

**AYALA MULTI-PURPOSE COOPERATIVE**  
**MINUTES OF THE 2023 ANNUAL GENERAL ASSEMBLY**  
**20 April 2023, 3:00 p.m.**  
**25<sup>th</sup> Floor, The Blue Room, Tower One and Exchange Plaza**  
**Ayala Triangle, Ayala Avenue, Makati City**

	No. of Members	Percentage of Total
<b>Members Present:</b>	9,688	74%

**Directors Present:**

Ruel T. Maranan

**Officers Present:**

Lourdes B. Orosa, General Manager

Jennifer D. Cura, Head of Finance and Administration

Lorlyn M. Arceo, Chair of the Audit Committee

Maria Paula G. Romero-Bautista, Cooperative Secretary

**I. CALL TO ORDER**

After the national anthem and the invocation, Mr. Ruel T. Maranan, the Chairman of the Meeting, called the meeting to order. Ms. Maria Paula G. Romero-Bautista, Cooperative Secretary, recorded the proceedings.

**II. CERTIFICATION OF NOTICE AND QUORUM**

The Secretary certified that written notice of the time, date, place and purposes of the various General Assemblies or chapter meetings was sent to all members in accordance with the By-Laws of the Cooperative.

The Secretary further certified that there was a quorum and stated that out of 13,046 members in good standing with voting rights, a total of 9,688 members or 74% attended the various general assembly or separate chapter meetings held during the period 31 March 2023 until 20 April 2023.

**III. APPROVAL OF MINUTES OF THE PREVIOUS GENERAL ASSEMBLY**

The Chairman then proceeded with the approval of the minutes of the previous General Assembly, copies of which were posted in the Cooperative's website and were distributed to the members upon their registration.

The Secretary then presented the proposed resolution for the approval of the minutes of the previous meeting and based on the votes received, reported the approval by the members of the following resolution::

### **Resolution No. M-001-2023**

**RESOLVED**, to approve the minutes of the General Assembly meeting held on 16 June 2023.

#### **IV. CHAIRMAN'S REPORT**

The Chairman, Mr. John Philip S. Orbeta, through a video recording presented the Chairman's Report.

He began his report by noting that the year 2022 was a year of recovery for the Cooperative which translated to increase in financial targets and communities reached through partnership with the Ayala Group of Companies (AGC) and Cooperative Development Authority (CDA). For year-end 2022, the membership of the Cooperative increased by 3,000 to a total of 37,577 members.

Mr. Orbeta also reported that the Cooperative released a total amount of Php1.78 Billion as loans, which is 4% higher compared to 2021. He highlighted that the number of loan releases increased by 24.5% or at 13,749 from 2021. Gross revenue likewise improved by 5% at Php424 Million.

The Cooperative's total assets grew by 7% to Php4.7 Billion, which Mr. Orbeta noted that the Cooperative needs to increase its authorized capitalization to Php10 Billion from Php3.5 Billion. Members' paid-up share capital increased from Php3.58 Billion in 2021 to Php3.8 Billion in 2022 which is a clear indication of the trust and support of the members.

The Cooperative also continued to provide support to address the members' needs, such as the Expanded Damayan Loan of up to Php1 Million and increase of the multi-purpose loan limit of up to Php2 Million to address the hospitalization and medical needs of the members.

For community service, as of year-end 2022, the Cooperative supported 13,123 students from government funded schools through the Brigadang Ayala Program and the Cooperative released a total of Php7.33 Million for its scholarship program. Mr. Orbeta highlighted that despite the conclusion of the Cooperative's COVID assistance program, it successfully extended aid to 220 members with a total assistance amounting to Php1.28 Million. He also added that for the Cooperative's feeding, health and wellness advocacies, the Cooperative released Php1.25 Million which gave assistance to 124 beneficiaries. Mr. Orbeta proudly added that the Cooperative adopted a national athlete under the Atletang Ayala program. For those affected by natural calamities, the Cooperative donated a total amount of Php306,000.00 worth of food packs while the Cooperative assisted micro cooperatives through the CDA's Koop Kapatid program, with Php180,000.00 being donated to PWD Antipolo Consumers Cooperative and Inang Kalikasan Agri Coop, benefitting 146 individuals.

In closing, Mr. Orbeta emphasized the Cooperative's commitment to enhancing members' services through improved communication by establishing a dedicated customer service team. Mr. Orbeta then asked the members for its continued trust and support and thanked them for their contribution to overcoming challenges. He also extended gratitude to the Human Resources partners in the AGC for their support.

#### **V. TREASURER'S REPORT**

Mr. Estelito C. Biacora, the Treasurer of the Cooperative, then presented his Treasurer's Report.

Mr. Biacora shared that due to the continued trust and support of the members, the Cooperative recorded a membership equity of Php4.1 Billion with 829 Coop millionaires and the 22% increase in loan borrowers at 13,274 members. He also noted the increase in membership base and the 160 member companies are continuously growing.

Mr. Biacora presented the financial figures for 2022 as compared with 2021 based on the audited report of Isla Lipana & Co. –

- Total assets grew 7% to Php4.7 Billion from Php4.4 Billion in 2021.
- Loan portfolio posted a 2% increase to Php2.32 Billion from Php2.26 Billion at year-end 2021.
- Paid-up share capital went up by 6% to Php3.8 Billion from Php3.6 Billion in 2021.
- Gross revenue grew by 5% to P424.5 Million from Php403.3 Million.
- Net surplus went up by 5% from Php328 Million to Php344.6 Million.

Financial assests increased by Php433 Million which is now at Php713.7 Million due to Board-approved wider investment options. Loan and other receivables amounted to Php2.32 Billion, 2% higher than 2021 while loan bookings reached Php1.84 Billion but was tapered off by loan payment, termnations and write-off of total of the Php1.78 Billion. Restricted deposits went up to Php300 Million from P270 million wherein the additional Php30 Million was to fully fund the General Reserves in compliance with the requirement of the CDA and in compliance with the CDA, the patronage refund will not be more than twice the dividend rate..

On the liabilities, interest on share capital and patronage refund grew by 5% to Php292.9 Million. This represents the amount available for distribution to the members, after deducting amount allocated for reserves, as required by the CDA.

Mr. Biacora stated that the high investment income mainly contributed to the increase in gross revenue as well as with the significatnt improvement on the membership and loan-related fees amounting to Php29.6 Million. He reported that the total expenses of the Cooperative is Php79.7 Million and is still within the cost-to-income ratio of 19%. Impairment losses on loans receivable went up to Php28.7 Million from Php22.9 Million due to increased provison rate of 35% in compliance to CDA’s policy. The net surplus went up by 5% at Php344.6 Million. The Cooperative set aside minimum mandatory reserve requirements of 15% or Php51.7 Million for general reserves.

Out of the total net amount for distribution, Php249 Million is available for dividends and Php43.9 Million for distribution as patronage refund. This results in a patronage refund rate of 13.39% from 12.84% in 2021 and dividend rate of 6.83% from 6.79% in 2021. This means members who borrowed from the Cooperative will get back 13.39 centavos for every Php1 of interest they paid. The release of dividends and patronage refund will commence on 21 April 2023.

Upon the request of the Chairman, the Secretary presented the proposed resolution and reported the members’ approval of the same in accordance with the voting results:

#### **Resolution No. M-002-2023**

**RESOLVED**, to approve the annual report including the audited financial statements of the Cooperative as of 31 December 2022, as audited by the Cooperative’s external auditor, Isla Lipana & Co..

#### **VI. RATIFICATION OF ALL ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS ADOPTED DURING THE PRECEDING YEAR INCLUDING THE DISTRIBTUION OF NET SURPLUS**

The Secretary further presented for ratification of the body all the acts and resolutions adopted by the Board of Directors and the Executive Committee since the last general assembly, including the following: (1)

Cooperative Annual Performance Report; (2) Governance and Management and Social Audit Reports; (3) Report on the List of Trainings undertaken/completed; (4) Audited Financial Statements, including distribution of net surplus; (5) Utilization of the optional fund; (6) 2023 Budget, and (7) 2023 Developmental Plans, details of which were posted in the Cooperative's website and handed out to the members upon their registration.

The Secretary reported that the general assembly approved and adopted the following resolution:

**Resolution No. GA-003-2023**

**RESOLVED**, to approve all acts and resolutions of the Board of Directors and the Executive Committee since the annual general assembly held on 16 June 2022, as reflected in the minutes of the meetings, financial statements and other reports/records of the Cooperative.

**VII. APPROVAL OF THE AMENDMENT OF THE ARTICLES OF COOPERATION AND THE BY-LAWS**

The Secretary explained the proposed amendments to the Articles of Cooperation, particularly, Article VIII Capitalization to increase the authorized share capital of the Cooperative from Three Billion Five Hundred Million Pesos to Ten Billion Pesos. While the proposed amendments to the By-Laws refer to the amendment of Sections 4 and 7, Article III to allow the General or Special Assembly, including Chapter Meetings, to be held in a fully or partial virtual format such as through videoconferencing; Sections 10 and 13, to allow the voting of the members through remote communication and/or other modes of electronic communication and Sections 19, 20, 21, 23 and 25 to change the composition of the Election, Audit, Credit, Mediation and Conciliation, and Ethics Committee from three members to at least three members. And lastly, the addition of Section 8 under Article VIII to include provisions on the procedures for voluntary arbitration.

Upon the request of the Chairman, the Secretary presented the proposed resolution and reported the members' approval of the amendment of the Articles of Cooperation and By-Laws with the voting results:

**Resolution No. GA-004-2023**

**RESOLVED**, to approve and authorize the amendment to the Cooperative's Amended Articles of Cooperation and Amended By-Laws, to wit:

1. Amended Articles of Cooperation
  - 1.1 Article VIII, Increase of Authorized Share Capital from Php3.5 Billion to Php10 Billion.
2. Amended By-Laws
  - 2.1 Article III, Sections 4 and 7, to allow the General or Special Assembly, including Chapter Meetings, to be held in a fully or partial virtual format such as through videoconferencing
  - 2.2 Article III, Sections 10 and 13, to allow the voting of the members through remote communication and/or other modes of electronic communication
  - 2.3 Article VIII, Sections 19, 20, 21, 23 and 25 to change the composition of the Election, Audit, Credit, Mediation and Conciliation, and Ethics Committee from three members to at least three members
  - 2.4 Article VIII, to Section 8 to include provisions on the procedures for voluntary arbitration.

so that as herein amended, the aforementioned provisions shall henceforth read as follows:

CURRENT PROVISION	AMENDED PROVISION
<b>ARTICLES OF COOPERATION</b>	<b>ARTICLES OF COOPERATION</b>
<p>Article VIII                      CAPITALIZATION</p> <p>That the authorized share capital of the cooperative is Three Billion Five Hundred Million Pesos (₱3,500,000,000.00). The said capital is divided into:</p> <p>A. Common Shares consisting of Five Million Six Hundred Thousand (5,600,000) shares, at Five Hundred Pesos (₱500.00) par value per share amounting to Two Billion Eight Hundred Million Pesos (₱2,800,000,000.00), and</p> <p>B. Preferred Shares consisting of One Million Four Hundred Thousand (1,400,000) shares, at Five Hundred Pesos (₱500.00) par value per share amounting to Seven Hundred Million Pesos (₱700,000,000.00).</p> <p>x x x</p>	<p>Article VIII                      CAPITALIZATION</p> <p>That the authorized share capital of the cooperative is <u>Ten Billion Pesos (₱10,000,000,000.00)</u>. The said capital is divided into:</p> <p>C. Common Shares consisting of <u>Fourteen Million (5,600,000)</u> shares, at Five Hundred Pesos (₱500.00) par value per share amounting to <u>Seven Billion Pesos (₱7,000,000,000.00)</u>, and</p> <p>D. Preferred Shares consisting of <u>Six Million (6,000,000)</u> shares, at Five Hundred Pesos (₱500.00) par value per share amounting to <u>Three Billion Pesos (₱3,000,000,000.00)</u>.</p> <p>x x x</p>
<b>BY-LAWS</b>	<b>BY-LAWS</b>
<b>ARTICLE III -GOVERNMENT</b>	<b>ARTICLE III -GOVERNMENT</b>
<p>Section 4. The General Assembly shall hold its annual regular meeting at the principal office of the Cooperative or at any place within the Philippines on the date fixed by the Board of Directors, provided that such date shall be within one hundred twenty (120) days after the close of each fiscal year. The fiscal year of this Cooperative shall commence on the first day of January and end on the last day of December and every year thereafter.</p>	<p>Section 4. The General Assembly shall hold its annual regular meeting at the principal office of the Cooperative or at any place within the Philippines <u>or through a partial or fully virtual format</u> on the date fixed by the Board of Directors, provided that such date shall be within one hundred twenty (120) days after the close of each fiscal year. The fiscal year of this Cooperative shall commence on the first day of January and end on the last day of December and every year thereafter.</p>
<p>Section 7. Representative Assembly Meeting by Chapter - In the event that the General Membership has become more</p>	<p>Section 7. Representative Assembly Meeting by Chapter - In the event that the General Membership has become more than 1,000, for</p>

<p>than 1,000, for purposes of holding a regular or special general assembly meeting, the Board of Directors may, by a majority vote of all its members, divide the members into Chapter, provided that each Chapter shall consist of not less than 100 members. The division may be according to geographical location, scope of operation or such other criteria as may be deemed appropriate.</p> <p style="text-align: center;">XXX XXX XXX</p>	<p>purposes of holding a regular or special general assembly meeting, the Board of Directors may, by a majority vote of all its members, divide the members into Chapter, provided that each Chapter shall consist of not less than 100 members. The division may be according to geographical location, scope of operation or such other criteria as may be deemed appropriate <b><u>and may be held in a partial or fully virtual format.</u></b></p> <p style="text-align: center;">XXX XXX XXX</p>
<p>Section 10. Manner of Voting -</p> <p>A) Members entitled to vote shall be qualified to vote and participate in the general assembly of cooperative. No member of the cooperative shall be entitled to more than one vote regardless of the share capital owned. No proxy voting shall be allowed.</p> <p>B) Election and removal of Directors and Committee members shall be by secret balloting. Action on all other matter shall be in any manner that will truly and correctly reflect the decisions of the membership.</p>	<p>Section 10. Manner of Voting -</p> <p>A) Members entitled to vote shall be qualified to vote and participate in the general assembly of cooperative <b><u>via remote communication or otherwise.</u></b> No member of the cooperative shall be entitled to more than one vote regardless of the share capital owned. No proxy voting shall be allowed.</p> <p>B) Election and removal of Directors and Committee members shall be by secret balloting <b><u>via remote communication or otherwise.</u></b> Action on all other matter shall be in any manner that will truly and correctly reflect the decisions of the membership.</p>
<p>Section 13. Election of Directors - The members of the Board of Directors shall be elected by secret ballot by the members of the Annual General Assembly and shall hold office for a term of two years unless earlier removed for cause, or have resigned or become incapacitated due to illness or death and until their successors have been elected, qualified and have discharged the duties of the office; provided, that during the election at the first Annual General Assembly after registration, one-half plus one of the directors obtaining the highest number of votes shall serve for two years, and the remaining directors for one year. Thereafter, all shall be elected for a term of two years until their successors are duly elected and qualified, or until duly removed for cause.</p>	<p>Section 13. Election of Directors - The members of the Board of Directors shall be elected by secret ballot, <b><u>via remote communication or otherwise,</u></b> by the members of the Annual General Assembly and shall hold office for a term of two years unless earlier removed for cause, or have resigned or become incapacitated due to illness or death and until their successors have been elected, qualified and have discharged the duties of the office; provided, that during the election at the first Annual General Assembly after registration, one-half plus one of the directors obtaining the highest number of votes shall serve for two years, and the remaining directors for one year. Thereafter, all shall be elected for a term of two years until their successors are duly elected and qualified, or until duly removed for cause.</p>
<p>SECTION 19. Election Committee - The Election Committee shall be composed</p>	<p>SECTION 19. Election Committee - The Election Committee shall be composed of <b><u>at</u></b></p>

<p>of three members elected during the Annual General Assembly. Within ten (10) days after their election, they shall elect their Chairman, Vice-Chairman and Secretary. No member of the committee shall serve in the Board or in any other elective committees. The committee shall promulgate rules and regulation in the conduct of election, pass upon the qualifications of candidates, supervise the conduct of election, canvass and certify in writing the returns to the presiding officer, proclaim the winning candidates and shall decide election protest except those involving the committee or its members. Election protest filed by the members of the Election Committee shall be decided by the Board of Directors whose decision may be appealed to the CDA within 15 days from notice of decision or if either of the parties desire, to arbitration of three (3) persons, one of whom shall come from the CDA and the two (2) to be nominated by each of the parties.</p> <p>In the appreciation of ballots, cumulative voting shall be disregarded and a vote for a director or committee member shall be counted as one vote.</p>	<p><b>least</b> three members elected during the Annual General Assembly. Within ten (10) days after their election, they shall elect their Chairman, Vice-Chairman and Secretary. No member of the committee shall serve in the Board or in any other elective committees. The committee shall promulgate rules and regulation in the conduct of election, pass upon the qualifications of candidates, supervise the conduct of election, canvass and certify in writing the returns to the presiding officer, proclaim the winning candidates and shall decide election protest except those involving the committee or its members. Election protest filed by the members of the Election Committee shall be decided by the Board of Directors whose decision may be appealed to the CDA within 15 days from notice of decision or if either of the parties desire, to arbitration of three (3) persons, one of whom shall come from the CDA and the two (2) to be nominated by each of the parties.</p> <p>In the appreciation of ballots, cumulative voting shall be disregarded and a vote for a director or committee member shall be counted as one vote.</p>
<p>SECTION 20. Audit Committee. An Audit Committee of three (3) members shall be elected by secret ballot by the members during the annual general assembly. In no case shall a member of the committee serve as a member of the Board of Directors at the same time and vice-versa. Within ten (10) days after their election, the members of the committee shall elect from among themselves a Chairman, Vice-Chairman and Secretary. The members of the Committee shall hold office for one year or until their successors shall have been elected and qualified. The committee shall provide internal audit service, maintain a complete record of its examination and inventory, and submit audited quarterly reports to the Board and audited annual financial reports to the general assembly.</p>	<p>SECTION 20. Audit Committee. An Audit Committee of <b>at least</b> three (3) members shall be elected by secret ballot by the members during the annual general assembly. In no case shall a member of the committee serve as a member of the Board of Directors at the same time and vice-versa. Within ten (10) days after their election, the members of the committee shall elect from among themselves a Chairman, Vice-Chairman and Secretary. The members of the Committee shall hold office for one year or until their successors shall have been elected and qualified. The committee shall provide internal audit service, maintain a complete record of its examination and inventory, and submit audited quarterly reports to the Board and audited annual financial reports to the general assembly.</p>

<p>Section 21. Credit Committee- The credit committee shall be composed of three (3) members and three (3) alternates appointed by the Board of Directors for a term of one year or until their successors are elected and qualified. Within ten (10) days after their election, the members shall elect from among themselves a Chairman and a Secretary.</p> <p>The committee shall be responsible for the credit management of the cooperative. In the performance of its functions, it shall</p> <p>Process, evaluate and act upon loan applications and withdrawals of deposit, except when the applicant is a member of the committee, in which case, the application shall be acted upon by the Board of Directors; and</p> <p>Exercise general supervision including collection over all loans to member.</p>	<p>Section 21. Credit Committee- The credit committee shall be composed of <b>at least</b> three (3) members and three (3) alternates appointed by the Board of Directors for a term of one year or until their successors are elected and qualified. Within ten (10) days after their election, the members shall elect from among themselves a Chairman and a Secretary.</p> <p>The committee shall be responsible for the credit management of the cooperative. In the performance of its functions, it shall</p> <p>Process, evaluate and act upon loan applications and withdrawals of deposit, except when the applicant is a member of the committee, in which case, the application shall be acted upon by the Board of Directors; and</p> <p>Exercise general supervision including collection over all loans to member.</p>
<p>Section 23. Mediation and Conciliation Committee. The Mediation and Conciliation committee shall be composed of three (3) members appointed by the board of directors for a term of one (1) year or until their successor are elected and qualified. Within ten (10) days after their appointment, the member shall elect from among themselves a Chairman and a Secretary. The committee shall:</p> <p style="text-align: center;">xxx xxx xxx</p>	<p>Section 23. Mediation and Conciliation Committee. The Mediation and Conciliation committee shall be composed of <b>at least</b> three (3) members appointed by the board of directors for a term of one (1) year or until their successor are elected and qualified. Within ten (10) days after their appointment, the member shall elect from among themselves a Chairman and a Secretary. The committee shall:</p> <p style="text-align: center;">xxx xxx xxx</p>
<p style="text-align: center;">ARTICLE VIII - MISCELLANEOUS</p>	<p style="text-align: center;">ARTICLE VIII - MISCELLANEOUS</p>
	<p><b><u>Section 8. Voluntary Arbitration. Any dispute, controversy or claim arising out of, or relating to this By-Laws, the Cooperative Law and related rules, administrative guidelines of the Cooperative Development Authority, including disputes involving members, officer, directors, and committee members, intra-cooperative disoutes and related issues shall be exclusively referred to and finally resolved by voluntary arbitration under the institutional rules promulgated by the Cooperative Development Authority,</u></b></p>



	<b><u>after compliance with the conciliation of mediation mechanisms embodied in the By-Laws of the Cooperative, and such other applicable laws.</u></b>
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**RESOLVED, FINALLY**, to approve and authorize the directors and appropriate officers of the Cooperative be to execute and file the necessary certificates and other documents with the Cooperative Development Authority and to do all things necessary to carry into effect the foregoing resolution.

### **VIII. ELECTION OF DIRECTORS AND COMMITTEE MEMBERS**

The next item in the agenda was the election of directors and committee members. The Secretary then explained the guidelines for the election of the directors.

The Secretary reported that based on the tabulation of votes, the nominees for election as members of the Board and committees have garnered at least 25% from members entitled to vote or are in good standing. Given this, she certified that each nominee has received enough votes for election to the Board and the committees and that the following resolution has been approved:

#### **Resolution No. GA-005-2023**

**RESOLVED**, to elect the following as directors and members of the committees of the Cooperative to serve as such beginning today until their successors are elected and qualified:

- **Board of Directors**

Enrique B. Manual, Jr.	(Ayala Land, Inc. or ALI)
Rhe Anjanette R. Reyes	(ALI)
Helen C. Gaela	(AC Logistics)

- **Audit Committee**

Catherine H. Ang	(Ayala Corporation)
Rosalin E. Palacol	(Globe Telecom, Inc.)
Lorlyn M. Arceo	(Integrated Micro-Electronics, Inc.)

- **Election Committee**

Niño Jesus B. Raneses	(Bank of the Philippine Islands)
Ma. Chiara Lubich H. Zotomayor	(ACEN, Inc.)
Evangeline G. Bongon	(AC Motors)

The Chairman congratulated the three re-elected directors and the committee members.

### **IX. ELECTION OF EXTERNAL AUDITORS**

The next order of business was the election of external auditors. The Chairman called on Ms. Lorlyn M. Arceo, Chairwoman of the Audit Committee, to present this item.

Ms. Arceo reported that the Audit Committee approved and endorsed to the Board for approval, and the Board accordingly approved, the election by the general assembly of the firm of PwC Isla Lipana & Co. as the external auditor of the Cooperative for fiscal year 2023 for an audit fee of Php336,000.00, inclusive of value-added tax (VAT) and exclusive of out-of-pocket expenses not to exceed 10% of the audit fee.

On motion made and duly seconded, the general assembly approved the appointment of Isla Lipana & Co. as external auditors for fiscal year 2023 for an audit fee of Php336,000.00, inclusive of VAT and exclusive of out-of-pocket expenses not to exceed 10% of the audit fee, and adopted the following resolution:

**Resolution No. GA-006-2023**

**RESOLVED**, to approve the election of Isla Lipana & Co. as the external auditors of the Cooperative for the year 2023 for an audit fee of Php336,000.00, inclusive of value-added tax (VAT) and exclusive of out-of-pocket expenses not to exceed 10% of the audit fee.

**X. ADJOURNMENT**

There being no other matters to discuss, and on motion made and duly seconded, the meeting was adjourned.

**MARIA PAULA G. ROMERO-BAUTISTA**  
*Cooperative Secretary*

*Approved:*

**RUEL T. MARANAN**  
*Chairman of the Meeting*