

Record of Attendance

Number of Shares Held by Stockholders:

Present in Person and Represented by Proxy	-	742,200
Total Number of Shares Outstanding	-	742,400
Percentage of the Total Shares Present in Person and Represented by Proxy	-	99.97%

Incumbent Directors Present:

Andrew Dee Co	Chairman of the Board, Chairman of the Nomination Committee and Member of the Remuneration Committee
Rica Rivera-Lumibao	Independent Director and Member of the Audit Committee
George V. Duque	Independent Director and Chairman of the Audit Committee
Corazon A. dela Rosa	Independent Director and Chairman of the Remuneration Committee
Ernesto Co	Independent Director and Member of the Nomination Committee
Amelia Filipina A. Veloso	Executive Director

Also Present:

Nanette Quin-Sia	VP Corporate Affairs and Corporate Secretary
Angelita A. Ayson	AVP Accounting
Mr. Domingo A. Daza	Partner, R.R. Tan & Associates, CPAs

I. Call to Order

The President, Mr. Andrew Dee Co, called the meeting to order at 10:05 A.M and presided over the proceedings. He welcomed the stockholders and acknowledged the presence of the members of the Board of Directors, Corporate Secretary and representative of the External Auditing Firm, R.R. Tan & Associates, CPAs.

The Corporate Secretary, Mrs. Nanette Quin-Sia, recorded the minutes of the proceedings.

II. Proof of Proper Notice of Meeting and Determination of Existence of Quorum

The Corporate Secretary, Ms. Nanette Quin-Sia, certified that written notices of the annual stockholders' meeting, together with the agenda, explanation of agenda items, proxy, nomination form and minutes of the previous annual meeting of the stockholders, were sent out to all stockholders on June 30, 2021.

As of the record date of July 12, 2021, the company has 742,400 issued and outstanding common shares. Based on the record of attendance, present for the meeting were stockholders, in person or represented by proxy, holding a total of 742,200 shares, equivalent to 99.97% of the total issued and outstanding shares. The Corporate Secretary therefore certified that there was a quorum for the transaction of business.

III. Voting and Vote Tabulation Procedure

Ms. Sia announced that voting on all resolutions needing stockholders' approval will be by poll balloting. Except for the cumulative voting to be exercised on the election for members of the Board, each stockholder shall have one vote for each share of stock entitled to vote and recorded in his name

in the books of the company. Votes will be cast using the Stockholders' Voting Forms which were distributed prior to the start of the meeting. Representative of the external auditing firm, R.R. Tan & Associates, CPAs, were appointed to count and validate the votes by poll cast by the stockholders at today's meeting.

IV. Reading and Approval of the Minutes of the Previous Meeting

The Chairman of the Meeting proceeded to the next item in the agenda, which was the reading and approval of the minutes of the previous annual stockholders' meeting held on June 25, 2020.

As discussed in the Explanation of Agenda Items distributed to all stockholders prior to the meeting, the Minutes of the Annual Stockholders' Meeting held on June 25, 2020 contain, among others, the (a) Annual Report of the President, (b) Ratification of all the Acts and Resolutions of the Executive Committee and of the Board of Directors, (c) Approval of the 2019 Financial Statements, and (d) Election of the Board of Directors and External Auditors.

The Chairman solicited questions from the stockholders in attendance. There being no questions, and upon motion duly made and seconded, the stockholders approved the minutes of the annual meeting of the stockholders held on June 25, 2020 and the following resolution was passed and adopted:

"RESOLVED, as it is hereby resolved, that the stockholders of Reliance Surety & Insurance Co., Inc. approve, as they hereby approve, the Minutes of the Annual Stockholders' Meeting held on June 25, 2020."

Based on the tabulation of votes of shares present and represented, stockholders owning 742,200 shares or 100% of the total number of outstanding shares represented at the meeting approved the resolution.

V. Report of the Management

The President delivered the following report:

Dear fellow shareholders:

Amidst the prevailing pandemic situation in the year 2020, our company posted gross premiums earned of P202.61 Million, a reduction of P7.78 Million or 3.70% over the year 2019.

The net insurance revenue declined by 3.16% to P123.52 Million from P127.55 Million. This represents 60.96% retention of gross premiums earned for the year.

Claims, losses and adjustment expenses improved by 44.38% over the previous year, decreasing from P51.65 Million in 2019 to P28.73 Million in 2020.

Costs and expenses, on the other hand, rose from P107.08 Million to P313.63M in 2020, largely due to losses sustained on the sale of investments.

The year's operations resulted to a net loss of P172.33 Million.

On the other hand, assets rose to P1,403 Million against P1,304 Million in 2019. Total liabilities, meanwhile, saw an increase of P222.53 Million from P283.41 Million in 2019 to P505.94 Million in 2020.

Total Equity at the end of the year amounted to P897.54 Million from P1,020 Million during the previous year.

I thank our Board of Directors, executive committee, management team and staff for their shared vision and commitment, as well as our many partners and stakeholders for their continued trust and support to our company. We thank you all for sharing with us the joy of assuring a safer tomorrow.

There being no questions and upon motion duly made and seconded, the following resolution was passed and adopted:

“RESOLVED, as it is hereby resolved, that the stockholders of Reliance Surety & Insurance Co., Inc. approve, as they hereby approve, the President’s Report on the operations of the Company for the underwriting year 2020.”

Based on the tabulation of votes of shares present and represented, stockholders owning 742,200 shares or 100% of the total number of outstanding shares represented at the meeting approved the resolution.

VI. Ratification of all the Acts and Resolutions of the Executive Committee and of the Board of Directors from the date of the previous Stockholders’ Meeting

The next item in the agenda was the ratification of all acts, transactions and contracts entered into, as well as resolutions made and adopted by the Board of Directors and the Executive Committee from the date of the previous stockholders meeting to the present. The list of all these were presented for the perusal of the stockholders.

Upon motion duly seconded, and there being no objection, the acts and resolutions of the Executive Committee and of the Board of Directors since the last meeting of the stockholders held on June 25, 2020 up to the date of this meeting, as attached, were unanimously approved, ratified and confirmed:

“RESOLVED, as it is hereby resolved, that all the corporate acts and resolutions of the Executive Committee and of the Board of Directors of the Company during the interim period be approved, ratified and confirmed.”

Based on the tabulation of votes of shares present and represented, stockholders owning 742,200 shares or 100% of the total number of outstanding shares represented at the meeting approved the resolution.

VII. Presentation of the Audited Financial Statements for 2020

The AVP – Accounting, Miss Angelita A. Ayson, presented the Statements of Financial Position and Comprehensive Income for the years ended December 31, 2020 and 2019 which are part of the audited financial statements.

Miss Ayson reported that for the year ended December 31, 2020, Total Assets amounted to Php1,403.49 Million from Php1,303.81 Million. Total Liabilities increased to Php505.94 Million compared to Php283.41 Million in 2019.

Retained earnings went down to P140.59 Million from Php312.35 Million in 2019, bringing Total Shareholders’ Equity at the end of the year to Php897.54 Million compared to Php1,020.40 Million in 2019.

Due to Loss on Sale of Investments, net profit for the period decreased to (Php172.33 Million) from Php25.50 Million the previous year.

There being no further questions, the stockholders unanimously passed and adopted the following resolution:

RESOLVED, as it is hereby resolved, that the Audited Financial Statements for the year ended December 31, 2020 be, as the same are hereby, approved.”

Based on the tabulation of votes of shares present and represented, stockholders owning 742,200 shares or 100% of the total number of outstanding shares represented at the meeting approved the resolution.

VIII. Election of Directors

In accordance with the rule on cumulative voting, all stockholders present in person and those represented by proxies cast their votes for the election of Nine (9) directors for the term 2021 – 2022. Only the names of nominees submitted by the Nomination Committee shall be eligible for election as directors. No further nominations were entertained nor allowed on the floor during the meeting.

The following have been nominated and qualified by the Nomination Committee for election to the Board for the year 2021 – 2022:

Andrew Dee Co
Cojingyee Dionisio
Jan Kristine T. Co
Soledad Te Gue
Amelia Filipina A. Veloso

Independent Directors

Ernesto Co
George V. Duque
Rica Rivera-Lumibao
Corazon Dela Rosa
Oliver O. Chua

Ballots were canvassed and tabulated by R.R. Tan & Associates, CPAs. Only Nine (9) among Ten (10) nominees garnering the Nine (9) highest votes presented by the external auditing firm were selected.

The following resolution was unanimously passed and approved:

“RESOLVED, That the following persons are hereby elected as directors for the period 2021 – 2022 and shall serve as such until their successors shall have been duly elected and qualified:

Andrew Dee Co
Jan Kristine T. Co
Amelia Filipina A. Veloso
Soledad Te Gue

Independent Directors

Ernesto Co
George V. Duque

Rica Rivera-Lumibao
Corazon Dela Rosa
Oliver O. Chua”

The votes received and cast in favor of the nominees are as follows:

Nominees	No. of Votes*
Andrew Co	742,404
Oliver Winston Chua	742,208
Soledad Te Gue	742,199
Jan Kristine Co	741,799
George Duque	742,199
Ernesto Co	742,199
Corazon dela Rosa	742,199
Rica Rivera-Lumibao	700,499
Amelia Filipina A. Veloso	700,698
Cojingyee Dionisio	83,396
Total No. of Votes Cast	6,679,800

IX. Election of External Auditors

The Audit Committee has endorsed to the stockholders the election of the external auditor, R.R. Tan & Associates, CPAs, for the calendar year 2021.

Upon motion made and seconded, the following resolution was passed and adopted:

“RESOLVED, That the stockholders approve, as they hereby approve, the appointment of R.R. Tan & Associates, CPAs, as the external auditor for the year 2021.”

Based on the tabulation of votes of shares present and represented, stockholders owning 742,200 shares or 100% of the total number of outstanding shares represented at the meeting approved the resolution.

X. Adjournment

There being no other business to discuss, the meeting was adjourned at 12:30 p.m.



NANETTE QUIN-SIA
Corporate Secretary

ATTESTED:



ANDREW DEE CO
President