

**MINUTES OF THE ANNUAL  
GENERAL MEMBERSHIP MEETING OF  
MERALCO MUTUAL AID AND BENEFITS ASSOCIATION, INC.**  
HELD ON 10 DECEMBER 2019  
AT THE MERALCO MINI-THEATER, MERALCO CENTER  
ORTIGAS AVE., PASIG CITY

**CALL TO ORDER**

Mr. Jerry B. Lao, Chairman of the Board of Trustees, Meralco Mutual Aid and Benefits Association, Inc. (MEMABA, Inc.), called the meeting to order at 9:00 A.M. The matters discussed and deliberated upon were the following:

**I. INTRODUCTION OF THE MEMBERS OF THE BOARD AND OTHER OFFICERS**

The Chairman started the meeting by welcoming all the attendees to the MEMABA, Inc. Annual General Membership Meeting (AGMM). The Chairman also introduced the members of the Board of Trustees and Officers: Mr. Ariel G. Lucas, Vice-Chairman; Mr. Paul Ryan C. Gregorio, President; Mr. Elmer T. Manansala, Corporate Secretary; Mr. Marlon Corazon G. Gonsalves, Treasurer; Mr. Noel A. Valeza, Auditor; Mr. Leonardo A. Delos Reyes, Independent Trustee; Mr. Ernesto A. Friginal, Jr., Independent Trustee; Atty. Christopher Redeemson R. Brocales, Legal Counsel; and Mr. Gregorio P. Figueroa, Jr., VP for Operations and General Manager.

The Chairman noted the presence of the Association's external auditors, Diaz Murillo Dalupan and Company, tasked, among others, to count and validate the votes at the Annual General Membership Meeting, where voting is necessary.

The Corporate Secretary set the ground rules to be observed during the meeting, with the end in view of ensuring fair, orderly and efficient proceedings; and in order to protect the rights of all the members. Among those discussed were procedures pertaining to the manner of voting. As discussed by the Corporate Secretary, only members or their duly designated proxy were allowed to vote. As agreed, the manner of voting was as determined by the Chairman. The members were required to proceed to the Election Committee's desk to get their ballots and submit the accomplished form for immediate canvassing.

## **II. PROOF OF NOTICE OF THE MEETING**

The Chairman asked the Corporate Secretary if notices of the meeting were properly served to the members of the Association in accordance with the By-Laws. In response, the Corporate Secretary confirmed that written notices of the 2019 AGMM were served to all MEMABA members of record, as of August 31, 2019.

## **III. DETERMINATION OF QUORUM**

The Chairman asked the Corporate Secretary if there existed the requisite quorum. As confirmed, there were 5,857 members or 59.07% of the 9,915 members of record, as of August 31, 2019, were present either in person or represented by proxies. This represents a quorum based on the quorum requirements, provided for in the By-Laws.

## **IV. APPROVAL OF THE MINUTES OF THE 2018 AGMM**

The Minutes of the AGMM held on December 11, 2018 was presented for approval. Mr. Ramon A. Militar, a member, requested the Board of Trustees to elaborate the details of the amendment of the By-Laws done on the previous year. Atty. C. R. R. Brocales informed the members that the amendment was extensively discussed on previous AGMM. Atty. C. R. R. Brocales explained the details and rationale for the amendment to the By-Laws as follows:

- If an elected Trustee, for any reason, is unable to finish his term of office, the new Trustee, who will fill the vacancy, will serve only for the remaining term.
- A Regular Trustee may serve for a maximum of two consecutive terms. Re-election is not barred, provided, the same is not made immediately after serving the maximum of two consecutive terms.
- An Independent Trustee shall hold office for a maximum cumulative term of nine (9) years. Thereafter, he/she will be perpetually barred from any re-election in the Association as an independent trustee, but may continue to serve as a regular trustee.
- The amendment was in response to the concern by the members on previous AGMM; and as part of the Association's compliance to regulatory requirements.

After Atty. C. R. R. Brocales' explanations, a motion for the approval had been seconded.

## **V. ANNUAL REPORT OF THE CHAIRMAN**

The Chairman addressed all the members of the Association, delivering his annual report which data are as of and for the period ending November 30, 2019. Highlights of the said annual report are the following:

- Number of members is 9,924, of which 271 are retiree-members who are exempted from paying the monthly contribution.
- Paid a total of P5.46M cash assistance to the beneficiaries of 68 deceased members; and 270 members were also provided with cash assistance for the death of their immediate family members.
- Granted 3,058 loans, amounting to P270.66M, with total of 2,553 members were able to avail of our loan facilities.
- 279 beneficiaries of deceased and withdrawn members received their equity value, with total amount of P1.6M.
- Provided additional non-financial benefit in the form of Electric Desktop Fan on September as Anniversary gift to all members.
- Total assets amounted to P375.02M, and is up by 4.25% compared to last year.
- Total revenue is P30.66M which is 10.29% better than last year.
- Administrative expenses only reflect 11.66% of gross revenue.
- On January 2019, the Insurance Commission (IC) renewed the Association's license for continued business operations until December 31, 2021.
- The Chairman announced that, beginning January, MEMABA will be handing out Sodexo Gift Certificate to all of members as Association's Christmas gift, and as a gesture of appreciation for members' loyalty and dedication to the Association.

## **VI. RATIFICATION OF ALL RESOLUTIONS PASSED BY THE BOARD OF TRUSTEES AND ALL THE ACTS MADE BY THE MANAGEMENT**

All the resolutions passed by the Board of Trustees and acts made by the management for 2019 were presented to the members for approval after the motion for the approval had been seconded.

## **VII. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman presented for approval the appointment of Diaz Murillo Dalupan and Company, as the external auditor of the Association, to audit the Association's 2019 Financial Statements. The recommendation of the Board of Trustees was the result of their preliminary selection based on existing policies.

Mr. R. A. Militar asked clarification on why the external auditor is being appointed each year during the AGMM. Atty. C. R. R. Brocales explained that the appointment can be done by the Board of Trustees during their Board meeting, but to be transparent to the members, it is being presented to the members for approval.

After Atty. C. R. R. Brocales' explanation, a motion for the approval had been seconded.

## **VIII. ELECTION OF THE MEMBERS OF THE BOARD OF TRUSTEES FOR THE YEAR 2020-2021**

The Chairman presented to the members the list of the candidates for the Board of Trustees for the year 2020-2021. The Chairman also declared who among the candidates are seeking re-election.

Considering that there are only seven (7) nominees for the Regular Board of Trustees and two (2) nominees for Independent Trustees, it has been moved and seconded that the seven (7) mentioned nominees for the same number of uncontested seats for Regular Trustees; and the two (2) nominees for the same number of uncontested seats for Independent Trustees, be declared as duly elected Regular Trustees and Independent Trustees of the Association.

The following were declared duly elected Regular members of the Board of Trustees of the Association for the year 2020-2021:

For Regular Trustees:

1. Mr. Ferdinand T. Balagtas
2. Mr. Winston A. Delos Reyes
3. Mr. Marlon Corazon G. Gonzalves
4. Mr. Paul Ryan C. Gregorio
5. Mr. Ariel G. Lucas
6. Mr. Elmer T. Manansala
7. Mr. Noel R. Valeza

For Independent Trustees:

1. Mr. Wilfredo A. Baetiong
2. Mr. Domingo L. Robles

Mr. R. A. Militar inquired to the Board of Trustees if the newly elected Board of Trustees will be governed by the amendment to the By-Laws previously discussed, and if the

amendment to the By-Laws was already approved by the Securities and Exchange Commission (SEC). Mr. R. A. Militar also inquired on how the Association obtained the approval of the SEC considering that the Minutes of the Meeting was not yet approved by the members.

Atty. C. R. R. Brocales answered that the newly elected Board of Trustees will be governed by the amendment to the By-Laws. The Chairman informed the members that the Association received a Certificate of Filing of Amended By-Laws. Atty. C. R. R. Brocales also explained that the SEC only required the details of old provision and the proposed amendment, and the By-Laws incorporating the amendment. Atty. C. R. R. Brocales added that the Minutes of the Meeting may be one of the requirements by the SEC. However, upon filing of the Association, the Minutes of the Meeting was not required by the SEC, and requirements presented were sufficient for the approval.

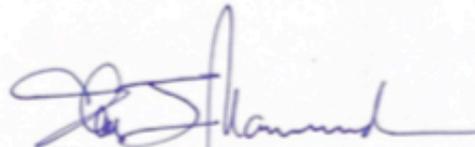
## **VIII. OTHER MATTERS**

There were no other agenda in the meeting. The Chairman opened the floor for other questions and suggestions.

1. Mr. R. A. Militar, suggested to the Board of Trustees to encourage the rank and file employees, and retirees to run as candidate to the election of the Board of Trustees, and nomination should not be exclusive to the members with managerial positions. The Chairman answered that the nomination to the candidates to the election of the Board of Trustees is open to all members, and the Board of Trustees do not select the nominees. The Chairman added that the Association will encourage the retirees and union groups of MERALCO both FLAMES and MEWA to give their representative/s if there is nomination to the election to the MEMABA Board of Trustees to avoid the perception that the nomination is solely for the members with managerial positions.
2. Mr. R. A. Militar also suggested that the incoming Board of Trustees to discuss the interest rate for the loans being granted to the members. Mr. R. A. Militar suggested to consider changing the loan interest rate considering the decrease in inflation rate and the 6% interest rate was declared a long time ago. The Chairman answered that the Association's loan interest rates are considered the lowest interest rates among other mutual benefit association. The Chairman explained that because of the changes in the manner of computing the amount the interest, the 6% per annum declared interest for the Supplemental Loan has 3% to 4% effective interest rate per annum. The Chairman added that even the IC noticed that the Association has low interest rates. But the Board of Trustees will still consider reassessing the interest rate.
3. A member from MRAIL inquired on why their maximum loanable amount decreased to P50,000.00. The Chairman answered that the Association and their company executed a Memorandum of Agreement (MOA). The maximum loanable amount and the manner of computing employees' borrowing capacity is subject to the discretion of their company.

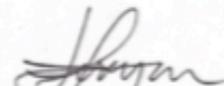
## IX. ADJOURNMENT

There being no other matters to be discussed, a motion to adjourn the meeting was raised and seconded. The meeting was adjourned at 11:00 A.M.



**ELMER T. MANANSALA**  
*Corporate Secretary*

*Attested by:*



**JERRY B. LAO**  
*Chairman*