



## **MERALCO EMPLOYEES SAVINGS AND LOAN ASSOCIATION, INC.**

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### **MINUTES OF THE 2021 ANNUAL MEMBERSHIP MEETING**

**9:00 am | 12 April 2021**

***via [agm.conveneagm.com/mesala2021](http://agm.conveneagm.com/mesala2021)***

#### **1. Call to Order**

Due to the ongoing threat of the COVID-19 pandemic and for the safety of our members, the Chairman, Atty. Gil S. San Diego, explained that the 2021 Annual Membership Meeting shall be conducted virtually.

The Chairman advised the members that members who have successfully registered online from 22 February to 30 March 2021 may participate through remote communication using the website dedicated for this meeting at [www.agm.conveneagm.com/mesala2021](http://www.agm.conveneagm.com/mesala2021).

He also mentioned that given the level of complexity and the time needed to resolve questions on operations, dividends, invitations to, or notice of, the Annual Membership Meeting and other operational matters, members with concerns or questions on these are requested to use the Question and Answer facility in the meeting website or email contact details to [amm@mesala.com.ph](mailto:amm@mesala.com.ph).

The Association's 2020 Annual Membership Meeting was then called to order at 9:00 am on 12 April 2021. The Chairman presided over the virtual meeting *via* the Association's electronic facility, [www.agm.conveneagm.com/mesala2021](http://www.agm.conveneagm.com/mesala2021).

The Corporate Secretary, Atty. Maria Zarah R. Villanueva-Castro, took the minutes of the meeting.

#### **2. Introduction of the Trustees and the Corporate Officers**

The Chairman introduced the members of the Board of Trustees and the Corporate Officers, to wit:

Atty. Gil. S. San Diego	Chairman-Trustee
Mr. Salvador G. Tirona	Vice-Chairman-Trustee and Chairman of Audit Committee
Ms. Ma. Cynthia C. Soluren	President-Trustee and Chairman of Finance Committee
Mr. Jaime R. Camacho	Treasurer-Trustee
Mr. Ferdinand C. Alejandro	Trustee and Chairman of Human Resources and Compensation Committee
Ms. Helen T. De Guzman	Trustee and Chairman of Risk Oversight Committee
Mr. Rustico De Borja, Jr.	Trustee and Chairman of Governance Committee
Atty. Maria Zarah R. Villanueva – Castro	General Counsel and Corporate Secretary
Ms. Erlinda T. Velarga	Chief Executive Officer
Mr. Christopher G. Abenales	Chief Financial Officer
Ms. Violeta C. Paz	Chief Operating Officer
Mr. Marlon C. Candelaria	Head, Internal Audit
Mr. Joseph D. Cabungcal	Head, Corporate Services
Atty. Angelo Ray A. Adina	Head, Legal and Compliance, Chief Compliance Officer, and Data Protection Officer
Ms. Joni Kristine T. Gonzales-Jacob	Acting Chief Risk Officer

All Trustees were present *via* remote means except Mr. Alejandro.

### 3. Ground Rules

Upon successful online registration, members are provided with access to vote electronically on the matters to be passed upon the meeting.

The list of the proposed Resolutions for the meeting is uploaded in the MESALA website, [www.mesala.com.ph](http://www.mesala.com.ph), and the website dedicated for the meeting to make the same accessible to all members.

This practice is in line with the Association's commitment to good governance and its desire to encourage broader participation of its members in deciding fundamental matters involving the Association.

Chairman Atty. San Diego requested Atty. Villanueva-Castro to read the rules to be observed during the virtual meeting.

The ground rules are set forth in the Guidelines for Attendance and Participation which form part of the Notice of the Annual Membership Meeting. Atty. Villanueva-Castro highlighted the following points to members who are joining *via* remote communication:

1. Primary members of record of the Association as of 23 March 2021 may participate and exercise the right to vote on the agenda items in the 2021 Annual Membership Meeting through any of the following means: in person or by proxy, both *via* electronic means.
2. Members who have successfully registered in the Meeting website from 22 February to 30 March 2021 and have logged-on to the said website today, 12 April 2021, are given access to the Annual Membership Meeting Live Portal, a livestream video service that allows the members to participate and vote electronically on the matters to be passed upon in the meeting.
3. All pertinent documents for the Meeting, including the Minutes of the 2020 Annual Membership Meeting, have been disseminated to the members either electronically or *via* postage mail since February 2021. It has been posted in the bulletin board of MESALA and in the websites of MESALA and of this meeting.
4. Casting of votes in all the agenda items, including the election of trustees, shall be from 7 am to 10 am today.
5. As mentioned by the Chairman, all questions and clarifications on the agenda items may be raised through the Meeting website; or email at [amm@mesala.com.ph](mailto:amm@mesala.com.ph).
6. Questions received during the Question and Answer portion will be taken up before "OTHER BUSINESS", if any, Item No 9 of the Agenda. Management will reply to questions not taken up during the meeting *via* email and these will be likewise be posted in the MESALA website.
7. As indicated in the Notice, there are four (4) resolutions proposed for adoption by the members of the meeting. Each proposed resolution will be shown on the screen as the same time being taken up.

As provided in our By-Laws, for voting procedure, every primary member in good standing shall be entitled to one (1) vote for every ten pesos (P 10.00) of capital contribution to the Association registered in his name. The affirmative vote of the members representing at least a majority of the total capital contribution shall be needed to pass and approve each proposed resolution, unless the law provides otherwise.

The votes received are uploaded in the system and the results thereof shall then be validated by Isla Lipana and Co., this year's independent tabulation canvasser. As previously advised, the submission of proxy forms has ended on 26 March 2021 at 5 pm.

As we take up each item in the Agenda, the Corporate Secretary will report on the count of votes received and tabulated. The Minutes of the Meeting will, however, reflect the final tally of votes.

Voting will close at 10 am today.

#### **4. Proof of the Required Notice of Meeting**

The Chairman asked the Corporate Secretary if written notices were served to the members in accordance with the Association's By-Laws and pertinent laws.

The Corporate Secretary certified that in February 2021, dissemination of the copies of Notice of this Meeting to all members of record as of 23 March 2021 was made through various means. Members who have provided their email address were furnished a copy of the Notice through electronic mail. Others were also furnished through the sending of mails to their registered residence address. The Notice was also published in the Philippine Daily Inquirer on 5 March 2021, and posted in the Association and in this Meeting's website.

Accordingly, members have been duly notified of this meeting in accordance with applicable laws such as the Revised Corporation Code and the By-Laws of the Association.

#### **5. Certification of Notice and Presence of Quorum**

The Corporate Secretary certified the presence of a quorum for the proper transaction of business, thus: 55.25% or 2,441,253,939.61 of the total capital contribution of voting members are in attendance of which 54.39% or 2,403,319,360 are represented by proxy *via* electronic means and 0.86% or 37,934,579.61 is present *via* remote means.

Over-all attendance represents 55.25% of the total capital contribution of the voting members. There is, therefore, a quorum for the meeting.

#### **6. Approval of the Minutes of the 23 October 2020 Membership Meeting**

The Chairman then submitted for approval of the members, the Minutes of the Annual Membership Meeting held on 23 October 2020. Copies of the Minutes have been made available during office hours at the Office of the Corporate Secretary; posted in the Association's website and this Meeting's website.

The Chairman requested the Corporate Secretary to explain further this matter.

The Corporate Secretary elaborated that copies of the Minutes have been made available at the Office of the Corporate Secretary and posted at the Association's website and this Meeting's website and sent to the members as well. She then proposed the adoption of Resolution No. AMM-2021-01 dispensing with the reading of the Minutes of the Annual Membership Meeting held on 23 October 2020, and its approval by the members, as recorded.

The proposed resolution is quoted hereunder:

**Resolution No. AMM-2021-01**

“RESOLVED, that the Minutes of the Annual Membership Meeting held on 23 October 2020 as recorded, is hereby approved.”

The Corporate Secretary then presented the report on the voting results:

- 1) For those in favor of the motion: 234,566,300 votes or 96.72% of the members present and represented by proxy.
- 2) For those against the motion: Zero votes or 0.00 % of the members present and represented by proxy.
- 3) For those who abstained: 9,690,168 votes or 3.99% of the members present and represented by proxy.

Resolution No. AMM-2021-01 was therefore approved and adopted.

**7. Report of the Chairman of the Board**

Atty. Gil S. San Diego delivered the Chairman’s Report to the general membership. A copy of the Chairman’s report is hereto attached as Annex A hereof.

**8. Report of the President**

The Chairman turned over the floor to the President, Ms. Ma. Cynthia C. Soluren. The President presented the operational and financial highlights of the Association for the year 2020. A copy of the President’s Report is hereto attached as Annex B hereof.

**9. Ratification of all Acts of the Board of Trustees and Management**

The Corporate Secretary was requested by the Chairman to present the proposed resolution and the corresponding voting results.

The Corporate Secretary explained that Management and the Board are proposing for the adoption of Resolution No. AMM-2021-02 which seeks the confirmation, ratification, and approval of all acts, resolutions and deeds of the Board, as well as all acts of Management since the 23 October 2020 Annual Membership Meeting until today.

These acts are provided in the minutes of the meetings of the Board and the Management. These include, among others, the approval of contracts and agreements, projects and investments, treasury matters, and dividend declaration.

Acts of Management pertain to those taken to implement the resolutions, directives and instructions of the Board and its Committees and those done in the regular course of the

Association's business. These resolutions and acts are embodied in the various minutes of the Association which are available for inspection, and posted in the MESALA Bulletin Board and websites.

The proposed resolution is quoted below:

**Resolution No. AMM-2021-02**

“RESOLVED, that all acts, resolutions and deeds of the Board of Trustees and Management of the Association from the Annual Membership Meeting held on 23 October 2020 up to the date of this meeting be, as they are hereby confirmed, ratified and approved.”

The voting results on this resolution are as follows:

- 1) For those in favor of the motion: 234,446,300 votes or 96.67% of the members present and represented by proxy.
- 2) For those against the motion: 76,500 votes or 0.03% of the members present and represented by proxy.
- 3) For those who abstained: 9,723,668 votes or 4.01% of the members present and represented by proxy.

Resolution No. AMM-2021-02 has been approved and is hereby adopted.

## **10. Appointment of External Auditors**

The Chairman of the Audit Committee, Mr. Salvador Tirona, presented the proposed resolution for this item.

The Association has paid audit fee of about six hundred six thousand one hundred forty-four pesos (P606,144) to the incumbent external auditor, Isla Lipana & Co., for the year ended 31 December 2020.

The Audit Committee evaluated and is satisfied with the performance of Isla Lipana & Co., during the past year. With this, the Audit Committee proposed the adoption of Resolution No. 2021-03 for the re-appointment of Isla Lipana & Co. as external auditor of the Association for the ensuing year.

The proposed resolution is quoted below:

**Resolution No. AMM-2021-03**

“RESOLVED, that the appointment of Isla Lipana & Co. as the Association’s external auditor for year 2021 is hereby confirmed and approved.”

The voting results on this resolution are as follows:

- 1) For those in favor of the motion: 234,544,357 votes or 96.71% of the members present and represented by proxy.
- 2) For those against the motion: 102,182 votes or 0.04% of the members present and represented by proxy.
- 3) For those who abstained: 9,599,929 votes or 3.96% of the members present and represented by proxy.

Resolution No. AMM-2021-03 has been approved and is hereby adopted.

## **11. Election of Trustees**

The Chairman mentioned that the new members of Board of Trustees will serve from 3 May 2021 to 1 May 2023 or until the successors have been elected and qualified.

The Association’s members were given the opportunity to nominate candidates for election to the Board.

A “Notice on Election of Board of Trustees” was posted in the Association’s website and was sent to the email addresses on record of members last 9 December 2020 calling for the nomination of qualified candidates on or before 5 January 2021 at 5:00 in the afternoon.

For purposes of election, Board have created an Election Committee in accordance with our By-Laws.

The Corporate Secretary introduced the members of the Election Committee upon the request of the Chairman.

- Chairperson of the Election Committee: Ms. Liza Rose G. Serrano-Diangson. She was a Vice-President and Head for Customer Process of MERALCO and a former trustee of the Association.

The members of the Committee are Mr. Eliasito M. Parungao and Atty. Lester F. Bernardo, Jr.

- Mr. Parungao was a former Senior Assistant Vice-President and Head of Telecoms at MERALCO. He was also a former trustee of the Association.
- Atty. Bernardo, Jr. is currently the Corporate Governance Manager of MERALCO. He was previously a litigation lawyer of MERALCO and its former Deputy Data Protection Officer. He is a member of Good Governance Advocates and Practitioners of the Philippines.

The Chairman then requested the Chairperson of the Election Committee to explain the nomination and voting processes. Chairperson, Ms. Diangson, mentioned the nomination and voting process.

Under the By-Laws, the Board of Trustees consists of seven (7) members – two (2) are corporate nominees, three (3) are regular trustees, and two (2) are independent trustees.

The election of independent trustees is in compliance with the provisions of the Revised Corporation Code of the Philippines which requires that at least 20% of the Board shall be composed of independent trustees.

The Election Committee had evaluated the qualifications of the nominees, including the nominees for independent trustees, and determined that they have all the qualifications and none of the disqualifications to serve as trustees of the Association.

The profiles stating the qualifications, experience, and positions held in the corporate members of the Association were made available as part of the materials distributed to the members.

The Association has engaged the services of Isla Lipana & Co. as the independent tabulation canvasser for this meeting.

The Chairperson of Election Committee requested Mr. Parungao and Atty. Bernardo, Jr to present the candidates to the Board of Trustees.

Mr. Parungao articulated that in accordance with the Revised Corporation Code of the Philippines, the Manual of Regulations on Non-Bank Financial Institutions, and the Association's By-Laws, the following members are the candidates to the Association's Board of Trustees, as screened by the Election Committee, to serve as such from 3 May 2021 to 1 May 2023 or until the successors are duly elected and qualified:

- A. For Corporate Trustees:
- Mr. Aldwin Christian C. Ang; and
  - Mr. Salvador G. Tirona

Mr. Aldwin Christian Ang is currently an Assistant Vice-President and Head of Treasury for Subsidiaries and other business units of MERALCO and the Treasurer of Miescor, Miescor



Builders, MSERV, Bayad Center and CIS. He got his BS Accountancy degree in 2006 for the Ateneo De Davao University and passed the licensure examination therefor in the same year.

Mr. Salvador G. Tirona is currently the President, Chief Operating Officer, and Chief Finance Officer of the Lopez Holdings Corp. He took his Master of Business Administration in 1979 and AB Economics in 1976 from the Ateneo De Manila University. He is currently the Vice-Chairman of the Board of the Trustees, Chairman of the Audit Committee, and a member of Finance and Business Development Committees of the Association.

B. For Regular Trustees:

- Atty. Horacio Enrico M. Bona;
- Engr. Ernesto M. Cabral;
- Ms. Helen T. De Guzman; and
- Ms. Charina Pablo Padua

Atty. Horacio Enrico M. Bona was an Assistant Vice-President and the Head of Litigation Team 2 of MERALCO's Legal Office. He also served as the Corporate Secretary of MERALCO Energy, Inc. (MSERV) from 2006 until 2017. He passed the Bar examinations administered in November 1985 and became a member of the Philippine Bar on 3 June 1986.

Engr. Ernesto M. Cabral retired in August 2016 holding the position of Assistant Vice-President- Manager, Commercial Operations in MPower. He is the President, Vantage Energy Solutions and Management, Inc., a 100% MERALCO company. He took his Executive Master in Business Administration from Asian Institute of Management in 2010. He passed the licensure examination for electrical engineers in 1982.

Ms. Helen T. De Guzman was a First Vice-President and Head of Internal Audit of MERALCO when she retired in 2018. She graduated from the University of Sto. Tomas in 1978 with a degree of BS Commerce major in Accounting and became a CPA the year after. She was a dean's lister when she took an Executive MBA degree from the Asian Institute of Management in 2001. Currently, she is a trustee of MESALA, the Chairperson of its Risk Oversight Committee, and a member of its Governance and Human Resource and Compensation Committees.

Ms. Charina P. Padua is currently a Vice-President and Head of Commercial Operations of MERALCO. She has an Executive MBA degree from Asian Institute of Management, taken from 2003 to 2004. She was former trustee of MESALA and likewise served as its Corporate Secretary from 2013 to 2015.

Atty. Bernardo, Jr. announced the nominees for Independent Trustees

C. For Independent Trustees:

- Engr. Antonio M. Abuel, Jr.;

- Mr. Anacleto M. Banaag, Jr.; and
- Engr. Froilan J. Savet

Engr. Antonio M. Abuel, Jr., a Professional Electrical Engineer, currently a Vice-President and Head of the Organizational Safety and Business Continuity Management of MERALCO. He previously assumed key positions in MERALCO, among them: Head of Central Distribution Services and Head of Sub-transmission Services. He was a member of the Board of Trustees of MEMABA from 2010 to 2013 and also of the Board of Trustees of MESALA from 2013 to 2015. He took Executive MBA degree from the Asian Institute of Management as well as from the University of Sto. Tomas.

Mr. Anacleto M. Banaag, Jr. was an Executive Vice-President of Lopez, Inc. when he retired in December 2013. He graduated with a BSBA major in Accounting degree from the University of the East Manila and passed the CPA Board examination in 1968. He is currently a Consultant of Lopez, Inc.

Engr. Froilan J. Savet is currently a Vice-President and Head of Network Planning and Design of MERALCO. He graduated from Mapua Institute of Technology with a degree in BS Electrical Engineering in May 1990 and from the University of the Philippines Diliman with a degree on MS in Electrical Engineering – Power System in October 2003. He obtained the following certifications/licensures: a Registered Electrical Engineer in 1992, Professional Electrical Engineer in 2015, and Asean Chartered Professional Engineer in 2018.

## 12. Question and Answer

The Chairman requested the Corporate Secretary to read the questions coming from the Members so they can be addressed.

The Corporate Secretary explained that in the interest of time, questions that the Association received were categorized so those with common concerns can be addressed at the same time. If there is no more time, as to those that are operational and technical in nature, Management will respond to them via email.

Atty. Angelo Adina, Head of Legal and Compliance, was then requested to read the questions raised by Members.

Questions	Answers
1) Cecilia Valencia Cruz  For the sake of transparency, proper accountability and documentation which the retired and active members deserve, will MESALA management kindly and	Ms. Velarga responded to the query of Ms. Cruz

<p>proactively furnish each member of their insurance policy pertaining to death benefit program? This manner will effect every MESALA member's family; of such pertinent death benefit which they can claim upon member's demise. Such issued insurance policy will clarify ambiguity since MESALA have been deducting P100.00 from savings account of members since year 2000 as per statement of former MESALA Officer.</p>	<p>The Death benefit program is a group insurance coverage with Philamlife of the MESALA members and its dependents. It is under one policy under the name of MESALA. Individual Certificates are available upon request.</p> <p>Monthly payments of members are consolidated by MESALA and remitted to Philamlife on a monthly basis. The official receipt is given to MESALA and under the name of MESALA with attached list on the covered members that have paid the Insurance coverage for each month.</p> <p>Atty. San Diego further added that it is a fixed rate and that is a payment that the member concerned prepare for when the time for payment comes. A receipt can be provided by MESALA upon request.</p>
<p>2) Cecilia Valencia Dela Cruz</p> <p>What are few steps being done by MESALA to improve proper dissemination of information communication by way of email, letters, memos to properly communicate recent promos updates memos for its members?</p>	<p>MESALA currently has the technology to update the members thru website, Facebook and email blast and text blast. Important announcement have been posted in bulletin board and sectoral offices. As of this time only around 5,400 members have valid mobile numbers while around 14,000 members have emails and requested members to update the contact details to reach out to them to send notices and updates</p>
<p>3) Carlito Fernandez</p> <p>Credit Capital Contribution dividend on 1st January of current year.</p>	<p>Dividend is paid in accordance with the BSP rules on dividend declaration and distribution. Pending BSP audit, NSSLAs like MESALA cannot make any declaration or announcement on the payment of dividend. Usually it takes up</p>

	to February for the BSP Auditor to finish their audits.
<p>4) Carlito Fernandez</p> <p>Consider the outstanding loan balances as of 31 December of previous year to compute value of proxy votes.</p>	<p>Right to vote is based on ownership of capital contribution in non-stock association like MESALA or shares of stock in other corporations, not on the amount of borrowings, loans or debt.</p>
<p>5) Carlito Fernandez</p> <p>Capital Contribution dividend is the lowest since 1936? Correspondingly ba nag decrease ang mga “financial remuneration, per diem, allowances, etc.” ng mga binigay ng mga trustees sa kanila?</p>	<p>Ang pag-upo po ng mga Trustees sa Board ay isang kasunduan at ang sabi ng batas kung walang konsiderasyon and kasunduan ay hindi valid ang kasunduan. Hindi po mga Trustees and nagbigay ng remuneration sa sarili nila. Sa kasalukuyang practice sa MESALA, Management ang nag-aaral kung magkano ang nararapat at ito ay pinaaaprobahan sa mga members tuwing Annual Membership Meeting. Wala pong corporation na nagbabayad ng Trustees’ remuneration base sa laki o liit ng dibidendo. Ang kabayaran po sa panunungkulan ay fixed amount or rate tulad ng sa mga empleyado at kung ibabase sa liit o laki ng dibidendo paano kung sobrang liit o wala, parang mahirap isipin na may magsisilbi ng libre. Kung kayo iyon sige kumandidato kayo at iyan ang gawin ninyon plataporma at walang kaduda duda na mananalò kayo.</p>
<p>6) Carlito Fernandez</p> <p>Ang corporate nominees ba are voted upon by the general membership through proxies?</p>	<p>Sa kasalukuyang corporate structure natin, ang corporate members na Meralco at Lopez Group ay pwedeng mag nominate ng kanilang representatives sa Board. Natural kung isa lang i-nominate isang boto lang panalo na ang Corporate nominees. Ewan ko kung paano nangyari ito pero sa mga corporations nangyayari talaga ito na ang dominant partner o founder ay nagdedemand at nabibigyan ng tinatawag na founders’ right. Ito ang</p>

	naging karapatan ng Meralco at Lopez Group.
<p>7) Carlito Fernandez</p> <p>Covid pandemic lang ba ang cause ng very low dividend? Bumaba din ba correspondingly ang tinanggap ng members of the Board in terms of financial remuneration, etc.</p>	<p>Nagkaroon po talaga ng pagbaba ng gastusin para sa mga Trustees dahil sa pandemic. Puro virtual meetings ang nangyari dahil hindi kami makapunta sa MESALA. Ang nangyari sa akin, napilitan akong bumili ng bagong cell phone at laptop sa pag-aakala kong gaganda ang signal. Dahil mahina pa rin bumili ako ng gadget na pampalakas ng signal at nagbabayad ng load. Ang billing ko sa cell phone na dati naglalaro sa humigit kumulang sa isang libong piso ngayon hindi bumababa sa P3,500 kada buwan dahil sa dami ng mga tumatawag sa akin at tawag ko. Kaming mga trustees ay may pagsisikap na huwag ng maging pahirap sa MESALA kung maiiwasan. Sa loob ng isang linggo nagpupunta ko sa MESALA at tumutulong sa mga problema ng Management at nakakasama at nagkikita kami nila President Soluren, Treasurer Camacho at Trustee Alejandro which for me is okay to receive allowance and compensation.</p>
<p>8) Carlito Fernandez</p> <p>Please revisit our MESALA By-Laws as amended in 2007. Among others, it categorically limits the grant of “financial remunerations, per diem, allowances, etc., to ½ of 1% of .5% of MESALA’s net earnings.</p> <p>The increase of Board seats to nine will not increase MESALA’s expenses; it will decrease the individual Board members’ financial remunerations.</p> <p>The aforementioned amendment should have been followed this year.</p>	<p>Ang pagkatanda ko nga ho ay ibinaba ng kalahati ng isang porsiyento o ½ of 1% ng MESALA net income ang Trustees remuneration pero punahin ninyo kung bakit. Natatandaan ko na napagusapan namin sa MERALCO Management Committee noong mga kalagitnaan ng dekada 2000 at si Mr. Manuel M. Lopez ay nag-suggest na bawasan at i-limit ang remuneration sa ½ of 1% dahil umaabot yata sa kalahating milyon o higit pa ang bonus pa lang ng mga Trustees dahil napalaki ng revenue sa investment at loans pati ang net income noon. Bakit ho malaki ang kita sa investments at sa loans noon? Dahil double digit ho ang interest</p>

	<p>sa investments and double digit rin ang interest sa loans. 55% po ng total resources ang nasa loans na salungat sa 10% na limit ng batas at ang mga members na mangungutang ang nagdurusa sa mataas na loan interests. Kaya ng magumpisa akong manungkulan sa MESALA noong 2013 hanggang ngayon di ako makatulog pag naiisip ko ang problemang ito. Humina ang loans dahil maraming mga miyembro ang naghahanap ng murang interest sa labas. At ngayon, sadsad ho ang prevailing interest market rate na pinalubha pa ng pandemya. Alam naman nating lahat iyon kaya sadsad rin ang revenue, income at dibidendo. Pare-pareho lang naman tayong nagi-invest ng konting pera sa insurance, trust fund, at bank financial papers. Nitong taong 2020 dahil sa pagbagsak ng ekonomiya isa ako sa nalugi at ewan ko kung may makapagsasabi na lumago ang investment niya. Kaya huwag na nating sisihin ang Mesala at pagtakhan kung bakit bumaba ang dibidendo.</p> <p>Sa pagkatanda ko, noon pong 2014 tinanggal na namin ang Trustees Bonus pero ang P2,500 na per diem ay itinaas namin sa P3,500 at ang huling pagtataas mga apat na taon na nakaraan ay P5,300 matapos ang masusing pagaaral ng Management kung ano nararapat.</p> <p>Hindi rin naman pwede na hindi magtataas ang remuneration dahil mga tao din naman kami na may pangangailangan kaya ang ginawa namin ay limitado sa 10% per annum ng nakaraang increase lamang ang madadagdag. Para sa kaalaman ng lahat lalo na ang may mga pagdududa, nitong taong 2020 ang Trustees total</p>
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	<p>compensation ay mababa pa sa isang porsiyento 0.57% ng net income.</p> <p>Tungkol sa pagi-increase ng Board seats magmula 7 sa 9, matagal po naming pinagusapan iyan at dahil sa limitadong oras ang nagugol sa paguusap ng mga problema ng MESALA sa kasalukuyan ay nagpasiya kami na hayaan na ang susunod na Board na tumalakay niyan.</p>
<p>9) Cecilia Dela Cruz</p> <p>Will MESALA be generous in waiving fee for request of certifications of deposits and capital. Particularly for retired senior citizens as goodwill?</p>	<p>P50 is charged for every Certificate of Deposits. This is to cover for actual administrative expenses. Other information such as balance can be answered via email without any charges.</p>
<p>10) Pablito Liwanag, Jr.</p> <p>Was it really necessary to do the provision for the gross receipts tax even if MESALA is expressly tax-exempt organization? If so, did you ever consider doing it gradually (by installment) and not on one-time only to cushion the impact of such provisioning on the dividend?</p>	<p>Provisioning of GRT is a collective effort of the Board. This is a prudent approach to set up a provision for years 2017 to 2019. BIR issued Circular in 2016 that Non-Stock Savings and Loan Associations (“NSSLAs”) are subject to GRT as non-bank financial intermediary. But this circular was strongly contested by all NSSLAs including MESALA. The provision was provided but in case MESALA will get the BIR waiver that is not subject to GRT this will form part of the surplus free that will be available for dividends</p>
<p>11) Ramon D. Militar</p> <p>You set aside P120M for GRT. 2020 dividend decreased then. You should have made provision of P60M only and the other P60M should be added to total dividend. Members’ needs are more important than anything else.</p>	<p>Providing GRT was a collected action of the Board.</p>

12) Ramon D. Militar	
Is having corporate trustee a requirement of the law or our by-laws? Can we do away with this as all qualified members are free to run in the elections? After all, corporate members' maximum capital contribution is the same with individual members.	Atty. San Diego responded that he has no idea on the corporate structure when MESALA was formed. This should not be set aside since it is written in the By-Laws. BSP will penalized MESALA for non-compliance on the requirement regarding corporate trustee.
13) Ramon D. Militar	
Five current trustees did not run in 2021 election. Are they still allowed to run in the next election?	Atty. San Diego responded in affirmative and there's nothing that will prohibit former trustee from running in the next election.
14) Ma. Geminia Vecino	
Dati na po napag-usapan na gagawan ng paraan para maging regular members ang secondary members, nang sa ganoon, pwede silang magtabi ng mas malaking capital shares. Kamusta na po ito? Itutuloy pa po ba ito?	Ms. Velarga said that meron lang po tayo sa ngayon na Primary member all the rest are secondary members. Ito po ang ating patakaran para maayos ang ating voting rights isang miyembro lang. Unlike before pag nawala ang primary member mag ceased na ang kanyang membership ng lahat ng secondary members. Sa ngayon ay hindi na, in our new by-laws, there is a succession na laging magkakaroon ng membership. Membership ng dating secondary member will still continue kahit mawala yung original member.
15) Edna S. Lobusta	
Do you have any plans of having satellite offices near the south and north sectors and business centers so that members can opt to go there instead of going to the MESALA office in Ortigas?	Ms. Velarga explained that it is a long-term plan of MESALA but at this time with pandemic there is no specific plan yet to set-up satellite office in the very near future. If the quarantine will be lift



	<p>up MESALA can have the usual roadshow or periodic visit to the sectoral offices. Right now, due to new core banking system, it can now be access remotely outside Metro Manila information such as membership on-boarding, loan inquiries, balance deposit inquiries and other services.</p> <p>Mr. Cabungcal updated the members on the new Core Banking System of MESALA and in the new system it allows to do digital transformation likewise it replaced the two-decade legacy system. The new system aims to achieve operational efficiency, improved delivery of products and services and improved customer experience. It also addresses deficiencies before when it comes to regulatory requirements which addresses BSP and AMLA requirements.</p> <p>This new system will also allow to extend visibility to members and planning to launch a mobile application and a web - based or membership on-boarding which allows without a face to face engagement. Inquiries on deposits and loans of members using their mobile application.</p>
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Atty. Adina mentioned that the remaining questions will be addressed via email and will also be posted in website.

### 13. Announcement of the Results of the Election

The Chairman requested the Chairperson of the Election Committee to transmit the official results of the election.

Chairperson Diangson officially transmit the report prepared by the Election Committee containing the official results of the election, as canvassed by Isla Lipana & Co., this year's independent tabulation canvasser.

The Chairman mentioned the composition of Board of Trustees from 2021 to 2023.

In accordance with our By-Laws and pertinent laws and regulations, there are two (2) seats to be filled for corporate trustees, three (3) seats to be filled for regular trustees, and two (2) seats to be filled for independent trustees. Thus, the nominees garnering the two (2) highest count of votes for corporate trustees, the three (3) highest count of votes for regular trustees, and the two (2) highest count of votes for independent trustees shall comprise the new set of Board of Trustees for years 2021 to 2023.

Names	Votes Garnered
Corporate Nominees	
a. Mr. Aldwin C. Ang	1,273,382
b. Mr. Salvador G. Tirona	395,941
Regular Trustees	
a. Atty. Horatio Enrico M. Bona	51,328,808
b. Engr. Ernesto M. Cabral	36,468,140
c. Ms. Helen T. De Guzman	29,154,163
d. Ms. Charina P. Padua	42,203,931
Independent Trustees	
a. Engr. Antonio M. Abuel, Jr.	40,905,156
b. Mr. Anacleto M. Banaag, Jr.	9,922,525
e. Engr. Froilan J. Savet	32,150,046

The Chairman requested the Corporate Secretary to present the resolution on the announcement of winners read as:

Resolution AMM 2021-04 declaring them as the duly elected members of the Board of Trustees who will serve as such from 3 May 2021 to 1 May 2023 or until their successors are duly elected and qualified, to wit:

#### **Resolution No. AMM-2021-04**

“RESOLVED, that the following nominees to the Board, having received the highest number of votes from the members present and represented at the meeting, are hereby declared duly elected members of the Board of Trustees to serve from 3 May 2021 to 1 May 2023 or until their successors are duly elected and qualified:

1. Mr. Aldwin Christian C. Ang
2. Mr. Salvador G. Tirona
3. Atty. Horatio Enrico M. Bona
4. Engr. Ernesto M. Cabral

5. Ms. Charina Pablo Padua
6. Engr. Antonio M. Abuel, Jr.
7. Engr. Froilan J. Savet

#### 14. Oath-Taking of the Trustees-elect



#### OATH OF OFFICE

I, (state your full name), having been elected as a member of the Board of Trustees of the Meralco Employees Savings and Loan Association, Inc., who will serve from 3 May 2021 to 1 May 2023 or until my successor has been elected and qualified, do solemnly swear:

1. That I will support, promote, and uphold the By-Laws of the Association;
2. That I will bear true faith and allegiance to the same;
3. That I will discharge my duties and responsibilities to the best of my knowledge, experience, and ability pursuant to the laws, rules and regulations promulgated by the duly constituted authorities of the government and in consonance with the principles and practices of good corporate governance with the goal of furthering the objectives and interests of the Association and its members; and
4. That I impose these obligations upon myself voluntarily, without mental reservation or purpose of evasion.

So help me God.

## 15. Adjournment

The Corporate Secretary informed the Chairman that based on the Agenda, there are no other items to consider in this meeting. There being no other matter to discuss, this Annual Membership Meeting is hereby adjourned at 11:40 am.

Prepared by:

**Atty. MARIA ZARAH R. VILLANUEVA-CASTRO**  
Corporate Secretary

Attested by:

**Atty. GIL S. SAN DIEGO**  
Chairman

**SALVADOR G. TIRONA**  
Vice-Chairman

**MA. CYNTHIA C. SOLUREN**  
President

**JAIME R. CAMACHO**  
Treasurer

**FERDINAND C. ALEJANDRO**  
Trustee

**HELEN T. DE GUZMAN**  
Trustee

**RUSTICO C. DE BORJA, JR.**  
Trustee