

MINUTES OF THE 33rd ANNUAL REGULAR MEMBERS' MEETING (108th GENERAL MEETING)

**Held on Wednesday, 22 May 2019 at 4:15 P.M.
at the Bulwagang Haribon, Insular Life Corporate Centre,
Insular Life Drive, Filinvest Corporate City,
Alabang, Muntinlupa City, Philippines**

CALL TO ORDER:

Pursuant to the provisions of the Amended By-Laws of the Corporation, Ms. Nina D. Aguas, Executive Chairman of the Board of Trustees, presided over, and called the meeting to order at 4:15 P.M. The Secretary of the Corporation, Atty. Renato S. De Jesus, acted as Secretary of the Meeting.

PROOF OF NOTICE OF MEETING

The Secretary certified that the notice of the time, date, place and purpose of the meeting was published on 24 April, 01 May, 08 May and 15 May 2019 (once in each of four (4) successive weeks immediately prior to this meeting) in THE PHILIPPINE STAR and PILIPINO STAR NGAYON, two (2) newspapers of general circulation in Metro Manila, in accordance with the amended Insurance Code and amended By-Laws of the corporation. The Secretary's affidavit to show proof of notice is attached as Annex "A". The newspaper publishers' affidavits of publication of the Notice of the Annual Meeting are also on file in the Office of the Corporate Secretary attesting to the publication of the said notice in two (2) different newspapers of general circulation in the place where the principal office of the corporation is situated. The Notice of the 2019 Annual Regular Members' Meeting was also uploaded in the Corporation's website beginning 24 April 2019. A copy of the Notice of the Meeting with proxy form is attached as Annex "B".

PROOF OF PRESENCE OF QUORUM

The Secretary stated that there was a quorum. He reported that based on the certification of the Credentials Committee and the Registration Committee, out of the 221,504 members of the Company qualified to vote in the meeting, (i.e., they have an insurance policy with the Company that is in force for at least one (1) year as of thirty (30) days prior to 22 May 2019, or as of 22 April 2019), there were 104,210 members or 47.05 % who were present either in person or by proxy. The amended Insurance Code provides that meetings of members of mutual life insurance companies like Insular Life need five per cent (5%) of the membership to constitute a quorum. Hence, the 33rd Annual Regular Members' Meeting (108th General Meeting) of The Insular Life Assurance Company, Ltd., was duly constituted and opened for the transaction of business.

INTRODUCTION OF THE CURRENT MEMBERS OF THE BOARD OF TRUSTEES AND SENIOR OFFICERS

Before proceeding with the next item in the agenda, the Executive Chairman of the Board introduced the current members of the Board, including herself, and the Senior Officers of the Company.

They are:

<u>TRUSTEES</u>	<u>DESIGNATION</u>
Ms. Nina D. Aguas	Executive Chairman of the Board of Trustees; <i>Executive Trustee</i> ;
Mr. Luis C. la O	Vice-Chairman of the Board of Trustees; <i>Non-Executive Trustee</i> ;
Ms. Mona Lisa B. Dela Cruz	Chairman of the Executive Committee, President and Chief Executive Officer; <i>Executive Trustee</i> ;
Mr. Luis Y. Benitez	Chairman of the Audit and Risk Management Committee; <i>Independent Trustee</i> ;
Atty. Emmanuel F. Dooc	<i>Independent Trustee</i> (joined 26 April 2019);
Mr. Gil B. Genio	<i>Independent Trustee</i> ;
Ms. Marietta C. Gorrez	<i>Non-Executive Trustee</i> ;
Atty. Francisco Ed. Lim	<i>Non-Executive Trustee</i> ; and
Mr. Justo A. Ortiz	<i>Non-Executive Trustee</i>

The Executive Chairman also informed the body that former Independent Trustee, Mr. Nico Jose S. Nollado, have resigned as Trustee of the Corporation effective 25 April 2019, and thanked him for his invaluable service to the Board.

The Chairman also introduced other Senior Officers of the Company:

Mr. Omar T. Cruz	Senior Executive Vice President and Chief Bancassurance Officer;
Mr. Raoul Antonio E. Littaua	Senior Executive Vice President and Chief Agency Distribution Officer;
Ms. Ma Edita C. Elicaño	Executive Vice President, Chief Actuary and Head of Administrative Operations Group;
Mr. Claro P. Bonilla	Executive Vice President, Chief Strategy and Financial Management Officer (effective 27 May 2019);
Ms. Ma. Noemi G. Azura	Executive Vice President and seconded to Insular Health Care, Inc., an Insular Life Subsidiary, as its President and Chief Executive Officer.

VOTING RULES AND PROCEDURES

The Executive Chairman requested the Secretary to explain the rules governing voting during the meeting.

The Secretary explained that, as provided in the Company's amended By-Laws, every member of record who owns an individual life, health or accident insurance policy contract or a master policy contract of any group insurance policy which is in force for at least one (1) year as of 23 April 2019, or thirty (30) days prior to the 2019 Annual Regular Members' Meeting is entitled to one (1) vote.

The voting for each agenda item had been done by poll through electronic casting of ballots. Voting *in Absentia* have likewise been allowed for qualified employee-members who were to vote electronically in their respective work areas during the day. The process has been observed by representatives from Sycip, Gorres, Velayo and Company (SGV & Co.). As each item is taken up, the breakdown of the votes was shown on the screens for the information of the body. These explanations on voting were also indicated in the Notice of the Meeting, as published in the newspapers, Member's Kits and in the Company website.

The final tally of the results of the votes on each item in the Agenda (i.e., "*In Favor*", "*Not in Favor*" or "*Abstention*") was posted on 23 May 2019, one (1) working day after the meeting, as part of good corporate governance practices of the Company.

READING AND APPROVAL OF MINUTES OF THE PREVIOUS MEETING

The Executive Chairman proceeded to take up the next item in the agenda which is the reading and approval of the minutes of the 2018 Annual Regular Members' Meeting held on 23 May 2018. A copy of the said minutes was included in the materials that were provided to the members and has been uploaded in the Company's website since 24 May 2018 for easy reference of the members.

Ms. Bea Pedro suggested to dispense with the reading of the said minutes and moved for its approval and adoption by the members, with the corresponding resolution shown in the screen. This was seconded by Mr. Ron Bustamante. The Executive Chairman asked if there were any objections, and there being none, the motion was carried and the members approved the minutes of the 2018 Annual Regular Members' Meeting and adopted the following resolution as shown in the screen:

RESOLVED, that the reading of the Minutes of the 32nd Annual Regular Members' Meeting (107th General Meeting) of this corporation, The Insular Life Assurance Company, Ltd., held on 23 May 2018 be dispensed with and that the said minutes be as they hereby are approved.

Votes in Favor	Not in Favor	Abstentions
104,307	2	14

ANNUAL REPORT TO THE POLICYHOLDERS

The Executive Chairman informed the body that the next item in the agenda is the Annual Report to Members covering a detailed, balanced and comprehensible assessment of the Company's performance and financial report for 2018 (including its subsidiaries), which was shown through an audio-visual presentation. The presentation is a consolidation of messages from the Executive Chairman of the Board and the President and Chief Executive Officer, which are available in the 2018 Annual Report (AR).

Copies of these messages as they appeared in the AR are included below:

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***Reimagining the Future of InLife
Message from Nina D. Aguas
Executive Chairman of the Board***

For a 108-year-old institution, Insular Life sure looks like it's getting reborn. After undergoing a massive makeover for its iconic Insular Life Building in Makati City, InLife also started brandishing a colorful eagle in its logo; a new tagline, "A Lifetime for Good"; and bolder fonts that mirror the bold direction of the company as it takes on the challenges of digital disruption and a growing millennial workforce and customer base.

In this interview, InLife Executive Chairman Nina D. Aguas talks about navigating a world that is growing in complexity and uncertainty every day, and how InLife is reimagining its business model, as well as its role in society, today and in the future.

2018 was marked with a lot of market volatility, as well as economic and political uncertainties here and around the world such as the U.S.-China trade war, the Brexit deal in the United Kingdom, the sudden rise in crude oil prices, higher inflation and interest rates, among others. Insular Life, however, defied the odds. How did the company manage to pull off a stellar performance?

2018 continued to be a pivotal year for InLife. The company breached the P5-billion mark in net income for the first time in its 107-year history in 2017. And now, on my first year as Executive Chairman, we grew faster than the local insurance industry; our top line or gross revenues rose by 18 percent and this is propelling us towards further growth. While inflation rose in 2018, it did not have a significant impact on our performance; if at all, it just tempered our growth.

How did we do it? There were a lot of factors:

- The life insurance sector grew to about 17 percent year-on-year. Against the backdrop of a growing middle class and a booming economy, our strong performance in 2018 is only a reflection of our business environment.*

- *There was a stronger push for agency recruitment and activation. Our bancassurance partnership with Union Bank of the Philippines has also started to bear fruit in 2018.*
- *We reorganized and strengthened the accountability among our top executives to embody and deliver on our brand promise, "A Lifetime for Good."*
- *As part of our dual transformation, we refreshed our brand identity, starting with the name: InLife. The refreshed brand now represents the new realities of our workforce, our products and services, and our distribution channels. It will represent our dynamism and capability to deliver insurance and financial solutions appropriate for our market, in a manner that is most convenient for them.*

How do you see the role of bancassurance in InLife's digital transformation?

We look at bancassurance as part of InLife's business agenda, as well as an opportunity for the company to leverage on the sophistication of UnionBank when it comes to financial technology.

Beyond the numbers, we want to take advantage of UnionBank's network of over 300 branches and offices to reach its more than six million customers nationwide. There are still a lot of Filipinos out there who are unprotected from life's uncertainties. If you look at insurance penetration in the Philippines, which is less than 2 percent, there's still a lot of room for insurance players to cover. We all leverage and capitalize on our own strengths. It depends on what we really want for the business, and we like to march to the beat of our own drum.

Can you expound on the company's new tagline, 'A Lifetime for Good'?

Our new tagline encapsulates our road map: who we are, our purpose as an institution, our mission, our commitment, and vision.

We define ourselves by the good we bring to our policyholders, the bigger community, and our country. As a life insurance company, we have products and services that inherently bring good to the individual and his/her family. As a Filipino institution that has been here for over a century, we have done good to the greater community and the country, beyond business considerations. Through our industry, our products and services, our innovation and transformation, we are and will be bringing the good today, and in the future — for life. Thus, our tagline.

How does 'A Lifetime for Good' relate to InLife's digital transformation?

InLife has been around for more than 108 years now — that is more than a lifetime for most of us. If I were to be forward-looking, I'd like the company to still be here for another 100 years, that is my aspiration.

The 4th Industrial Revolution is bound to cause seismic, tech-driven shifts in everything, including the insurance business. Competition will continue to heat up and insurers like InLife have no choice but to take a fresh look at their business models and customer experiences if we want to stay in the game.

So, our goal for the next three to five years is about “Reimagining Today, Building the Future.” We want to reset the way today looks like by asking ourselves: “What could we do differently?” Out of this, we will start to develop our business model for the future. In two short years, we have made headways in transforming our company into the high-performing organization that we aim to be. This dual transformation strategy will help increase our fighting chance to be on top.

How do you make ‘A Lifetime for Good’ more than just a brand promise?

To me, “A Lifetime for Good” takes on many layers.

The first: the products and services of InLife should be good for everyone: for our employees, policyholders, communities, and the country as a whole. There’s a clear intent to make a lifetime for good for everyone — not just because we want to boost our bottom line. In everything we do, we want it to be financially relevant as well as socially responsible. If there is one company that has a heart for this country, it’s InLife. We’re completely Filipino owned, we’re a mutual company, and we’ve been here for more than 108 years.

The second layer is sustainability. In 2018, we made a significant move to insure the future of the planet by investing in the green bonds of the International Finance Corporation (IFC), a member of the World Bank Group. It was also the year we earned a GOLD LEED (Leadership in Energy and Environmental Design) certification for our Insular Life Building in Makati City.

We are also sustaining the work of Insular Foundation in providing access to quality education for poor but deserving Filipino students. I’m a firm believer that education is a great equalizer. Many of us who came from humble beginnings realize that education gave us the leg up. We all worked hard to get here, and education is our common denominator.

In 2018, we embarked on supporting more first-grade pupils with their educational needs. We all know that while the tuition is free in public elementary schools, the way to is not. So, we provide books, uniforms, and all the things they need to go to school. We continue to have scholarship programs for higher education in partnership with the University of Philippines and other state colleges and universities nationwide. This is all about providing a holistic lifetime for good to the country.

But the most significant — and perhaps game-changing — program is the InLife Sheroes, the first of its kind in the market.

As I said during the formal launch of InLife Sheroes, “the hand that rocks the cradle rules the world.” However, the woman today does so as if she has multiple hands. She’s at the center of everything: looking after her children, her husband, her elderly parents and in-laws, and even extended relations. If she’s lucky enough, she can send her siblings to school. At the same time, they are breadwinners. They take on jobs: they are engineers, nurses, astronauts, and all of that. They’re BPO and migrant workers contributing to the economy and helping their communities level up.

But what if something happens to them? What if there’s an unforeseen event that leads to a loss of income or loss of support? The situation recalibrates and goes back to ground zero. So, there must be a way we can help protect women through insurance and other risk-mitigation measures.

What prompted InLife to take on this partnership with IFC?

We saw the results of the “She for Shield” study, a first-of-its-kind study focusing on the women’s insurance market in 10 emerging economies, and it made us realize that there’s a golden opportunity for InLife to take the lead. We’re a local company in a leadership position and our workforce is 60 percent female so its women serving the needs of women. When I saw the study and going for insurance for women, I realized it’s what we have always wanted to do: to go for “inclusive insurance,” which has never been considered before. We have always been delivering products and services for the general public, not really focusing on women’s needs.

The study also shows there’s a knowledge gap in financial literacy and understanding insurance, savings, and protection. If women will have insurance as a form of backup for loss of income or life, there will be a fallback. Even during their lifetime — considering their health risks — they can be covered as well. If we are able to find needs-based solutions, then we can help. Our ambition is to become the Filipino women’s insurer of choice. Beyond this, we want to empower one million Filipinas in three years to become financially savvy and become financially capable to take on life’s challenges.

We’re dedicating a lot of people to InLife Sheroes, rebranding it, and making it a truly empowering strategy. Aside from IFC and the World Bank, we also forged partnerships with various women’s organization, namely the Philippine Commission on Women and The Philippine Business Coalition for Women Empowerment. Also supporting our program are Union Bank of the Philippines, City Savings Bank, and New York-based digital platform provider Globelinker, its partner in bringing micro, small and medium enterprises (MSMEs) to the e-commerce space. We intend to grow our partners as we move forward.

I also just got appointed as a member of the World Bank Group’s Advisory Council on Gender and Development, composed of distinguished representatives of government ministries, academia, the private sector and non-profit institutions around the world. As the only Filipino in the roster of Council members, I consider this an incredible honor, as well an opportunity for InLife to be on a global stage. More importantly, it gives me a seat at the table where women’s issues are discussed. We may not have the solution to everything but it’s always a step closer.

What are your plans and projections for 2019?

We will vigorously pursue our transformation and building a business model for the future. With the use of data analytics, we can further strengthen our capability as a lot of our processes and decisions will now be data-driven and not just rely on our gut feel. We have a firmer strategy.

In 2019, we are anticipating global challenges to persist. Uncertainty will still hover in the horizon and impact the Philippines. Still, we train our sights on the future and we are still very positive about the prospects for growth in our economy. We want more Filipinos to partake of these economic gains by helping educate them and provide literacy programs.

In my whole career, I think about the bottom line all the time, being a CPA by profession. I want to do more. I want to make the numbers count, make sure

there is a mission, as well as a purpose. Once you have those, the numbers will follow. You can have all the strategies you want, but if you're not driven by a sense of purpose and mission, then it will just be about number crunching.

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Report to Policyholders: Embracing the Future with Technology

Mona Lisa B. Dela Cruz

President & CEO

With Big Data and the development of new technologies like artificial intelligence (AI) and robotics, today's insurers face a major challenge: how to stay relevant in a world where consumer preference and behavior are changing rapidly and risks are evolving as markets become more digitally connected.

Fortunately, Insular Life has a 108-year headstart when it comes to knowing and addressing the financial protection that Filipinos need. In this interview, InLife President and Chief Executive Officer Mona Lisa B. Dela Cruz talks about the company's digital strategy and its ongoing journey to stay agile and relevant.

How would you describe InLife's performance in 2018?

Without doubt, it was a difficult year as there were a lot of disruptions. Particularly, Philippine economy was saddled by high inflation rates, ending the year with a 5.2% inflation average, the highest in 5 years. This also affected the country's Gross Domestic Product (GDP) Growth of 6.2%, which was lower than the 6.7% - 7% growth rate forecasted in the beginning of the year.

Against this backdrop, InLife's 2018 total premiums grew by 18% amounting to ₱13.98 billion compared with ₱11.85 billion in 2017. However, we ended the year with a lower net income partly due to the new valuation method prescribed by the Insurance Commission.

How did the changes in the valuation of life insurance policy reserves affect your bottom line?

The new valuation method as prescribed by the Insurance Commission mandates that we set up reserves at a more conservative method. Policy reserves are the amount or percentage of liquid assets that the Company must have on hand to pay for a future claim or other benefits such as policy maturity and death benefits. Under the new Gross Premium Valuation method, other than the insured benefit payout and net premiums, we were required to also project future expenses, inflation, surrenders and gross premiums.

In January 1, 2017, we set our gross premium reserves using the expenses that were projected for the year, without taking into account the possible effects of the operational efficiencies we were putting in place. By end 2017 however, when we did a study on our expenses, we realized a reduction in per policy expense because of several initiatives e.g. stronger adoption of our Automated Underwriting System, less paper, streamlined operations etc. Because of this, per unit expenses went down and correspondingly our reserve outlook also went down. Thus, we released reserves in 2017. For 2018, our

expense assumptions remained stable, and hence there was no major change in reserves. Our income in 2018 therefore did not include the extraordinary release in reserves in 2017.

How did these financial reporting changes affect your targets?

While the shift to a new methodology seems complex and sophisticated, we welcome these adjustments as we move towards more market-based assumptions and enhance our valuation methods. It also does not derail us from our ambition to be No. 3 in the industry in terms of total full-year premium by 2022.

How do you plan to achieve this growth target?

Our strategy is three-pronged: 1) Accelerate revenue growth; 2) Improve customer experience; and 3) Digitalize our core functions to improve revenue growth, customer experience, and operational efficiencies. Our various units have been hard at work to fulfill these goals.

Let's tackle them one by one. On "accelerating revenue growth": how did you manage to do this in 2018?

We are pleased to report that both our agency force and bancassurance distribution channels did fairly well despite the intensifying competition in the local industry. In 2018, our bancassurance channel grew by 53% versus 10% from year-ago levels. Of course, 2018 was the first full year of operation of InLife's bancassurance partnership with Union Bank of the Philippines. We spent the year putting in the necessary platform to have an efficient and effective sales team — from recruitment, training, marketing, performance and activity management, all the way to data and insights analysis.

Our agency force recorded a 19% growth in first year premium (FYP) posting ₱3.8 billion in 2018 from ₱3.2 billion in 2017. Policy count also grew 6% bringing in a total of 22,405 policies in 2018 vs. 21,224 policies in 2017.

Our investment income, on the other hand, amounted to ₱5 billion, 12.6% more than the ₱4.46 billion recorded in 2017. This includes dividend income of ₱1.67 billion derived from Pilipinas Shell Petroleum Corp. (₱1.31B) and UnionBank (₱326M).

In addition, the Company also generated revenues from its real property business. Our total lease revenues grew by 47% to ₱605.5 million in 2018 from 2017's revenue of ₱412.7 million. We also sold ₱105.7 million worth of properties.

Our operation was also marked by other noteworthy milestones.

Our Insular Life building in Makati earned a Gold certification from the US Green Building Council under its Leadership for Energy and Environmental Design (LEED). This is the globally recognized green building rating system in the world that accredits buildings that follow a set of standards towards a more sustainable and greener Philippines.

Our 2017 Calendar set and Hackathon event both received a Silver Anvil for excellence in communication from the Public Relations Society of the Philippines, the country's premier organization of PR professionals.

Internationally, we also received the Trusted Brand Gold Award for Life Insurance Category given by Reader's Digest Asia, as well as Domestic Life Insurer Award from the prestigious Insurance Asia Awards.

What were InLife's 2018 initiatives on improving customer experience?

One of our main features in this report is a discussion on our digital journey spearheaded the Administrative Operations Group (AOG). In that article (pp. 42 – 43), we tackled the various initiatives and breakthroughs that improved customer experience through innovation and technology.

But briefly, I am proud to single out our Automated Underwriting System (AUS) and the Leads Archiving Assistant (LARA), an app that enables our agency leaders to identify leads and set appointments, as our towering achievements in this front.

When we launched the AUS in 2015, we envisioned it to greatly help our financial advisors in sales activities, providing customers with convenience when applying for a policy and helping ease the workload of our underwriters. Today, we are seeing the results through its high adoption rate among our new and seasoned financial advisers and agency leaders.

In addition to these enhancements, InLife also launched a new equity-based VUL product: the Own the New Economy (ONE) fund. ONE Fund is an actively managed fund that rides on the Philippine economy's growth as the individual stocks are focused on the sectors that drive the country's GDP.

Also, we launched I-Peso ProEarn – a single pay product that matures in 7 years. Each year, as much as 3.75% of the single premium is given back to the policyholder every year starting on the second year until the seventh year. At maturity, 100% of the single premium is given back. This product generated premiums of ₱713 million in 2018.

Another milestone is our foray into digital selling. In 2018, we started offering complete life protection plans via Lazada, the leading e-commerce platform in Southeast Asia. Through this channel, we have exponentially expanded our reach so that more Filipinos will be able to enjoy InLife products, wherever they may be.

Through these initiatives, we were able to serve more clients in both offline and online environments.

Do you consider digital technology a major differentiation strategy for InLife?

Yes, our use of digital technology is enabling us to do so many things, including our sales engagement process. Our digital edge starts as early as client prospecting by our agents. We have the digital tools and systems to generate sales leads which come from various sources, such as bank branches, social media, and our own partnerships. Word of mouth is also just as strong, where existing customers refer their family members and friends, and if they have corporate accounts they seek us out for their personal needs as well.

Other digital tools include field management reports for leaders, who need a good snapshot of their agents' activities and performance, and I-Quote for

generating agent proposals on demand. For our customers, we offer automated notifications – via email and SMS – so they'll know as soon as their e- policy is issued. Customers can also explore many transactions on the InLife Customer Portal, including fund switch, fund withdrawal, premium redirection, dividend withdrawal, and policy loan application. They can submit paperwork everywhere and we can disburse funds everywhere, not necessarily where you submit your form.

We work hard in making every transaction faster and more convenient for everyone – may it be our agent or policyholder. We train our agents in using these new systems and raise our customers' awareness on these technologies via SMS and email alerts, in-office consultations, and announcements across our various touchpoints. While we still have a long way to go when it comes to adoption among our nearly 900,000 insured lives, we're optimistic that these technologies can greatly benefit their experience with InLife.

We also use technology for e-learning. All our basic courses for our agents – e.g., review for Insurance Commission licensing, product knowledge, company information, and market conduct guidelines – are on demand online, and examinations are taken online as well. Some higher-level courses are still done face to face though. We're heading in the direction of introducing a mobile app for e-learning so that's something to look forward to.

Agile is a buzzword among organizations today. Are you on board the Agile Methodology?

Yes, and this is why we're able to implement so many digital initiatives in 2018. We are also agile in the sense that as a Filipino company, our decision process is fast. This is because our parent company is close to where we operate which means that there are fewer layers in decision approvals.

We also have a very competent team to support the agile culture and infrastructure, as well as new tools and ways of doing things. We're positioned well in this regard; we have cross-functional teams to speed things up.

What prompted InLife to create an Innovation team?

Our focus is on fostering a spirit of innovation and learning how we can apply practical and tech-based solutions to everyday challenges. This means out-of-the-box thinking and doing things differently.

In 2018, we held Innovation Day events to raise awareness in the organization and challenge everyone to think up of ways to be innovative. We also held a Hackathon Competition where we formed teams, and each was given a chance to cure old pain points using new techniques. We're not yet in the stage where we can invent new things to save the world, but who knows what's possible?

We also partnered with fintech companies for learning and innovation activities such as product pitching. In 2018, we participated in Plug and Play Singapore, dubbed as "the ultimate innovation platform" that brings together the best startups and the world's largest corporations.

We are more deliberate today than ever to expose our people to an innovative culture. We are fully invested in efforts that will continue to build our premium generation capabilities and improve customer experience and operational

efficiency. We are espousing innovative thinking and technological literacy among our employees and agency force.

How do you imagine InLife looks like in the future?

We are “old” compared to most other players in the local industry. So, a significant part of that future will be our ability to do things the way the younger ones do it. The false assumption is that elders cannot do new things, innovate, or go the digital path. InLife proves that it's able to keep abreast of and keep up with the evolution of the insurance environment, the business community, and our customers.

Our customers are getting younger; understandably because the demographics in the country are reflecting the same trends. We still have high birth rates, outnumbering mortalities. So, we try to align ourselves to that future. We look at customers' life journey, whether they are at a time of saving or building. We need to promote financial literacy regardless of the product we offer because it's all about planning for the future and investing for that inevitability.

When you consider Generation Z as one that's poised to be more entrepreneurial, then you have a greater need for financial literacy. They will manage their own finances. For me, it's not a question of “What can InLife offer?”, but what this next generation of customers would need. In a gig economy or an entrepreneurial culture, who will provide for your retirement? No one. So, this should be their priority as well. If they are going to have their own businesses, they need to take care of their own employees, too, so group insurance will also be important.

What will evolve will be the needs. Whatever the need is, we have the product. It's a matter of what needs are dominant today and in the future.

What is your outlook for 2019?

We expect better results and a more stable environment. We expect interest rates to be more stable and the business environment to be more predictable.

While we cannot be certain about the volatile, uncertain, complex, and ambiguous world we live in, I can tell you one thing that's certain about InLife: far more exciting times are up ahead.

Our passion for growth and expansion can only be matched by our strong commitment to always work for the best interest of our policyholders.

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The AR includes an explanation on the Company's dividend policy, profiles of Trustees, declarations of Related Party Transactions, if any, Board attendance and compensation, Board and individual performance assessment results, statement on the adequacy of internal controls and risk management systems, External Audit and Non-Audit Fees, and such other corporate governance actions deemed material to be disclosed for the interest of Members and other Stakeholders. The AR is available in the Company website since 30 April 2019 and hard copies of the same were provided to all Members in attendance during the Meeting.

After the presentation, the Executive Chairman opened the floor to questions or comments from the members concerning the AR.

At the start of the open forum, InLife Member, Mr. Norberto Real, expressed his appreciation for the audio-visual presentation of the Company's 2018 performance. Mr. Real stated that he is looking forward to similar presentations in the future. Ms. Aguas duly acknowledged Mr. Real and thanked him for his comment.

Member Ms. Mary Ann Dy inquired about the status of the Company's plans for demutualization. Vice- Chairman of the Board, Luis C. la O responded that this was asked in the previous Members' meeting. In that meeting, it was disclosed that the proposed demutualization plan was thoroughly studied by the Company but after careful consideration, the Board decided that maintaining the Company's status as a mutual life insurance corporation would be more beneficial to the Members.

A long-time Member, Ms. Karen Plata, commented that before coming to the meeting, she was able to watch videos of new products of Insular Life. She inquired which of these new products would best suit her. At the same time, she inquired which of these products would best fit her daughter who is in her twenties and who has just been recently employed.

Executive Chairman Ms. Aguas endorsed her inquiry to Agency Distribution Officer, Mr. Raoul Littaoua. In reply to the query, Mr. Littaoua mentioned three newly launched insurance products. First, he introduced the "Solid Fund Builder" (SFB), which is an affordable insurance protection product for breadwinners of the family that provides a coverage of up to 150X of the annual premium. SFB's minimum premium is as low as Php 55.00 per day. Another attractive product is the "Basic Cover Plus" which offers insurance protection for twenty years. After this period and if there are no claims made during the life of the policy, then all the premiums paid plus interest, if any, will be returned. Lastly, Mr. Littaoua mentioned the "Solid Wealth Builder" (SWB) product, which is designed to help Millennials- like Ms. Plata's daughter- earn their first Php 1 Million faster than if they were to put their savings in a regular bank account. In SWB, an initial investment of Php 100,000.00 and Php 3,000.00 monthly top-up will ensure that the Millennial is on her way to reach her first Php 1 Million in half the time as a regular savings account would.

Another Member, Mr. Renato Sio, commented that, according to the Audited Financial Statements in the *2018 Annual Report* provided to Members, the net income of the Company in 2017 was at Php 5 Billion, whereas in 2018, it is 2.9 Billion. He requested if the Board can provide more details about this. President and Chief Executive Officer, Ms. Mona Lisa B. Dela Cruz, thanked Mr. Sio for his question and explained that in 2017, there was an extraordinary release of Policy Reserves on account of the shift from the *Net Premium Valuation* method of setting up Reserves to the *Gross Premium valuation* method in accordance with the requirement of the Insurance Commission.

In 2018, when we have already shifted to the new Gross Premium Valuation method, there was no extraordinary release of reserves. Thus, the net income normalized during the year. If there was no extraordinary release of policy reserves in 2017, the Php 5 Billion income would have been about Php 3 Billion.

Mr. Sio further inquired if Insular Life provides dividends based on the profit earned by the Company. Ms. Dela Cruz confirmed that the Company provides policy dividends annually to qualified Members based on the various factors such as the length of time the insurance policy has been in force and amount of coverage. She further stated that the amount of policy dividends provided in 2017 and 2018 to

qualified Members were more or less the same. The actual amount of the said policy dividends is disclosed in the Annual Report.

Ms. Regina Tuason inquired about premium payment facilities which are more convenient than her current options. She said that she usually pays her premiums through her agent or via bank. She further inquired if it is possible to pay her premiums in advance.

In reply, Ms. Mona Lisa Dela Cruz stated that the Company offers several premium payment options which she may choose. The most popular facility are payments coursed through any of the 40 Insular Life offices of nationwide, where cash, check or credit card payments are accepted. Online payments through e-bayad in Insular Life Customer Portal is also available. Major banks also accept premium payment (i.e. cash, check, online banking) as the Company has collection arrangement with these major bank players. In case of payment for future premiums for multiple—pay Variable Unit Linked (VUL) policies, the Customer may opt to enroll to 1) Automatic Debit Arrangement (ADA) for automatic debiting from bank accounts or 2) via Auto-Charge Option (ACO) or automatic charging from VISA/MASTERCARD credit cards. For traditional policies, payment of future premiums may also be deposited as *Premium Deposit Funds* or PDFs which earn interest. The succeeding premiums will then be charged from PDFs as and when the premiums fall due. Currently, PDF earns 4.5% annually.

Another Member, Mr. Norberto Real, inquired if the Company is still a member of the *International Cooperative Alliance* or “ICA” as he remembered seeing Company literature or letterhead indicating the Company as “ICA Member”. Ms. Aguas responded that the Company is not part of “*International Cooperative Alliance*”.

Mr. Nicolas Estrella appreciated the presentation of the Company's financials as shown on the floor. However, he noted that he was not able to see the specific performance of each of the funds of the Company to determine if a specific policy has earned or not. Ms. Dela Cruz responded that the details of the financial reports are included in the Annual Report which forms part of the Policyholder Kit provided to Members during the Meeting. Further, the Company provides Members an annual report of all the funds of the Company. For the specific performances of each insurance policy, an annual Statement of Account (SOA) is also sent to Members after end of each policy year. This Statement summarizes the updated value of the funds chosen for each policy. The said Statement and other policy details may also be viewed online via the Customer Portal. When Ms. Dela Cruz asked if he is able to receive his SOA, Mr. Estrella mentioned that while he is able to view his Statements, he observes that the values are not up to date. At this point, Ms. Aguas recommended the Head of Policy Servicing, Ms. Jocelyn B. Reyes, to approach Mr. Estrella after the meeting to personally attend to him with his specific insurance policy concerns.

Insular Life Financial Adviser, Ms. Mildred Ruedas shared with the body that her client invested in 2017 when the Philippine Stock Exchange index (PSEi) was at 8,000 index level, but this has since slid down in 2018. To help her provide confidence to her clients about the investment side of the Company, she inquired about the Company's market outlook for 2019. Ms. Aguas explained that the Company's outlook is based on projections and market data of the BSP and other similar finance and economic agencies of the government. With the lowering of the interest rates and inflation rates, the outlook for 2019 is better than last year's.

There being no more questions raised, and upon motion of Mr. Ron Lantin, seconded by Ms. Mitch Almendra, the 2018 Annual Report, inclusive of the Audited 2018

Consolidated Financial Statements, was approved and the following resolution as shown on the screen was adopted:

RESOLVED, that the 2018 Annual Report to the Members, inclusive of the Audited 2018 Consolidated Financial Statements of this corporation, The Insular Life Assurance Company, Ltd., be as they hereby are approved.

Votes in Favor	Not in Favor	Abstentions
104,310	2	11

PAYMENT OF COMPENSATION TO THE COMPANY'S NOMINEE-DIRECTORS IN UNION BANK OF THE PHILIPPINES, PILIPINAS SHELL PETROLEUM CORPORATION AND MAPFRE INSULAR INSURANCE CORPORATION

The Executive Chairman informed the body that the next item in the agenda is the approval of payment of compensation to the Company's Nominee-Directors in three investee corporations namely Union Bank of the Philippines (UBP), Pilipinas Shell Petroleum Corporation (PSPC) and MAPFRE Insular Insurance Corporation (MAPFRE Insular). The Chairman requested the Secretary to inform the body about the matter.

The Corporate Secretary explained that the Executive Committee, in its meeting of May 09, 2018, discussed the increasing responsibility of Insular Life's nominee-directors in its investee corporations. In light of recent events, stricter requirements on corporate governance have been put in place to safeguard the interest of the public. Government regulation in almost all areas of business have become more stringent. All these resulted in higher demands on their roles as directors. Given this environment, they have since been exposed to stiffer personal legal and regulatory liabilities which include fines and possibly imprisonment.

In view of this, the Executive Committee and the Board of Trustees approved, effective 01 January 2018, the payment of compensation to the Company's nominee-directors in UBP, PSPC and MAPFRE Insular, subject to the final approval of the Members, as follows:

- In UBP, the Insular Life's nominee director shall be given compensation equivalent to twenty-five percent (25%) of the profit share or bonus that may be paid by UBP to all its Non-Executive Directors; the remaining seventy-five percent (75%) shall be turned over to Insular Life;
- In PSPC and MAPFRE Insular, the Insular Life nominee directors shall be given compensation equivalent to the Retainer's Fee that may be paid by PSPC and MAPFRE Insular, respectively, to all its Non-Executive Directors.

Any future payment of said compensation shall be subject to the approval by the Board of Trustees, upon the recommendation of Personnel and Compensation Committee (PERCOM), and in consideration of the amount of profit share or retainer's fee, as may be applicable, and such other factors as may be determined by the Board.

The Corporate Secretary added that this item is part of the agenda in this year's meeting as required by the Board of Trustees and pursuant to the Corporation Code

and the Company's By-Laws. Further, this was not included in last year's Annual Regular Members' Meeting (2018) since the agenda for the 2018 Members' Meeting was already finalized and released when it was taken up by the Executive Committee and the Board.

The Executive Chairman asked if there were any objections. After motion for approval by Ms. Bea Pedro and seconded by Ms. Michelle Casibang, the motion was carried and the members approved the payment of compensation to the Company's Nominee-Directors in UBP, PSPC and MAPFRE Insular, and the following resolution as shown on the screen was adopted:

RESOLVED, that, effective January 01 2018, the payment of compensation to Nominee-Directors to investee-corporations of this Corporation, The Insular Life Assurance Co., Ltd., namely the Union Bank of the Philippines (UBP), Pilipinas Shell Petroleum Corporation (PSPC) and MAPFRE Insular Insurance Corporation (MAPFRE Insular) as stated below, be as it hereby is approved:

- In UBP, Insular Life nominee-director shall be given compensation equivalent to twenty-five percent (25%) of the profit share or bonus that may be paid by UBP to all its Non- Executive Director, and the remaining seventy-five percent (75%) balance shall be turned over to Insular Life.*
- In PSPC, the Insular Life nominee-director shall be given compensation equivalent to the Retainer's Fee paid by PSPC to all its Non-Executive Directors.*
- In MAPFRE Insular, the Insular Life nominee-director in MAPFRE Insular shall be given compensation equivalent to the Retainer's Fee that may be paid by MAPFRE Insular to all its Non-Executive directors.*

RESOLVED, further, that future payment of the foregoing compensation to the nominee-directors shall be subject to the approval by the Board of Trustees, upon recommendation by Personnel and Compensation Committee, in consideration of the amount of profit share or Retainer's Fee and such other factors as may be determined by the Board.

Votes in Favor	Not in Favor	Abstentions
104,294	7	22

RATIFICATION AND APPROVAL OF ALL THE ACTS AND RESOLUTIONS OF THE EXECUTIVE COMMITTEE AND BOARD OF TRUSTEES

The Executive Chairman informed the body that the next item in the agenda is the ratification and approval of all the acts and resolutions of the Executive Committee and the Board of Trustees from the date of the last Annual Regular Members' Meeting on 23 May 2018 up to and inclusive of the date prior to this Meeting. She also mentioned that a copy of the record of these acts and resolutions have been made available for examination by any interested member in the Office of the Corporate Secretary and that a summary of these resolutions, including approval of material Related Party Transactions for UBP and HOMECREDIT as submitted to IC in 2018, were likewise made available in the Company Website.

Upon motion of Mr. Ron Bustamante, seconded by Ms. Michelle Almendra, the reading of the record of all the acts and resolutions of the Board of Trustees and the Executive Committee from the date of the last Annual Regular Members' Meeting on 23 May 2018 up to and inclusive of the date prior to this Meeting was dispensed with and that the same were ratified with the following resolution, as shown on the screen, adopted:

RESOLVED, that the reading of all the acts and resolutions of the Executive Committee and the Board of Trustees of this corporation, The Insular Life Assurance Company, Ltd., from the date of the last Annual Member's Meeting held on 23 May 2018 up to and inclusive of the date prior to this Annual Members' Meeting be dispensed with and that they be, as they hereby, ratified.

Votes in Favor	Not in Favor	Abstentions
104,308	3	12

ELECTION OF THREE (3) TRUSTEES

The Executive Chairman informed the members that the next item in the agenda is the election of three (3) Trustees. She stated that the Company's amended By-Laws provide that the Company shall elect three (3) trustees to replace those whose terms are expiring. Each Candidate shall be voted by Members individually, and each newly-elected Trustee shall serve a term of three (3) years or until their successors have been elected and qualified.

The Executive Chairman asked the Secretary if there is still a need to appoint tellers to count the votes cast relative to the election of the Trustees. The Secretary explained that this was no longer necessary since there are three (3) nominees for the three (3) vacant Trustee positions.

With the proper motion, duly seconded, the three (3) nominees may be declared duly elected trustees of the Corporation. These nominees are:

Ms. Nina D. Aguas as *Executive Trustee*;
Ms. Marietta C. Gorrez as *Non-Executive Trustee*; and
Mr. Luis C. la O as *Non-Executive Trustee*.

The Secretary certified (please see Annex "C") that the three (3) nominees possess all the qualifications and none of the disqualifications mentioned in Section 4.5 and 4.6 of the Company's Amended By-Laws and are therefore eligible to be nominated and elected Trustees of the Corporation. Their qualifications are also aligned with the Company's strategic directions. A copy of their profiles and credentials are included in the Member's Kit and in the Company website.

With the Secretary's explanation, the Executive Chairman asked if there is someone who will move for the declaration of the three nominees as duly elected Trustees of the Corporation.

With the motion of Ms. Michelle Casibang seconded by Mr. Ron Lantin, the members approved to declare the three nominees as elected Trustees of the corporation and the following resolutions, as shown on the screen, were adopted:

RESOLVED, to elect Ms. Nina D. Aguas as Executive Trustee of this Corporation, The Insular Life Assurance Company, Ltd., to serve for three (3) years or until her successor has been elected and qualified;

Votes in Favor	Not in Favor	Abstentions
104,314	4	5

RESOLVED, to elect Ms. Marietta C. Gorrez as Non-Executive Trustee of this Corporation, The Insular Life Assurance Company, Ltd., to serve for three (3) years or until her successor has been elected and qualified;

Votes in Favor	Not in Favor	Abstentions
104,294	5	24

RESOLVED, to elect Mr. Luis C. la Ò as Non-Executive Trustee of this Corporation, The Insular Life Assurance Company, Ltd., to serve for three (3) years or until his successor has been elected and qualified.

Votes in Favor	Not in Favor	Abstentions
104,292	4	27

APPOINTMENT OF EXTERNAL AUDITOR AND DETERMINATION OF ITS FEES

Upon the request of the Executive Chairman, Mr. Luis Y. Benitez, Independent Trustee and incumbent Chairman of the Audit Committee (AC), informed the body that the AC has evaluated the performance of the Company's present external auditor, Sycip, Gorres, Velayo & Co. Inc. (SGV and Co., Inc.), and has found it satisfactory. The AC therefore recommended the re-appointment of the same firm as external auditor for 2019, for a fee to be approved by management.

Upon motion of Mr. Ron Lantin, seconded by Ms. Bea Pedro, the members approved the reappointment of SGV and Co., Inc., as external auditor of the Company for the year 2019 for a fee to be approved by management and adopted the following resolution which was shown on the screen:

RESOLVED, that SGV and Co., Inc., be as it hereby is re-appointed as external auditor of this corporation, The Insular Life Assurance Company, Ltd. for the year 2019 for a fee to be approved by Management.

Votes in Favor	Not in Favor	Abstentions
104,305	5	13

OTHER MATTERS

The Executive Chairman asked if there were any other matters which the body would like to take up. There being none, she took the opportunity to share a video documentary of the “InLife Sheroes Program” which she also presented to the World Bank recently.

ADJOURNMENT

There being no other business, upon motion of Ms. Michelle Almendra, the meeting was adjourned at 05:27 pm.

Signed this 22nd day of May, 2019.

(orig. signed)
RENATO S. DE JESUS
Secretary of the Meeting

APPROVED:

(orig. signed)
NINA D. AGUAS
Executive Chairman of the 33rd Annual Regular Members' Meeting
(108th General Meeting)

ANNEX "A"

SECRETARY'S CERTIFICATE

I, RENATO S. DE JESUS, Corporate Secretary of **THE INSULAR LIFE ASSURANCE COMPANY, LTD.**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office located at Level 30, Insular Life Corporate Centre, Insular Life Drive, Filinvest Corporate City, Alabang, Muntinlupa City, Philippines,


DO HEREBY CERTIFY:

That Notice of the Annual Regular Meeting of the Members of the Corporation to be held on 22 May 2019 at 4:15 o'clock P.M. at the principal office of the Corporation at Bulwagang Haribon, Insular Life Corporate Centre, Insular Life Drive, Filinvest Corporate City, Alabang, Muntinlupa City was published in two (2) newspapers of general circulation in Muntinlupa City on 24 April, 01 May, 08 May and 15 May 2019 (each of four successive weeks immediately prior to such meeting) in accordance with the Amended By-Laws of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of this Corporation at Makati City, on this 22nd day of May 2019 at Muntinlupa City, Philippines.

(orig. signed)
RENATO S. DE JESUS
Secretary of the Meeting

ANNEX "B"



The Insular Life Assurance Company, Ltd.

**NOTICE OF THE 2019 ANNUAL
REGULAR MEMBERS' MEETING**

Notice is hereby given that the 2019 Annual Regular Members' Meeting of The Insular Life Assurance Company, Ltd. will be held on **Wednesday, 22 May 2019, at 4:15 P.M.** at the Insular Life Corporate Centre, Insular Life Drive, Filinvest Corporate City, Alabang, Muntinlupa City with the following agenda:

1. Proof of Notice of Meeting;
2. Determination of Quorum;
3. Reading and Approval of the Minutes of the 2018 Annual Regular Members' Meeting held on 23 May 2018;
4. Annual Report to Members;
5. Compensation for the Company's Nominee-Directors in Union Bank of the Philippines, Pilipinas Shell Petroleum Corporation and Mapfre Insular Insurance Corporation;
6. Ratification of all the Acts and Resolutions of the Executive Committee and the Board of Trustees from the date of the last Annual Regular Members' Meeting up to the date of this meeting;
7. Election of three (3) Trustees;
8. Appointment of the External Auditor and Determination of its Remuneration; and
9. Adjournment.

The Details and Rationale of the Agenda are available on the Company's website.

A record of the Acts and Resolutions of the Executive Committee and the Board of Trustees are with the Office of the Corporate Secretary and may be examined by any Member interested. A summary of these Resolutions is shown in the Company's website. The profiles of the Candidates for election as Trustees are likewise disclosed in the website.

Every qualified Member who owns an insurance policy in force for at least one (1) year as of thirty (30) days prior to 22 May 2019, or as of **22 April 2019**, is entitled to vote. Such Member shall be entitled to one (1) vote only at such meeting or any adjournment thereof, regardless of the number of policies or amount of insurance he owns.

The voting for all resolutions shall be by poll or other applicable methods as may be determined by the Chairman of the Meeting. The votes shall be tabulated electronically.

Any Member entitled to vote may attend in person or be represented by proxy. A proxy may be appointed by using the form below, or a copy thereof. The proxy form is also available at our Head Office, Office of the Corporate Secretary, at any of our District Offices or may be downloaded from the Company website (<https://www.insularlife.com.ph>). No Members' proxy shall be recognized unless a duly signed proxy form has been filed with the Office of the Corporate Secretary or at any of our District Offices at least ten (10) working days before the date of the meeting at which the proxy will attend, or not later than 08 May 2019. The presence of the Member at the Annual Regular Members' Meeting revokes the proxy for such meeting.

To facilitate proper identification, please bring any government-issued identification documents (Passport, Driver's License, SSS/GSIS/BIR IDs or other similar documents).

Signed this 24th day of April 2019 at Muntinlupa City.

(Sgd.)
Atty. RENATO S. DE JESUS
Corporate Secretary

INSTRUCTIONS: Please accomplish the Proxy Form below and detach and submit it to the Office of the Corporate Secretary at the Insular Life Head Office or to any of our District Offices most convenient to you on or before 08 May 2019.

PROXY

Know All Men By These Presents:

That I, the undersigned policyholder and member of The Insular Life Assurance Company, Ltd., do hereby nominate, constitute and appoint (please check one):

☐ Proxy Committee pursuant to Section 3.4.2 of the Company's By-Laws, as amended (with the Executive Committee Chairman, the President and the Corporate Secretary, as members thereof, or in case of concurrence of any two of the foregoing positions in one person, then the Chairman of the Board becomes a member of the Proxy Committee) or any one of them, if only one be present, or the Board Chairman; or

☐ _____ (Please indicate name of designated proxy) as my proxy to vote at the Annual Regular Members' Meeting of the Company on 22 May 2019, and any adjournment thereof, as fully for all intents and purposes, as I could lawfully do if present and acting in person. In case of non-attendance of my designated proxy, I authorize and empower the Chairman of the Meeting to fully exercise all rights as my proxy at such meeting.

Signed this _____ day of _____, 2019 at _____

Policy Number/s: _____

Signature over Printed Name of Policyholder/Member

ANNEX "C"

SECRETARY'S CERTIFICATE

I, RENATO S. DE JESUS, Corporate Secretary of THE INSULAR LIFE ASSURANCE COMPANY, LTD., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office located at Level 30, Insular Life Corporate Centre, Insular Life Drive, Filinvest Corporate City, Alabang, Muntinlupa City, Philippines,

DO HEREBY CERTIFY:

That the following individuals, who were nominated by the Nomination Committee of the Board of Trustees and duly approved by the Board, are qualified to be nominated and elected as members of the Board of Trustees as they possess all the qualifications and none of the disqualifications stated in Section 4.5 and 4.6 of the Corporation's Amended By-Laws and that their qualifications are also aligned with the Company's strategic directions:

Ms. Nina D. Aguas as *Executive Trustee*;
Ms. Marietta C. Gorrez as *Non-Executive Trustee*; and
Mr. Luis C. la O as *Non-Executive Trustee*

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of this Corporation at Muntinlupa City, on this 22nd day of May 2019 at Muntinlupa City Philippines.

(orig. signed)
RENATO S. DE JESUS
Secretary of the Meeting