

**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 2017 at 4:00 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	89,470	2.98%
Caridad Leyson (proxy: Josefina Poblete)	40,700	1.36%
Gabriel Leyson	608	0.02%
Marriel's Peak Corp. (proxy by: Gabriel Leyson)	5,124	0.17%
Baldomero Estenzo	8	0.00%
Pio Y. Go	1	0.00%
Total number of shares present	2,456,892	81.91%

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 81.91% 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 Felix Lim, the minutes of the stockholders meeting on 9 January 2017 was approved.

4. **PRESIDENT'S REPORT**

The President, Kenneth Go presented the following reports for the year ended 2016:

- 1) **Production Report per Branch**
 - a) Head Office increased by 2.33%
 - b) Manila Office decreased by 3.87%
 - c) Davao Office decreased by 27.35%
 - d) Cagayan de Oro Office increased by 79.91%
 - e) Dumaguete Office increased by 191%
 - f) Manila Branch Office of Mr. Wong slightly decreasedTotal Consolidated Production for 2016 increased by 1%

The President also reported on Inward Production of the Head Office which represents the revenue from re-insurance from other insurance companies.

For the Davao Office, the President reported that the decrease in production was due to the resignation of branch manager which affected the accounts but a new manager has now been hired

For the Cagayan de Oro Office, the Chairman asked if the Hyundai account has been secured. The President replied that management is still working on it.

For the Dumaguete Office, the Chairman commended the brother of Dwight for the increase in production.

- 2) **Loss Ratio** as of December 2016 per Product Line was also reported with the total consolidated loss ratio at 31%

The Chairman noted the high loss ratio on Engineering Line. President reported that this was due to the claim of Primary Structures on the loss on their project. Dwight Lu asked about the loss in aviation. The President reported that this was for the helicopter crash. President reported that both claims were reinsured.

- 3) **Statement of Income as of December 31, 2016.** The President proceeded to report on the following:

- a) Underwriting Income - increased by 14%
- b) Underwriting Deductions - increased by 9%
- c) Net Underwriting and Investment Income - increased by 2% but this was due to error in booking of investment income which was corrected this year
- d) General Expenses increased by 8%
- e) Net Income is less by 5% due to error in booking (already corrected this year)

- 4) **Statement of Financial Position as of December 31, 2016.** The President presented the following:

- a) Current Assets increased by 3%
- b) Equity increased by 15%
- c) Net Worth increased by 4%

Discussion of the Stockholders:

The Chairman asked about the investment of the Company in shares of stocks. The President replied that generally their value increased. Mr. Richard Young asked if the Company considered investing in Double Dragon. The Chairman commented that this was considered but Double Dragon is only in one line of business which is on malls and there is already too many malls in the market.

6) **Production Report per Branch as of March 2017.** The President then proceeded to report on the 1st quarter results:

- a) Head Office increased by 42.41%
- b) Manila Office increased by 16.21%
- c) Davao Office increased by 52.98%
- d) Cagayan de Oro Office increased by 56.56%
- e) Dumaguete Office decreased by 0.43%
- f) For Inward Production increased at 63%

7) **Consolidated Production as of March 2017** increased by 39% compared to the same period last year.

The Chairman asked about the 2nd quarter forecast. The President said that production may hit 50% increase if trend continues.

For Inward Production, the Chairman asked whether companies accepted for re-insurance are of good standing. The President confirmed that companies accepted for re-insurance are screened.

The President also reported on new business line: Micro Insurance. The President informed the body that Insurance Commission memo states that if 50% of total production is from micro insurance, the Company may not have to comply with the capital increase requirements, hence the Company is trying to build up this line as a back-up solution to the capital increase requirements of the Insurance Commission.

8) **Statements of Comprehensive Income as of March 2017.** The President presented the comparative report for the same period last year as follows:

- a) Net Underwriting Income increased by 175%
- b) Net Underwriting and Investment Income increased by 119%
- c) General Expenses increased by 34%
- d) Net Income increased by 181%

The Chairman asked the stockholders if they have any questions for the President to answer. Mr. Richard Young commended the President for doing a good job. Chairman asked for motion to accept the report of the President. Upon motion, duly made and seconded, the President's reports were accepted.

5. RATIFICATION OF THE ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT

The stockholders went over the board resolutions passed for the period from July 4, 2016 to April 18, 2017, a summary of which was provided in each of the folders distributed to the stockholders and read by the Corporate Secretary.

Upon motion by Mr. Felix Lim and seconded by Atty. Baldomero Estenzo, all the acts and resolutions of the Board of Directors and the Management for the period July 4, 2016 to April 18, 2017 were ratified and approved.

6. 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 made and 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.

8. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman directed the President to consider SGV & Co. as external auditor as well as the reappointment of Sta. Ana Rivera and Co.

Upon motion by the Chairman, duly seconded by Atty. Estenzo, the President was given the discretion and authority to appoint the corporation's external auditor, as the President deems best for its operation.

9. ADJOURNMENT

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

Certified Correct:


MA. IOLANDA B. ABELLA
Corporate Secretary

Attested By:


KENNETH GO
President