the members of the Board of Trustees present, including AFPMBAI's corporate officers, as well as the members of the Committee on Election (COMELEC). These were the following:

A. Members of the Board of Trustees

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|-----------------------------------|---|
| 1. GENERAL FELIMON T SANTOS JR PA | Chief of Staff, AFP
Chairman of AFPMBAI |
| 2. LTGEN ERICKSON R GLORIA PAF | Vice Chairman of AFPMBAI
Representative of the AFP Joint Staff
Chairman of the Nomination and
Remuneration Committee
Chairman of the Nomination Committee
for the 2020 AGM |
| 3. MGEN ROBERT M AREVALO PA (RET) | AFPMBAI President and CEO |
| 4. MGEN ERNESTO D BOAC PA (RET) | Independent Trustee and Chairman
of the Audit Committee |

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|-----|-------------------------------------|--|
| 5. | MGEN ROMEO DE VERA POQUIZ PAF (RET) | Independent Trustee and Chairman of the Governance Committee |
| 6. | RADM RAUL R UBANDO PN (RET) | Independent Trustee and Chairman of the Risk Management and Related Party Transaction Committee |
| 7. | PMGEN ALFRED S CORPUS | Representative of the Philippine National Police and Chairman of the Investment Committee |
| 8. | VADM LEOPOLDO V LAROYA PCG | Representative of the Philippine Coast Guard and Chairman of the Social Services Program Committee |
| 9. | MGEN REYNALDO M AQUINO PA | Representative of the Philippine Army |
| 10. | RADM REY T DELA CRUZ PN | Representative of the Philippine Navy |
| 11. | MGEN PELAGIO R VALENZUELA PAF | Representative of the Philippine Air Force |
| 12. | PCOL JOSE MELENCIO C NARTATEZ JR | Representative of the Philippine National Police |
| 13. | CSUPT RUEL S RIVERA BJMP | Representative of the Bureau of Jail Management and Penology |
| 14. | CSUPT ROEL JEREMY G DIAZ BFP | Representative of the Bureau of Fire Protection |
| 15. | FCMS ENGRACIO S GABO (INF) PA | The AFP Sergeant Major |

B. Corporate Officers

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|----|------------------------------------|---|
| 1. | BGEN CESAR M IDIO PA (RET), GICD | Chief Operating Officer and Head, Sales Operations Group |
| 2. | COMMO RAMON S OCHOCO PN (RET) | Chief Corporate Services Officer and Head, Corporate Services Group |
| 3. | MS REGINA B FAJOTINA | Treasurer and Head, Finance Division |
| 4. | LTCOL JEFFERSON C ALMAZAN PA (RET) | Compliance Officer and Head, Executive Services Division |

C. Members of the Committee on Election (COMELEC)

- | | | |
|----|---|--|
| 1. | BGEN SER-ME L AYUYAO PA JAGS | The Judge Advocate General, AFP and COMELEC Chairman |
| 2. | COL LIBERATO RAMOS JR JAGS (GSC) | Army Judge Advocate - Member |
| 3. | COL ERWIN VICTORIANO A MACHICA III JAGS (GSC) | Naval Judge Advocate – Member |
| 4. | COL ROPER JOHN B ESTEPA JAGS (GSC) | Air Judge Advocate – Member |
| 5. | PCOL JOAQUIN R ALVA | Chief of Staff, PNP Legal Service - Member |

IV. Opening Remarks

Gen Felimon T Santos Jr PA, Chairman of AFPMBAI, welcomed and thanked all those who attended the virtual AGM and encouraged everyone to participate in the meeting, to raise questions and voice their concerns and recommendations so as to provide feedback to Management for the improvement of AFPMBAI. He cited the Association's accomplishments in 2019. He also thanked AFPMBAI for its COVID-19 response for the members and member organizations, and he asked the Management team to keep on forging ahead in covering the members with insurance especially at this time of health crisis. He urged everyone to continue persevere in delivering effective services and good governance to bring off organizational efficiency and responsiveness and assured everyone that the Board shall continue to oversee its strategic directions with due diligence, integrity, dynamism and transparency to safeguard the interests and benefits of all the members.

He enjoined everyone to carry on with a remarkable performance and unflinching dedication that brought AFPMBAI to its exemplary milestones towards growth, service excellence, and transformation despite the uncertainties. He commended the incumbent Board of Trustees, the Management together with all the hardworking personnel for their unwavering commitment and encouraged the Board of Trustees who will be elected to continue to value the trust of the members and remain steadfast in giving the members' welfare an utmost priority. He extended his heartfelt gratitude to all the AFPMBAI members for their continued faith and confidence to the Association.

V. Approval of the Minutes of the Annual General Membership Meeting dated 18 May 2019

Upon motion of SMS Elvie G Estilo PA, duly seconded by MSG Marlon Manlongat PA, the Minutes of the Annual General Membership Meeting held on 18 May 2019 was approved. 277,407 members virtually present also voted for the approval of the subject Minutes.

VI. Report of the President and CEO

The President and CEO, MGen Robert M Arevalo PA (Ret), reported on the performance of AFPMBAI for 2019, as well as for the first half of 2020. The salient points of his report were the following:

- Total Net Income of P1.03B, a 33% increase from 2018's earnings
- Gross revenue of P5.7B from P5.0B in 2018
- Total assets of P27B from P24B in 2018, an increase of almost P3B for a year, capturing 28% of the market share.
- Total investments rose from P12.4B in 2018 to P15.9B in 2019,
- Total Premiums: P3.2B in 2018; P3.7B in 2019
- Legal Policy Reserves at P13B
- Continued Comprehensive Financial Assistance Benefit (CFAB) on top of the regular insurance coverages provided to members at no additional cost
- Total Death Claims Paid: P216M to untimely passing of 1,400 members: Living Claims Paid: P1.3 billion benefitting 22,900 members
- Policy Dividends: P220.1M benefitting 183, 063 policyholders
- Granted P355.5 million Real Estate Mortgage Loan (REML); P45.5 million Real Estate Housing Loan (REL)
- Launching of new information system "ACCEDATA" in April

- Completion of Phase One of the digitization of all AFPMBAI records using Data Management System (DMS) in October
- Constant review of product offering through the Associations Product Development Committee (PDC)
- Launching of the Emergency Equity Loan Program in response to Covid-19 Pandemic; a moratorium on payment of monthly loans was issued, and extension periods granted for insurance policies that were in danger of lapsing, to ensure that the members are still covered
- Raised a total of P1M from employees' contribution in consolidation with the Corporate Social Responsibility (CSR) savings of the Association to take part in the Bayanihan Heal as One Act
- Revitalized CFAB to provide immediate assistance to members who may contact the COVID-19 virus during the pandemic
- Board approval of an additional CSR Program budget of P100M
- Long term infrastructure program that includes construction of a permanent Head Office building

MGen Arevalo stated that the Association will continue to explore and put into action all that it has laid down for implementation and vowed to perform to the best of its abilities and fulfill its commitment to providing excellent service to its members and their families.

Upon motion of QM2 Jenny D Guanlao PN, duly seconded by MSG Francis K Dulinayan PA, and with a vote in favor of the notation by 277,409 members virtually present, the report of the President and CEO was noted by the body.

VII. Ratification of the Acts and Resolutions of the Board of Trustees, Corporate Officers, and Management

Upon motion of CMS Jaime B Laygo PAF, duly seconded by SMS Ronaldo M Puma PA, and with a vote in favor of the motion by 277,407 members virtually present, the actions, decisions, agreements, transactions, policy statements, and resolutions of the Board of Trustees, Corporate Officers, and Management from April 1, 2019 to December 31, 2019 and from January 1, 2020 to June 30, 2020 was ratified and approved by the body.

VIII. Report of the Audit Committee

MGen Ernesto D Boac PA (Ret), Chairman of the Audit Committee, reported that for calendar years 2019 and 2020, AFPMBAI engaged the services of the auditing firm Reyes Tacandong and Company to undertake the statutory audits of the Association at a cost of P1.456M annually. He stated that the engagement was approved by the Board of Trustees and was ratified during the 2019 AGM. Trustee Boac also reported that, despite the Enhanced Community Quarantine brought about by the COVID-19 pandemic, the audit for 2019 was completed on time and was presented to the Board of Trustees on June 10, 2020 with Unqualified Opinion. For the statutory audit covering calendar years 2021 and 2022, the Committee shall initiate the selection process to engage an external auditor by the end of 2020. The result of the selection process shall be presented for approval of the BOT and for ratification during the next AGM.

Trustee Boac further reported that, to improve the quality of the services of AFPMBAI's Internal Audit Office (IAO), they engaged the services of an accredited firm, Isla Lipana and Co. to conduct an external quality assessment of the internal audit activities of the Association. He reported that the overall assessment of the IAO is at the Assurance Provider Maturity Level, meaning that IAO is at par with its peers globally and higher than with both its peers in the Asia Pacific Region and the perceived performance of their stakeholders.

Upon motion of CMS Rosa Maria C Lanila PA, duly seconded by SMS Elvie G Estilo PA, and with 277,409 members virtually present having voted in favor of the motion, the body noted the report of the Audit Committee.

IX. Report of the Governance Committee

MGen Romeo De Vera Poquiz PAF (Ret), Chairman of the Governance Committee, informed the body that the corporate term of AFPMBAI is now perpetual, based on the provisions of the Revised Corporation Code which was approved in 2019. He also reported on the good governance practices instituted by the Board in safeguarding the rights of AFPMBAI members and ensuring their equitable treatment, foremost of which is the annual conduct of the general membership meeting. To ensure disclosure and transparency in its operations, he reported that AFPMBAI utilized its website and social media accounts to disclose to the members its activities almost in real time. Materials relating to the AGM were also published through the AFPMBAI website for easier access of the members.

To fulfil their responsibilities in the Board, Trustee Poquiz reported that the Board ensures that there is independence and diversity among the members, so that decisions will be derived from several objective perspectives. He also relayed the results of the Board's performance assessment for CY2019, which was rated at 96.98% or Outstanding.

Upon motion of CMS Antonio M Dimaculangan PN (M), duly seconded by SMS Antonio N Yap PA, and with 277,410 members virtually present having voted in favor of the motion, the body noted the report of the Governance Committee.

X. Report of the Nomination Committee

LtGen Erickson R Gloria PAF, Chairman of the Nomination Committee for the 2020 AGM, reported on the Board seats open for nomination, the nomination and screening process, the criteria for qualification and disqualification of trustees, and the status of nominations for the members of AFPMBAI's Board of Trustees for CY 2020-2021.

Upon motion of MSG Morena C Bamo PA, duly seconded by SMS Roberto B Balisi PA, and with 277,409 members virtually present having voted in favor of the motion, the body noted the report of the Nomination Committee.

XI. Election of the Members of the Board of Trustees

At this point of the meeting, Chairman Santos turned the floor over to the Chairman of the Committee on Election (COMELEC), the Judge Advocate General of the AFP, BGen Ser-Me L Ayuyao JAGS. BGen Ayuyao informed the body that fifteen (15) members of the Board of

Trustees would be elected in accordance with Article VI, Section 3 of the 2019 Bylaws, and that only regular members are qualified to be nominated and be voted upon with each member being entitled to one (1) vote regardless of the number of his insurance policies or amount of coverage (Article V, Section 5 of the Bylaws). The Chairman of the Nomination Committee, LtGen Erickson R Gloria PAF, then nominated fifteen (15) candidates that have been deemed qualified by the Committee and presented their qualifications onscreen.

The COMELEC Chairman then presented the results of the votes of the members for the candidates presented:

Trustees Elected			For	Against	Abstain
1	Gen Felimon T Santos Jr PA, representing the Office of the Chief of Staff, AFP	Count	277,407	0	3
		%	100.00%	0.00%	0.00%
2	MGen Adriano S Perez Jr, representing the Joint Staff of the Armed Forces of the Philippines	Count	277,405	0	5
		%	100.00%	0.00%	0.00%
3	MGen Reynaldo M Aquino PA, representing the Philippine Army	Count	277,408	0	2
		%	100.00%	0.00%	0.00%
4	MGen Pelagio R Valenzuela PAF, representing the Philippine Air Force	Count	277,407	1	2
		%	100.00%	0.00%	0.00%
5	RAdm Rey T Dela Cruz PN, representing the Philippine Navy	Count	277,408	0	2
		%	100.00%	0.00%	0.00%
6	FCMS Engracio S Gabo Jr (INF) PA, representing the Office of the AFP Sergeant Major	Count	277,407	0	3
		%	100.00%	0.00%	0.00%
7	PMGen Alfred S Corpus, representing the Philippine National Police	Count	277,407	0	3
		%	100.00%	0.00%	0.00%
8	PCol Jose Melencio C Nartatez Jr, representing the Philippine National Police	Count	277,408	0	2
		%	100.00%	0.00%	0.00%
9	VAdm Leopoldo V Laroya PCG, representing the Philippine Coast Guard	Count	277,408	0	2
		%	100.00%	0.00%	0.00%
10	CSupt Ruel S Rivera BJMP, representing the Bureau of Jail Management and Penology	Count	277,407	0	3
		%	100.00%	0.00%	0.00%
11	CSupt Roel Jeremy G Diaz BFP, representing the Bureau of Fire Protection	Count	277,407	0	3
		%	100.00%	0.00%	0.00%
12	MGen Rizaldo B Limoso PA (Ret), representing the membership at-large	Count	277,405	1	4
		%	100.00%	0.00%	0.00%

13	MGen Rolando B Tenefrancia PA (Ret) as Independent Trustee	Count	277,405	0	5
		%	100.00%	0.00%	0.00%
14	BGen Honorato S Delos Reyes PAF (Ret) as Independent Trustee	Count	277,404	0	6
		%	100.00%	0.00%	0.00%
15	BGen Arnold F Fernandez PA (Ret) as Independent Trustee	Count	277,405	0	5
		%	100.00%	0.00%	0.00%

After the nomination and election proceedings, the COMELEC Chairman declared the following as the duly-elected members of the Board of Trustees for CY 2020-2021:

Board of Trustees	Representing
1. Gen Felimon T Santos Jr	Office of the Chief of Staff, AFP
2. MGen Adriano S Perez Jr PA	Joint Staff of GHQ, AFP
3. MGen Reynaldo M Aquino PA	Philippine Army
4. MGen Pelagio R Valenzuela AFP	Philippine Air Force
5. RAdm Rey T Dela Cruz PN	Philippine Navy
6. FCMS Engracio S Gabo Jr (INF) PA	AFP Sergeant Major
7. PMGen Alfred S Corpus	Philippine National Police
8. PCol Jose Melencio C Nartatez Jr	Philippine National Police
9. VAdm Leopoldo V Laroya PCG	Philippine Coast Guard
10. CSupt Ruel S Rivera BJMP	Bureau of Jail Management and Penology
11. CSupt Roel Jeremy G Diaz BFP	Bureau of Fire Protection
12. MGen Rizaldo B Limoso PA (Ret)	At Large
13. MGen Rolando B Tenefrancia PA (Ret)	Independent Trustee
14. BGen Honorato S De Los Reyes PA (Ret)	Independent Trustee
15. BGen Arnold F Fernandez PA (Ret)	Independent Trustee

XII. Oath-Taking of the Members of the Board of Trustees

At this point, The COMELEC Chairman administered the oath-taking of the newly elected members of the Board of Trustees.

XIII. Adjournment

There being no other matter to discuss, MSG James A Doctolero PA moved for the adjournment of the meeting, which motion was duly seconded by SGT Gideon R Marquez PA. The meeting was adjourned at 10:54 A.M.