

**MINUTES OF THE STOCKHOLDERS' MEETING
VISAYAN SURETY AND INSURANCE CORPORATION**

Held at the Conference Room, Unit 1403 Keppel Center
Samar Loop cor. Cardinal Rosales Avenue
Cebu Business Park, Cebu City
on 29 May 2018 at 4:30 P.M.

Stockholders Present in Person or by Proxy	No. of Shares	% to Total
Augusto W. Go	559,945	18.66%
University of Cebu (by proxy: Augusto W. Go)	512,380	17.08%
Candice Gotianuy (by proxy: Augusto W. Go)	251,024	8.37%
Elizabeth Gan Go (by proxy: Augusto W. Go)	130,105	4.34%
Kenneth L. Go	216,047	7.20%
Patrick James Go (by proxy: Kenneth Go)	157,963	5.27%
Michael Ronald Go (by proxy: Kenneth Go)	157,632	5.25%
Jonathan Go (by proxy: Kenneth Go)	157,524	5.25%
Rosa Go (by proxy: Kenneth Go)	15,208	0.51%
Peter Go (by proxy: Kenneth Go)	181	0.01%
Beatriz Lu (by proxy: Dwight Lu)	59,644	1.99%
David Lu (by proxy: Dwight Lu)	64,747	2.16%
Limbonfing y Hermanos Inc. (proxy by: Felix Lim)	38,581	1.29%
Josefina Poblete / JLP Holdings	104,522	3.48%
Caridad Leyson (proxy: Josefina Poblete)	40,700	1.36%
Fe Qua/ JEPAMA Holdings (proxy: Martin Qua)	181,811	6.06%
Gabriel Leyson	608	0.02%
Marriel's Peak Corp. (proxy by: Gabriel Leyson)	5,124	0.17%
Baldomero Estenzo	8	0.00%
Jimson Yankee	120	0.00%
Natalie Limchio	6,552	0.22%
Total number of shares present		88.69%

1. **CALL TO ORDER**

The meeting was called to order at 4:20 P.M. Atty. Augusto W. Go presided as Chairman of the meeting. The Corporate Secretary, Atty. Ma. Iolanda B. Abella recorded the minutes of the proceedings.

2. **CERTIFICATION OF NOTICE AND QUORUM**

The Corporate Secretary certified that all stockholders have been notified of the meeting and that stockholders representing 88.69% of total issued and outstanding shares were present in person and proxy constituting a quorum for the conduct of business.

3. **APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING**

After reviewing the minutes of the previous meeting, upon motion made by Atty. Baldomero Estenzo, seconded by Atty. Gabriel Leyson, the minutes of the stockholders meeting on 29 May 2017 was approved.

4. **PRESIDENT'S REPORT**

The President Kenneth Go presented the following reports for the year ended 2017:

- 1) **Production Report per Branch**
 - a) Head Office increased by 31.59%
 - b) Davao Office increased by 72.75%
 - c) Manila Office increased by 3.13%
 - d) Cagayan de Oro Office increased by 27.75%
 - e) Dumaguete Office decreased by 0.14%

Total Consolidated Production as of December 2017 increased by 32.17%

The Chairman asked for clarification on the micro-insurance line of business. Mr. Martin Qua asked on the reason for the minimal increase for the Manila Office. The President explained the micro-insurance business with Aboitiz and replied that with regard the Manila office the change of manager affected its production.

- 2) Production Report including the 1st quarter as of March 2018:

- a) Head Office increased by 19.94%
- b) Davao Office decreased by 68.89%
- c) Manila Office increased by 43.16%
- d) Cagayan de Oro Office decreased by 51.95%
- e) Dumaguete Office increased by 135.08%

Consolidated production as of May 2018 compared to same period last year shows an increase of 19.83%

- 3) **Loss Ratio** as of December 2017 per Product Line was also reported with the total consolidated loss ratio at 33%.

The Chairman noted the high loss ratio on the micro insurance business. In reply to the query of Mr. Qua, the President replied that the Company decided to enter into the micro insurance business to avail of the exemption in the Insurance Code on the increase in capitalization. The President reported that the losses is about P80M. In reply to the query of the Chairman, the President reported that all the losses have been paid except for an amount of around P17M.

The Chairman asked about the Ozamiz case. The President replied that the matter is not yet settled and the claim is around P30M.

- 4) **Statement of Income as of December 31, 2017.** The President proceeded to report on the following:

- a) Underwriting Income - increased by 11%
- b) Underwriting Deductions - increased by 17%
- c) Net Underwriting and Investment Income - increased by 479% but this was due to error in booking of investment income which was corrected this year
- d) General Expenses increased by 5%
- e) Net Income increased by 41%

Mr. Qua asked where the money from investment and other income is coming from. The President replied that this came from stocks sold.

Upon motion of Mr. Felix Lim, seconded by Mr. Gabriel Leyson, the President's Report was approved.

5. ELECTION OF DIRECTORS

Upon motion duly made and seconded, the following were nominated for the office of Director:

Augusto W. Go
Kenneth Go
Candice Gotianuy
Albert Tan
Gabriel Leyson
Baldomero Estenzo - Independent Director
Pio Y. Go - Independent Director

Thereafter, upon motion duly seconded, the nominations were declared closed and the Secretary was directed to cast the ballots for all the stockholders present in favor of the above-named nominees. The above-named persons were then declared by the Chairman to be duly elected directors of the corporation for the ensuing year and until their successors have been duly elected and qualified.

6. APPOINTMENT OF EXTERNAL AUDITOR

Upon motion duly made and seconded, Sta. Ana Rivera and Co. was appointed as the corporation's external auditor.

7. OTHER MATTERS

7.1 Increase in Capital Stock

The Chairman informed the body that he had to put in an additional P190M cash to increase the net worth of the company to meet the deadline of the Insurance Commission.

To be fair to stockholders, the Chairman requested that the documentation on the property proposed to be infused to the company with pictures and the ASPAC bank share valuation be provided to the stockholders for their examination. The Chairman emphasized that the stockholders should be given the information on the financial statements of ASPAC.

7.2 Property in Dapitan


The President reported that there are properties in Dapitan which were foreclosed before and owned by the Company, however the titles of certain properties are in the name of Capital Insurance. The Chairman directed

management to get the services of a lawyer on contingency to work on the goal of the Company to recover these properties.

8. ADJOURNMENT

There being no other matters to discuss, the meeting was thereupon adjourned.

Certified Correct:


MA. IOLANDA B. ABELLA
Corporate Secretary

Attested By:


KENNETH L. GO
President

IBA/kaa/minutes
Visayan Surety Stockholders meeting 2018
21.182/6.29.2018