



SINGAPORE REINSURANCE CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 197300016C)

MINUTES OF 47th ANNUAL GENERAL MEETING

PLACE	:	Held by way of electronic means
DATE	:	23 June 2020
TIME	:	11.00 A.M.
PRESENT	:	As per Attendance List maintained by the Company
NOTICE OF MEETING	:	The Notice convening this meeting was taken as read.
CHAIRMAN	:	Mr Ramaswamy Athappan was elected to chair the meeting.

QUORUM

As a quorum was present, Mr Ramaswamy Athappan, the Chairman (the “**Chairman**”) of the Board of Directors (the “**Board**”) of the Company, in assisting to conduct the meeting, declared the meeting open.

INTRODUCTION

The Chairman informed the meeting that in view of the ongoing developments on the COVID-19 outbreak and pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company’s Annual General Meeting (“**AGM**”) this year was being held by way of electronic means. In particular:

1. Alternative arrangements had been put in place to allow the Shareholders, who had pre-registered in advance, to participate in the AGM by watching the proceedings via “live” webcast or listening to the proceedings via “live” audio feed.
2. The Company had also been accepting questions from Shareholders in advance of the AGM, and these questions, where substantial and relevant, and received by 15 June 2020 at 5.00 p.m., would be addressed during the AGM proceedings.
3. As Shareholders were not attending the AGM in person, all Shareholders who wished to vote had been requested to submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf.

The Chairman introduced the members of the Board and Management and the Auditors and Company Secretary attending the meeting via videoconference.

NOTICE

The Notice convening the meeting was taken as read.

QUESTION AND ANSWER SESSION

The summarised substantive and relevant questions received by the Company and the responses made in relation thereto, as set out in the attached Annex A, were noted.

Following the Question and Answer session, the Chairman proceeded with the business of the meeting.

ORDINARY BUSINESS:

1. ADOPTION OF REPORTS AND ACCOUNTS

Resolution 1 of the Agenda was to receive and adopt the Directors' Statement and Audited Accounts for the year ended 31st December 2019 ("FY2019").

The Chairman, in addressing the meeting, noted that as the Chairman's Statement to Shareholders, the Directors' Statement, the Audited Accounts for FY2019, and the Independent Auditors' Report had been in the Shareholders' hands for the prescribed period, he would take them as read.

The following resolution was formally proposed by the Chairman and passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

"THAT the Directors' Statement and Audited Accounts for the year ended 31st December 2019 be and are hereby received and adopted."

2. DECLARATION OF FINAL DIVIDEND

Resolution 2 on the Agenda was to declare a final dividend for FY2019. It was noted that the Board of Directors had recommended a final dividend of 0.8 cent per share tax exempt for FY2019 and if approved, would be payable on 27th July 2020 to Shareholders of the Company registered as at 5.00 p.m. on 2nd July 2020.

The following resolution was formally proposed by the Chairman and passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

"THAT a final dividend of 0.8 cents per share tax exempt for the year ended 31st December 2019 be and is hereby approved and declared."

3. DIRECTORS' FEES

Resolution 3 on the Agenda was to approve the payment of Directors' fees for FY2019. It was noted that the Board of Directors had recommended the payment of a total sum of S\$565,973 to be paid as Directors' fees for FY2019.

The following resolution was formally proposed by the Chairman and passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

“THAT the payment of Five Hundred and Sixty-Five Thousand Nine Hundred and Seventy-Three Dollars (S\$565,973) as Directors’ fees for the year ended 31st December 2019 be and is hereby approved.”

4. RE-ELECTION OF MR DAVID CHAN MUN WAI AS A DIRECTOR

Resolution 4 on the Agenda was to re-elect Mr David Chan Mun Wai, who was retiring by rotation pursuant to Regulations 96 and 97 of the Company’s Constitution.

In accordance with Regulations 96 and 97 of the Company’s Constitution, Mr David Chan Mun Wai, as a Director, retired by rotation and being eligible, offered himself for re-election.

It was noted that Mr David Chan Mun Wai, who is also a Shareholder, had informed the Company that as Resolution 4 related to his re-election, he had voluntarily abstained from voting on Resolution 4.

The following resolution was formally proposed by the Chairman and passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

“THAT Mr David Chan Mun Wai who retires by rotation pursuant to Regulations 96 and 97 of the Company’s Constitution be and is hereby re-elected as a Director of the Company.”

5. RE-ELECTION OF MR DILEEP NAIR AS A DIRECTOR

Resolution 5 on the Agenda was to re-elect Mr Dileep Nair, who was retiring by rotation pursuant to Regulations 96 and 97 of the Company’s Constitution.

In accordance with Regulations 96 and 97 of the Company’s Constitution, Mr Dileep Nair, as a Director, retired by rotation and being eligible, offered himself for re-election.

The following resolution was formally proposed by the Chairman and passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

“THAT Mr Dileep Nair who retires by rotation pursuant to Regulations 96 and 97 of the Company’s Constitution be and is hereby re-elected as a Director of the Company.”

6. RE-APPOINTMENT OF AUDITORS

Resolution 6 on the Agenda was to re-appoint KMPG LLP as auditors for the ensuing

year and to authorise the Directors to fix the auditors' remuneration.

The following resolution was formally proposed by the Chairman and passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

“THAT Messrs KPMG LLP be and is hereby re-appointed as auditors of the Company for the ensuing year at a fee to be determined by the Directors.”

SPECIAL BUSINESS:

7. AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE NEW SHARES

Resolution 7 on the Agenda was to seek the Shareholders' approval pursuant to Section 161 of the Companies Act, Chapter 50, for the Directors to be granted the power to issue shares in the Company or to make or grant offers, agreements or options that might or would require shares to be issued, the details of which were set out in the text of Resolution 7 in Item 6 of the Notice of AGM.

It was noted that such approval, if obtained, would remain in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

The following resolution was formally proposed by the Chairman and passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

“THAT pursuant to Section 161 of the Act and the listing rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), authority be and is hereby given to the directors of the Company to (a) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); (b) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, “**Instruments**”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; (c) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues, at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and (d) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) to issue shares in pursuance of any Instruments made or granted by the directors while this resolution was in force, provided that:

- (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings), of which the aggregate number of shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 20% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings);

- (ii) for the purpose of determining the aggregate number of shares that may be issued (subject to such manner of calculation as may be prescribed by SGX-ST) under (i) above, the percentage of issued share capital shall be based on the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for (1) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards that are outstanding or subsisting when this resolution is passed; and (2) any subsequent bonus-issue, consolidation or subdivision of shares;
- (iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance is waived by the SGX-ST) and the Company's Constitution; and
- (iv) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

8. SHARE BUY-BACK MANDATE

Resolution 8 on the Agenda was to seek the Shareholders' approval for the Directors to exercise all the powers of the Company to purchase or acquire issued shares in the capital of the Company in accordance with the terms of which were set out in the text of Resolution 8 in Item 6 of the Notice of AGM.

It was noted that such approval, if obtained, would remain in force until the date on which the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier.

The Chairman noted that:

- (i) Fairfax Financial Holdings Limited, Fairfax Asia Limited, Newline Corporate Name Limited, Newline Holdings UK Limited and the Chairman and parties acting in concert are to abstain from voting on this resolution; and
- (ii) they had declined to accept any appointment as proxy for any Shareholder to vote on this Resolution 8 unless the Shareholder concerned had given instructions in his Proxy Form as to the manner in which his vote was to be cast.

Accordingly, the Company would disregard any votes cast on this Resolution 8 by Fairfax Financial Holdings Limited, Fairfax Asia Limited, Newline Corporate Name Limited, Newline Holdings UK Limited and the Chairman and any parties acting in concert.

The following resolution was formally proposed by the Chairman and passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

“THAT:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the “Act”), the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company (“Shares”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (“SGX-ST”) through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “Share Buy-Back Mandate”);

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the directors at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earliest of:

- (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
- (ii) the date on which the authority contained in the Share Buy-Back Mandate is revoked or varied by the Company in general meeting; and
- (iii) the date on which the share purchases pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated.

(c) in this resolution:

“Average Closing Price” means the average of the closing market prices of the Shares over the last five Market Days on which the Shares were transacted on the SGX-ST immediately preceding the date of the making of the market purchase by the Company, or as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with any rules that may be prescribed by the SGX-ST, for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made;

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating the purchase price (which shall not be more than

the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

“**Market Day**” means a day on which the SGX-ST is open for trading in securities;

“**Maximum Percentage**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this resolution (excluding treasury shares and subsidiary holdings as at that date);

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) which shall not be more than, in the case of a market purchase of the Share and an off-market purchase of the Share, 5% above the Average Closing Price of the Shares; and

- (d) the directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution.”

9. TERMINATION

There being no other business to transact, the Chairman of the meeting declared the Annual General Meeting of the Company closed and thanked everyone for their attendance.

Mr Ramaswamy Athappan
Chairman

**APPENDIX
POLL RESULTS**

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		No. of Shares	As a percentage of total number of votes for and against the resolution (%)	No. of Shares	As a percentage of total number of votes for and against the resolution (%)
<u>Ordinary Resolution 1</u> To receive and adopt the Directors' statement and audited accounts	336,565,952	336,532,952	99.990	33,000	0.010
<u>Ordinary Resolution 2</u> To declare a final dividend	336,565,952	336,532,952	99.990	33,000	0.010
<u>Ordinary Resolution 3</u> To approve Directors' fees	336,565,952	336,532,952	99.990	33,000	0.010
<u>Ordinary Resolution 4</u> To re-elect director: Mr David Chan Mun Wai	336,492,747	331,193,007	98.425	5,299,740	1.575
<u>Ordinary Resolution 5</u> To re-elect director: Mr Dileep Nair	336,565,952	331,661,312	98.543	4,904,640	1.457
<u>Ordinary Resolution 6</u> To re-appoint the auditors and authorise the Directors to fix their remuneration	336,565,952	336,446,952	99.965	119,000	0.035
<u>Ordinary Resolution 7</u> To approve the issue of shares pursuant to Section 161 of the Companies Act, Chapter 50	336,565,952	280,638,565	83.383	55,927,387	16.617
<u>Ordinary Resolution 8</u> To approve the renewal of the Share Buy-Back Mandate	168,351,263	168,232,263	99.929	119,000	0.071



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(Incorporated in the Republic of Singapore)

(Company Registration No: 197300016C)

Annex A

**47TH ANNUAL GENERAL MEETING HELD ON 23 JUNE 2020
QUESTIONS FROM SHAREHOLDERS AND THE RESPONSES MADE IN
RELATION THERETO**

Unless otherwise defined, capitalised terms used in this Annex A shall bear the same meaning as each of their respective definitions in the Minutes of 47th Annual General Meeting.

Question	Responses
COVID-19 Pandemic	
1	<p>What is the expected extent of COVID-19 impact on the entire insurance industry?</p> <p>We assume the query is referring to the global (re)insurance industry's insured loss estimates and does not include the impact on (re)insurance companies' investment portfolio in light of the upheaval in the equity and bond markets.</p> <p>It is too early to indicate what the insured loss to the insurance industry would be, given that COVID-19 situation is still developing. Based on the current situation, the impact from COVID-19 would be worse than the 2008 financial crisis. The economic loss it has caused is colossal and would have been much worse but for the respective governments' massive interventions.</p> <p>The estimated worldwide insured loss is expected to be very huge at over \$70 billion and would be the biggest ever insurance claim payout. There is socio-political push in various US states to pass laws to coerce insurers to cover COVID-19 losses and there would be legal tussles challenging policy coverage issues, etc.</p> <p>Most of the claims are not due to material damage but are due to the business interruption aspects of the claims. The policies which we write have a condition that unless there is a material damage, a business interruption claim would not be paid. If COVID-19 did not cause any material damage, a business interruption cannot be claimed on account of COVID-19.</p>

Question	Responses
	<p>However, there are two available extensions for a smaller sub-limit that may waive the material damage proviso. The first is the Infectious Disease (“ID”) extension. If someone is infected within the business premises and a closure order is issued by the government, that loss would be payable under the policy up to the specified sub-limit. The second type of extension is where “Closure by Public Authorities” due to causes not specifically excluded, which results in interruption of business, is covered up to the specified sub-limit.</p> <p>Other than the business interruption claims which would make up the biggest part of the COVID-19 related claims, the second segment would be event cancellation claims. For example, the cancellation of Tokyo 2020 Olympic Games has caused huge amount of loss in the insurance industry, and losses will continue to mount in respect of other event cancellations.</p> <p>The third substantial segment would be the workmen compensation claims, where workers are infected with COVID-19 in the course of their work, and the last substantial segment is claims under health policies.</p> <p>On the balance sheet, the investments would be impaired as shares have come down in value and those will be a loss to the insurance companies.</p>
2	<p>What is COVID-19 impact on the group’s business?</p> <p>From the underwriting perspective, premium revenue would probably not meet budget and cashflow would be impacted as premium collections from insureds would be delayed. It is difficult to quantify the full potential loss impact of COVID-19 as the situation is developing and most territories are in different stages of “lockdown” so insureds (and/or their brokers and insurers) have difficulty submitting loss documents. However, as far as can be gauged at this stage, the Company’s exposure to COVID-19 appears to be manageable for the following reasons:-</p> <p>(1) We do not write Property/Casualty business in the US, Europe and UK.</p>

Question	Responses
	<p>(2) For those markets that we derive our business from, there are specific policy conditions that must be satisfied before ID extensions under the Business Interruption section of IAR/PAR policies can be triggered, while some markets excluded infectious diseases even before COVID-19. Also, when ID extensions are granted, they are usually subject to relatively modest monetary sub-limits.</p> <p>(3) We write very few event cancellation policies and have limited Medical/Health exposure, while travel PA policies generally exclude “known events”. The Work Injury Compensation (WIC) business which we write mainly emanates from Singapore where the government exercised stringent safe-distancing controls during the early stages and the medical expenses are currently largely borne by the government.</p> <p>(4) The COVID-19 pandemic has also helped to propel a hardening in terms and conditions in the (re)insurance market. Since late-March 2020, there has been a general push by (re)insurers to exclude COVID-19 and/or tighten ID extensions.</p> <p>On the investment front, asset values will fluctuate widely given the many existing economic and geopolitical uncertainties globally and the move away from multi-lateralism in international trade, the pandemic’s impact on businesses’ long-term viability and the consequential impact on corporate bonds and equity prices remain a concern. Rental income would also be impacted by the rental relief to be given to tenants. On a positive note, there would also be opportunities to buy equities at cheaper valuations which we would cautiously explore. The aviation, cruise and hospitality industries would be most affected by COVID-19. The Company will remain alert in respect of investments in such industries and reposition itself in sectors with growth potential.</p>

Question	Responses																		
Investment – Property																			
<p>3 The group sold units #711 and #712 in South Office Block, Beijing New World Centre in Beijing, PRC. As at 31 December 2018, the carrying value was \$1.632 million. The group recognised a loss on sale of investment properties of -\$272,000.</p> <p>Proceeds from disposal of investment properties amounted to just \$1.36 million (page 86 – Consolidated statement of cash flows).</p> <p>What were the reasons that the properties were sold at a 1/6 discount from the book value?</p>	<p>The loss on disposal of the Beijing property (-\$272,000) was attributed to the higher revaluation surplus recognised in the prior year (revaluation surplus for the Beijing properties as at 31.12.2018 was \$1.05 million). In absolute value, the sale of the Beijing property generated a net capital gain of +\$655K or +93% when compared to the initial purchase price.</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right; vertical-align: bottom;">\$'000</td> </tr> <tr> <td>Capitalised cost after depreciation</td> <td style="text-align: right;">582</td> </tr> <tr> <td>Revaluation recognised @31.12.2018</td> <td style="text-align: right;"><u>1,050</u></td> </tr> <tr> <td>Market value @31.12.2018</td> <td style="text-align: right;">1,632</td> </tr> <tr> <td>Net proceeds from sale</td> <td style="text-align: right;"><u>1,360</u></td> </tr> <tr> <td>Impact on 31.12.2019</td> <td style="text-align: right;"><u>(272)</u></td> </tr> <tr> <td>Net proceeds from sale</td> <td style="text-align: right;">1,360</td> </tr> <tr> <td>Capitalised cos before depreciation</td> <td style="text-align: right;"><u>705</u></td> </tr> <tr> <td>Actual profit on disposal</td> <td style="text-align: right;"><u><u>655</u></u></td> </tr> </table>		\$'000	Capitalised cost after depreciation	582	Revaluation recognised @31.12.2018	<u>1,050</u>	Market value @31.12.2018	1,632	Net proceeds from sale	<u>1,360</u>	Impact on 31.12.2019	<u>(272)</u>	Net proceeds from sale	1,360	Capitalised cos before depreciation	<u>705</u>	Actual profit on disposal	<u><u>655</u></u>
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<p>4 Given that the group has more than \$34.7 million in investment properties and an additional \$54.5 million in owner occupied leasehold land and buildings, what assurance can the board/management give to shareholders that the carrying values of the properties are not overstated?</p>	<p>All properties owned by the Company are revalued by independent professional valuers based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction.</p>																		

Question	Responses
Investment Policy	
5	<p>Page 75 of the 2019 annual report - "We noted that the insurance contract liabilities maintained in the Group's financial statements were higher than those assessed by the independent actuary due to more prudent assumptions used by the Group" Would the board be considering changes to the investment policy going forward as the capital adequacy ratio implies that it is overly prudent. (394% in 2019)?</p> <p>The Group strives to be nimble bearing in mind the ever-changing market conditions in light of COVID-19, weak economic outlook, rising geo-political and trade tensions, etc. Nevertheless, a defensive investment strategy will largely remain and the portfolio split as at 31.12.2019 was</p> <ul style="list-style-type: none"> • 45.7% (of the Group's investment funds) in fixed income instruments (namely, bonds, public authorities' and government securities); • less than 15% in equity investments. <p>Effective 1 January 2020, the Company is required to comply with the revised Risk Based Capital Framework ("RBC 2") which subject the Offshore insurance funds to risk charges. As such, based on RBC 2, the CAR ratio would fall below 300% in FY2020.</p> <p>We are in a risk-taking business and we need to be careful from both insurance risk and investment risk perspectives. The insolvency of local reinsurance businesses, even with strong shareholder backing, in the past have shown that insurance, and particularly reinsurance, business is not easy to deal with. Accordingly, the Company cannot be very aggressive on the investment front.</p>
Methodology for insurance liabilities	
6	<p>Would the board be considering changes in valuation methodology for insurance liabilities, noting that the auditors have mentioned that the valuation maintained were higher than that assessed by an independent party in the Annual report of 2018 and 2019?</p> <p>There are no plans to change the valuation methodology for insurance liabilities as we need to have a clearer assessment of the impact of the new international accounting standard IFRS17 on the business.</p> <p>In any event, given the nature of the reinsurance business from experience, we have found it is best to appear to be over prudent as even actuarial calculation is not always accurate.</p>