

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
RAROCO INSURANCE BROKERS, INC.**

The Special Meeting of the Board of Directors of RAROCO INSURANCE BROKERS, INC. duly held at Room 608 Ferros Bel Air Tower 30 Polaris St., Makati City on March 18, 2024 at 11:00AM.

Present:

RAMON A. ROCO
MARIE DENISE ROCO – DE LEON
RAMON M. HIDALGO
LORENZO ANGELO H. ROCO
ERNA ROVERA – SANTIAGO
CHRISTINE THERESE H. ROCO

Absent:

ANGELINA H. ROCO
REGINA ROSARIO P. GARRUCHO
RUSSELL Y. LORENZO
MIKAELA ANDREA HIDALGO SISON

I. CALL TO ORDER

The President, Marie Denise Roco – De Leon, called the meeting to order and presided over the same.

II. QUORUM

The Corporate Secretary, Erna Rovera - Santiago, certified as to the existence of a quorum. Thereupon, the President declared the meeting duly constituted and ready to transact business.

III. ANNUAL SHAREHOLDERS MEETING

The Board of Directors at its meeting held today, March 18, 2024 discussed the following:

1. Election of Officers

The following are the new officers for year 2024- 2025 as unanimously voted 100% by all those present:

Chairman: Mr. Ramon A. Roco
President: Ms. Marie Denise R. De Leon
Vice President: Mr. Ramon M. Hidalgo
Treasurer: Ms. Angelina H. Roco
Corporate Secretary: Ms. Erna Rovera – Santiago

2. Annual Financial Report

This was presented by Elroy Gaylord R. Besiño, Accounting Supervisor

Notes on Renewal Business

Decrease in Sales for CGL by 212,600
Decrease in Sales for Fire by 168,133

Notes on New Business Sales

Decrease in Sales for Fire by 82,859
Decrease in Sales for Medical by 202,822

RENEWALS the top 4 Sales of the company are the following:

Medical – 9,644,031
HMO – 9,610, 629

MotorCar – 1,275,518
Fire – 1,098,699

First time in the history of RAROCO, Travel Sales is the best-selling line of business
In terms of New Business Sales for 2023
Travel – 1,191,025
Medical – 1,182,032
HMO – 976,230.48

Medical and HMO remains our Top 2 Sales in terms of Renewals and New Business
with Php 10,826,064 and 10,814,730 respectively.
While Motorcar (1,872,898), Fire (1,293,998) and Travel (1,191,025) are among in
the Top 5.
However, note that there was a 16% Decrease in Sales for Fire amounting
to Php 250,993.

Pacific Cross Philippines remains our No. 1 source of business with a total Sales of
17,205, 067 followed by ETIQA (2,415,109), PhilBritish (1,886,711), Philcare
(1,224,391) and Medicard (957,916) which also consists our Top Insurance
Providers.

An increase in Medical (Php 984,682), Travel (Php 273,779) and Motorcar (Php
110,360) Sales, for Individual/Family has been noted at 10%, 30% & 10%
respectively from January to December 2023. A total increase of Php 1,257,245.
However, Decrease in Sales for Fire (Php 95,408) & HMO (Php24,787) has been
noted.

Moreover, an increase of 10% Sales has been noted for Individual/Family Sales for
the period of January to December 2023.

Corporate Sales - An increase in HMO (Php 1,341,588), Motorcar (Php 98,972) ,
Personal Accident (Php 368,757), Life (Php 158,702), Professional Liability (Php
79,588), EEI (Php 107,824) and Cyber Liability (Php 89,070) for Corporate Sales
from January to December 2023.

However, Decrease in Sales for Fire (Php 155,584) & Medical (Php536,381) has
been noted.

Moreover, an Increase of 12% Sales has been noted for Corporate Sales for the
period of January to December 2023.

New Business Sales - 100% Sales for both Travel (1,191,025) and Medical
(1,182,032) comes from Individual/Family and 57% (339,162) of Motorcar also
comes from Individual and Family.

While, 93% (906,440) of HMO Sales comes from Corporate and only 7% (69,798)
comes from Individual/Family.

In total, 54% (2,929,223) of New Business Sales comes from Individual/Family and
46% from Corporate (2,457,740).

Please note that the Director's Fees are monthly payments to Mr. Ramon A. Roco
and Mr. Ramon M. Hidalgo.

Huge increase in Bonus was from the following:

- a. Internal New Business Sales Incentive (Php 172,000)
- b. GPH Christmas Club (78,744)
- c. AZB Christmas Club (22,425)

Rent expense: Increase in rent fees of Main Office from Php39,930.00 to Php43,923
and additional Unit 310 @ Php15,000 per month

Increase in Transportation is due to the monthly payments for Fortuner amounting
to 30,733 per month.

Increase in SSS Employer is due to the mandatory increase in SSS contributions.

Increase in Dues and Subscriptions are due to various Expenses for Goole Storage,
Zoom, Google Suite, Raroco Email, Website.

Increase in Representation expenses are due to advances and reimbursements for

Angelina de Roco

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Team building, Loyalty awardees, Christmas party expenses

3. BIR LOA presented by Elroy Gaylord R. Besiño, Accounting Supervisor
Settlement of the following as per the schedule:

The final arrangement of Php 1.7 million (Php 851,000 – first installment on March 22, 2024 while second installment of Php 859,000 on April 22, 2024) was agreed upon and fixed through the intercession of a former BIR officer.

The 1.7million payment will have the participation of Pacific Cross and ETIQA but the date as to when deposit will be received is still pending and the amount from both principals are still under reconciliation. The said amount is to settle the VAT amount from the Zero-VAT rated principals, who RAROCO accounting assumed should have no VAT charge.

Although, the agreed upon amount for the fully receipted VAT charge is large, it would've been much larger without the help of assigned officer because John Bo Cayetano, the assigned BIR officer to RAROCO has been harping on the VAT charge of undeclared dividends.

4. HMO Brokers License

Starting 2023, the IC has required all brokers handling HMO to apply for an HMO Brokers License. There is an amount of Php 90,900 for the registration of each soliciting official for the licensing fee and amount of Php 30,300 for licensing fee for additional licensing official. A simple SEC amendment of our AOI (put wordings in the lines of us doing business as HMO broker) was thought to simply resolve the matter and have our license approved. However, SEC has been making it difficult for us because prior to approving the wording amendment they have found delinquencies with RAROCO's accounting staff who applied for late GIS registrations in year 2009 and 2010 causing a penalty fee of Php 20,000. Aside from that, it was discovered that the new required minimum paid-up capital stock is at Php 20M when our current paid-up capital is Php 5M. Our authorized capital stock is only at Php 12M, and this will also have to be increased to meet the SEC requirements.

To fulfill these requirements, deadline to fund the 5M for capital infusion was given by accounting to be on March 25, 2024 at 10am. We will then get a bank certificate reflecting this amount for submission to SEC in fulfillment that will hopefully expedite the amendment of our AOI so we can then submit the amended AOI to IC who will grant our HMO Brokers License.

5. 2023 CSR

December 15, 2023 – RAROCO Insurance Brokers, Inc. supported the special event organized by the Rotary Club of Marcelino Manila headed by Charter President Ms. Arlene Jacobo the Annual Christmas gift giving dubbed "Pamaskong Handog for the Cancer Patients". Faustino S. Manahan Jr., and Gabriel Antonio P. Hidalgo, distributed hygiene gift packs (face towel, soap and tissue) for 150 beneficiaries of Child Haus Manila.

From late 2022 up until presently we are continuing our – REDUCE, REUSE, RECYCLE AND UPCYCLE. Office staff are bringing their plastics, cartons, papers and other recyclable material to office. We are dropping it off to Orodio Junk Shop in Makati. Total quantity from all these recyclable materials have reached up to 301 kilos, which are an assortment of corrugated cardboard, paper, plastics that have been kept away from our landfills and oceans.

Handwritten signatures and notes on the left margin:
- Top: *Angelina G. De... (vertical)*
- Middle: *Handwritten signature*
- Below middle: *Handwritten signature*
- Below that: *Handwritten signature*
- Bottom: *Handwritten signature*
- Far bottom: *Handwritten signature*

6. Updated AMLA Seminar training for all staff
Ms. Denise De Leon will be conducting AMLA seminar to all employees and board members aimed to be completed by this second quarter this year. She has recently finished attending another AMLA seminar to refresh and update her knowledge on the matter as required being our AML compliance officer.
7. AML & CTF updates as of March 2024
Ms. Denise De Leon attended the seminar under Center for Global Best Practices Last March 5, 2024 Awareness Training and Updates on AMLA.
8. New Legal Retainer
Company's new Legal is Atty. Ronifelle Barrios. It was noted that our president was able to negotiate her monthly retainer fee of Php 12k exclusive of VAT to 12K (net of tax) including notarial services. She began with us officially July 16, 2023.
9. Updates on Sales incentive
There has been no movement since the quantitative incentive started when our president Ms. De Leon took over. Due to inflation, our president decided to an increase of sales quota for the Sales Officers. From 15 accounts to 18 closed accounts this year 2024. Implementation of new guidelines discussed to all Sales Officers. The Internal Christmas club incentive program will continue.
10. Goodwill Bonus
Presentation of 2024 goodwill bonus allocation for all employees is projected to be lower than Php 228k. This will also now be in the form of 100% Sodexo GCs, whereas last year it was split half in cash and half in GC form. There will be a decrease due to the resignation of Genevib Palma, Liza Falame and Marlon Cartagena.
11. Loss ratio & Christmas club GCs 2022
The updated amount of GC as of mid-March 2024 is at 1.6M.
The GCs have been used for purchasing of pantry supplies, computers, corp gift etc. and has been a huge help in terms of OPEX savings.
12. 2023 and 2024 RAROCO Quarterly activities
Due to new DOLE requirements imposed during the pandemic, the company started to create a fun and interactive lineup of activities that will not only ensure improved mental, emotional and physical health of the staff but additionally help them form tighter bonds with one another.
A recap of the 2023 activities are:
1st Quarter – Meditation / Light yoga and authentic relationship workshop & Mental Health Talk
2nd Quarter – Weight Management Program
3rd Quarter – Zumba Dance
4th Quarter – Pinoy Trivia Game
2024
1st Quarter – Sound Healing w/ Tibetan bowls & Urban Awareness and Stress Reaction Dynamics
Upcoming Activities for 2024 with the following venues are as follows below:
2nd Quarter – Sport Fest (May 17) at Susana Heights Clubhouse
3rd Quarter – Zumba Dance (August 15) at the Poblacion Covered Courts
4th Quarter – Pinoy Trivia Game (November 14) at the RAROCO office
13. 2023 Revised Annual Corporate Governance Report
Ideally to create different committees and create manual per committee. This remains a question mark to be worked out between the president working possibly alongside the guidance of our legal retainer.
If ever, the new manual per committee will also be submitted to the ACGR division of the IC.

Angeline D. De Leon

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14. Cancellation of 2024 company team building
Due to unexpected expenses such as BIR and HMO license, there will be no teambuilding for this year. Also to recoup due to the 3 days / 2 nights Baguio team building last year, which was another major milestone first in the company's history.
15. New Independent Directors Russell Lorenzo and Regina Rosario Garrucho were appointed last year to replace resigned IDs Marie Kristel Lagorza and Anne Marieviel Olegario. Both Mr. Lorenzo and Ms. Garrucho officially began their term last July 1, 2023.
16. Return of ERS as Corporate Secretary
Due to the resignation of Katrina Angela Manahan last year as she was due to give birth to her twins, Erna Rovera – Santiago returned as Corporate Secretary effective July 1, 2023 with 4K monthly fee versus Ms. Manahan's monthly fee of 8K
17. Updates on AIBP & the Insurance industry
Ms. Denise De Leon was appointment as Board of Trustee in AIBP sometime in September 2023. She has been attending monthly board meetings. Among the topics hot in the industry has been the increased insurance brokers withholding tax from 10% to 15% since 2017. A studied was funded by AIBP by tax law firm Du Baladad to solidify the urgent reason to fight for the tax revision. AIBP hopes to get the IC Commissioner onboard once this is lobbied for in the Congress and Senate. Another topic discussed was the WFH Survey given to attendees of the 2023 AIBP Christmas Party and GMM. It was found that most brokers have found a hybrid arrangement of WFH to be most effective but in different ratios. Comments from AIBP members were asked regarding the Guidelines of Exiting Brokers.
18. New position of Gabriel Antonio P. Hidalgo
Our sales officer, Gabe Hidalgo, has been undergoing three months training period January to March 2024 to be Senior Sales Officer. He has been receiving an additional allowance of 2K while under training and will have performance evaluation on March 27, 2024.
19. Upgrade of IMS and improvements in digital workflow via Digiteer
Work on with automation of all data. With weekly meeting with Sales, Claims and Accounting. Technically, Digiteer intends to build a new software program that will be ten times or more better than our current IMS. This new program aims to be a consolidated platform fusing IMS and Sharpdesk in one easy data filing system. Digiteer has a monthly retainer fee of 12K net for 4 months
20. Search for new office space / Status of Ferros Bel Air master Deed
Status quo and all payment to Unit 608, 609, 614 and 503 will be coming from Broker 2 as there will be no OR to issued. This is to avoid further and future findings of BIR on the rent payments without OR. The Ferros Bel Air Tower Board have yet to confirm that they will revise the master deed to allow commercial business as currently the master deed says the building is residential even when it has several commercial occupants. Mr. Ramon Hidalgo has yet to update on this.
21. RAROCO Claims Guide 2024
There was an enhanced creation of additional Claims Guide created for all lines of insurance as some lines included per principal claims guide to be send to all clients after closing the account. This is required to be disseminated to all New Biz and renewals clients. The president also requested for all the claims guides to reflect the new updated logo of RAROCO Insurance Brokers, Inc.
22. Distribution of Stocks Certificate to all Shareholders
All shareholders presents received their hard copy stock certificates.
23. Transition to the new normal working arrangement

Angela A. De Leon

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Currently we are 4:1 status. 4 days onsite and 1 day work from home except for Michelle Monforte who was given 3 days onsite and 2 days work from home in consideration to her 24/7 claims task. Admin staff who are 5 days onsite as they are working on with the operation and deliveries / pick up. The president reiterated that this arrangement should remain for the foreseeable future.

24. 2024 new hires and resigned staff

The resigned staff are – claims officer Ruby Lyn Dela Cruz, travel officer Flordeliza Falame, messenger Marlon Cartagena, and corporate sales officer Genevib Palma
New Hired staff are – claims officer Enrico Canson, sales officer Jannet Tumon, travel officer Cobi Brian Roxas, and messenger Dennis Cerina.

25. ERS Tax deduction issue

This incident involves a tax deduction issue since 2018 which was not remitted to BIR and goes to the company and was booked under accounts payable for many years and left floating. This is due to the wrong computation of the Accounting Supervisor Elroy Gaylord Besiño. It has been resolved and with settlement agreement already. All documentations and quitclaims have been in place.

26. RAROCO logo update and brand gift wrappers

A new logo has been created with the help of our ID Mr. Russell Lorenzo and sent through email to all employees. Upon the suggestion of Mr. Lorenzo to create better brand image and marketing is to have our own gift wrappers.

27. Client Commendation Program

Last year our president started the client commendation program. For this year, there is an increase from 3 commendations to 5 commendations. Instead of having a system of deduction per client complaint, a decision of increasing number of commendations was implemented. Qualified employees will be getting 1k Sodexo GC

28. Strategic Planning 2023

This was facilitated by Ms. Denise De Leon, with the important inputs of Mr. Roco, Mr. Hidalgo and Ms. Santiago. Many proposed action plans, ideas and goals and visions are already in the middle of taking place or have already been accomplished.

29. DPO updates

Our Ms. Erna Santiago submitted the renewal of DPO registration and ASIR for this year through NPCRS. There is zero security incident for last year 2023

30. Update on DOLE inspection

Field audit was conducted last March 12 and submitted all requirements. We are happy to announce that we are DOLE compliant.

31. Erna Rovera-Santiago as new Shareholder

Officially announced that Ms. Santiago our Vice President for Admin / HR and Sales / Corporate Secretary is now one of the Shareholders of the company.

32. Per Diem

It was discussed and agreed upon that per diem will be given to the attendees tiered accordingly as follows below:

- Shareholders - 1k
- Independent directors/ Non exec directors- 2k
- Board Officers - 3k

With slightly additional compensation for officers who have organized, prepared, reviewed and facilitated the annual stockholders meeting:

- VP Admin, HR & Sales - 3,500
- President - 4k

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For all succeeding live board meetings, per diem is given in full provided that members attended 80% or more of the meeting hours. If 80% and/or less meeting hours attended, then 80% of amount will be given. If 50% and/or less meeting hours attended, then 50% of amount will be given. This per diem arrangement will be followed until further revised by the board. Releasing of per diem is within 7 days after the meeting.

IV. ADJOURNMENT

There being no other matter to be discussed, the meeting was adjourned at 5:00 in the afternoon.

IN WITNESS of the foregoing proceedings, the participating members have hereunto affixed their signatures this 18th day of March 2024.

CERTIFIED CORRECT:



ERNA ROVERA - SANTIAGO
Corporate Secretary

ATTESTED BY:



MARIE DENISE ROCO DE LEON
President

MINUTES READ AND APPROVED BY:



RAMON A. ROCO
Chairman



RAMON M. HIDALGO
Vice President



ANGELINA H. ROCO
Treasurer



LORENZO ANGELO H. ROCO
Director



MIKAELA ANDREA HIDALGO-SISON
Non-Executive Director



REGINA ROSARIO P. GARRUCHO
Independent Director



RUSSELLY. LORENZO
Independent Director

REPUBLIC OF THE PHILIPPINES)
CITY OF ~~MAKATI~~ QUEZON CITY) S.S.

SECRETARY'S CERTIFICATE

I, Erna Rovera - Santiago, of legal age, being the duly elected and incumbent Corporate Secretary of RAROCO Insurance Brokers, Inc. (the "Corporation"), a domestic corporation duly organized and existing under and by virtue of Philippine laws, with principal office at Room 608 Ferros Bel Air Tower 30 Polaris St., Makati City, after having been sworn according to law, hereby depose and state:

1. Mr. RAMON A. ROCO is duly appointed as Chairman, Ms. MARIE DENISE R. DE LEON is duly appointed as President, Mr. RAMON M. HIDALGO is duly appointed as Vice President, Ms. ANGELINA H. ROCO is duly appointed as Treasurer and Ms. ERNA ROVERA – SANTIAGO as Corporate Secretary of RAROCO Insurance Brokers, Inc., a corporation duly organized and existing under and by virtue of the Republic of the Philippines, with principal office at Room 608 Ferros Bel Air Tower 30 Polaris St. Makati City;
2. At the special meeting of the Board of Directors/Stockholders on March 18, 2024, the following resolution were passed and unanimously approved and adopted, to wit:

BOARD RESOLUTION NO. 24-01

"**RESOLVED**, that all agenda being discussed in the meeting are hereby agreed and approved by all board of directors.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of
APR 03 2024 at QUEZON CITY.


CORPORATE SECRETARY

SUBSCRIBED AND SWORN to before me this _____ day of
APR 03 2024 by affiant who exhibited to me his/her Community Tax
Certificate/Passport Number _____ issued at
_____ on _____.

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Series of 2024

NOTARY PUBLIC


ATTY. RONIFELLE L. BARRIOS
Notary Public for and in Quezon City
Admin Matter No. 091 (2023-2024)
6th Fir. Cyber One Bldg., Eastwood City, Q.C.
Roll of Attorneys No. 75328
IBP No. 238073 | PTR No. 8750303
MCLE No. VII0008744 valid until 04-14-2025