ALLIEDBANKERS INSURANCE CORPORATION

A member of The Lucio Tan Group of Companies

ANNUAL STOCKHOLDERS' MEETING

April 18, 2017

Summit Room, Century Park Hotel
599 P. Ocampo Street, Malate, Manila

Alliedbankers Insurance Corporation
A member of The Lucio Tan Group of Companies

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ANNUAL STOCKHOLDERS' MEETING

APRIL 18, 2017, 1:30 PM

Summit Room, Century Park Hotel
599 P. Ocampo Street, Malate, Manila

AGENDA

1. CALL TO ORDER
2. CERTIFICATION OF NOTICE OF MEETING
3. CERTIFICATION OF QUORUM
4. READING AND APPROVAL OF THE MINUTES OF THE 2016 ANNUAL STOCKHOLDERS' MEETING HELD ON APRIL 19, 2016
5. PRESIDENT'S REPORT
6. PRESENTATION OF THE 2016 AUDITED FINANCIAL STATEMENTS
7. RATIFICATION OF ALL THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE 2016 ANNUAL STOCKHOLDERS' MEETING
8. ELECTION OF DIRECTORS
9. APPOINTMENT OF EXTERNAL AUDITOR
10. OTHER MATTERS
    a. Special Stockholders' Meeting- September 14, 2016
    b. Special Stockholders' Meeting- December 14, 2016
11. ADJOURNMENT

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF ALLIEDBANKERS INSURANCE CORPORATION HELD ON APRIL 19, 2016, AT 10:00 A.M., AT THE SUMMIT ROOM, CENTURY PARK HOTEL, 599 P. OCAMPO STREET, MALATE, MANILA

PRESENT:

	NO. OF SHARES
LUCIO C. TAN	1,320,000
WILLY S. CO	310,000
Proxy: MICHAEL G. TAN	
PHILIPPINE NATIONAL BANK	200,000
Proxy: MICHAEL G. TAN	
ROWENA T. CHUA	1
HARRY C. TAN	1
Proxy: LUCIO C. TAN	
LUCIO K. TAN, JR.	1
MICHAEL G. TAN	1
PETER Y. ONG	1
RUFINA T. YU	1
REBECCA B. DELA CRUZ	1
Total No. Of Shares Present and Represented	1,830,007

ALSO PRESENT:

ATTY. ARLENE J. GUEVARRA - Corporate Secretary

I. CALL TO ORDER

The Chairman, Lucio C. Tan, called the meeting to order and presided over the same.

II. CERTIFICATION OF NOTICE OF MEETING

The Chairman asked the Corporate Secretary, Arlene J. Guevarra, to show proof that required notice of the meeting was duly sent to all stockholders of record. The Corporate Secretary stated that under the Corporation's Amended By-Laws, the notice of each annual meeting shall be sent to each stockholder of record at least five (5) days prior to the date of the meeting. She certified that in accordance with the Corporation's Amended By-Laws, individual written notices of the meeting were sent to all the stockholders of record on March 18, 2016 or one month prior to the date of today's meeting. This was confirmed by all the Stockholders present. All the Stockholders present likewise agreed to waive any defect in the notice of the meeting.

III. CERTIFICATION OF QUORUM

The Chairman requested the Corporate Secretary to certify to the existence of a quorum. The Corporate Secretary certified that there was a quorum for the valid transaction of business by the Stockholders, there being present based on the attendance record and the Proxy on hand, in person and represented by proxy, Stockholders owning a total of 1,830,007 or 53.04% of the 3,450,000 total outstanding shares of the Corporation. Thus, the Chairman declared the meeting open for business.

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IV. READING AND APPROVAL OF THE MINUTES OF THE 2015 ANNUAL STOCKHOLDERS' MEETING HELD ON APRIL 21, 2015

The next item in the Agenda was the Reading and Approval of the Minutes of the 2015 Annual Stockholders' Meeting that was held on April 21, 2015.

Michael G. Tan moved that since copies of the Minutes of the Annual Stockholders' Meeting held on April 21, 2015 were made available and distributed to the Stockholders for inspection/review prior to the meeting, the reading of the Minutes be dispensed with. He also moved that the Minutes be approved. Said motions were duly seconded by Peter Y. Ong.

The Chairman stated that there are motions to dispense with the reading of the Minutes of 2015 Annual Stockholders' Meeting held on April 21, 2015 and to approve the said Minutes. He asked if there are any objections.

There being no objection from the Stockholders, the Chairman declared the motions duly approved and held the Minutes of the 2015 Annual Stockholders' Meeting that was held on April 21, 2015 duly approved and confirmed.

V. PRESIDENT'S REPORT

The Chairman called on the next item in the Agenda which was the President's Report for the year ended December 31, 2015.

The President, Rebecca B. Dela Cruz, rendered her report to the Stockholders, which is quoted as follows:

"I. Past Year's Operating Performance

A. Net Income Performance

AlliedBankers Insurance Corporation ("ABIC") ended the year 2015 with an audited net income after tax of **PhP41 Million** as against last year's **PhP43 Million**. This translates into a Return on Average Equity of about 4%.

The relatively flat net income performance for 2015 can be attributed to the decline in market values of stocks which are considered as impaired as per international financial reporting standards. These amounted to PhP18 Million. Likewise, we booked cat loss participation with our treaty reinsurers amounting to PhP10 Million which resulted due to higher than 90% combined ratio. Without the extraordinary impaired losses on stocks and the cat loss participation, our net income would have been PhP62 Million or a return on equity of 5.4%.

Versus **Budgeted net income of PhP60 Million**, the audited net income of **PhP41 Million results is equivalent to 68% achievement ratio** but if we are to use the regular income factoring out the extraordinary items, then we are above budget by 3% at **PhP62 Million**.

During the year, the country is fortunate that it was not hit by catastrophic losses. However, for 2015, we had to book our loss participation of

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PhP10 Million pertaining to 2014 cast losses. Typhoon Glenda affected and brought some losses to ABIC estimated at close to **PhP14.2Million for its retention and P60 Million for the accounts of reinsurers**. This is actually higher than the losses sustained for typhoon Yolanda, mainly because the areas affected by Glenda were part of Metro Manila and Southern Luzon, where we have more exposure compared to Tacloban. In 2013, there is almost nil for the account of our reinsurers. As a result, these cat losses from Glenda in addition to some risk losses affected our completion of the proportional treaty for our property line for 2015. Our excess of loss or non proportional treaty cover was not utilized last year as our retention on the Glenda did not exceed our initial XOL limit of P15 Million.

In terms of **Total Assets,** ABIC ended the year with **PhP1.8Billion** which is similar to last year's **PhP1.78Billion**.

B. **One of the Strongest Networth in the Philippine non life insurance market**

In June 2013, the increase in capitalization based on networth was already implemented strictly by the Insurance Commission, hence, the number of insurance companies went down from 71 to 62 companies by end of the year. By December 31, 2016, the networth will be **PhP550 Million** and based on the latest ranking updates of networth of insurance companies, around 15-20 companies may have difficulty meeting this networth requirement. By December 2018, there is a possibility of another 15-20 companies falling out and finally by 2022, when networth requirement is at PhP1.3Billion, the estimated insurance companies may be reduced to just 20 companies.

This condition may be further aggravated by the implementation of the new Risk Based Capital Framework in 2016. There is also a change in the method of reserving for non-life companies effective 2016. Currently, the industry is under a transition for this implementation. Under the proposed new scheme for Risk Based Capital (RBC 2) Requirement, which is expected to augment the minimum networth requirement, more capital, however, would be required with the change in reserving method, additional 10% for margin deviation, catastrophic loss reserves and additional reserves for the invested assets which are considered higher risks. With this there is also a higher capital requirement for the fronting accounts such as the PAL aviation premiums.

This market and regulatory scenario is expected to retain only the bigger and stronger and well capitalized players of the industry. This gives ABIC an opportunity to look into possibility of mergers or acquisitions of portfolio of other non-life companies.

As of December 31, 2015, our networth stood at **PhP1.2 Billion** and which placed us as of the latest unaudited ranking of networth to number 8, from 9 last year. This also poses a challenge for us to optimize the use of our available capital and should place us in a better competitive position versus other non life insurance players, who may be up for a potential merger. Likewise, we should now be better positioned for ASEAN Market opening.

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C. **Reinsurance Support and Risk Management Strategy**

ABIC was able to complete its proportional surplus and non proportional treaties for the year. We completed the existing proportional treaty program earlier despite reinsurers withdrawing from the proportional treaty programs with cat losses included therein. The reinsurers have been shying away from proportional surplus treaties with cat risks included because of the high exposure to cat events by the Philippines. In the recent news and studies, 7 out of the top 20 cities prone to cat risks are in the Philippines. They are only willing to accept excess of loss or non proportional treaties for cat exposures. There are only 2 companies in the Philippines other than Mapfre Insular and BPI MS who have proportional treaties with cat risks included. BPI and Mapfre still have these because of the inherent support from their parent companies within the region and their foreign head offices. For our non proportional treaties, we increased our excess of loss cover by PhP200 Million and still managed to further maintain our rate online cost for the capacity.

As a strategy for this coming year, we will review and analyze other options in the reinsurance treaties as we may not be able to hang on to the existing treaty program. Certainly, once we move to an excess of loss program for the cat risks, there will be upfront premiums to be paid to reinsurers. ABIC continue to enjoy the respect and high regard of reinsurers because of the integrity, professionalism, transparency, and fairness we have shown in our dealings with them. We strive hard to maintain this reputation as these are very critical factors in maintaining the trust and confidence of our reinsurers and the long term relationship. Likewise, we have to ensure that reinsurance support is available for our group assets as part of the risk management strategy for the LT Group. There are advantages and disadvantages for group and captive accounts. We should continue to leverage on the captive accounts through the long term relationship and maintenance of all the group accounts and most of all fairness in handling insurance claims. We cannot afford to have reputational risks in handling insurance claims for the group. We also need to improve on risk management of group accounts.

II. STRATEGIC DIRECTION

The challenge of the new and increased capitalization, the increasing uncertainties brought about by the climate change and catastrophic risks, and the needed foresight in preparation for the AFTA implementation paved the way for the review and development of our existing strategies for the company.

Over the years, ABIC has managed to maintain a very low cost ratio with its presence mainly in Metro Manila. We now have five (5) branches in key cities such as Cebu, Davao, Cagayan De Oro, Lipa and the latest to open is Angeles, Pampanga but with minimal businesses only. We are now developing and strengthening our capability to generate more businesses by beefing our sales and marketing and enhancing our underwriting skills with the hiring of our risk management officer. We still manage to maintain a lean group of employees and maintain our costs while increasing our manpower capability.

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Going beyond and maximizing the group's potential is a key strategic direction which ABIC will now focus in order to grow, balance the dependency on group's business, and develop new sustainable markets and business partnerships with calculated risks, such at the ATM SAFE, PPAI business, Pag ibig Pool, general agencies, direct marketing, affinities and other similar business undertakings to ensure maximum and effective utilization of capital and thus improve return on equity of the principals.

ABIC has sufficient capitalization and it is time to leverage on this capitalization for more sustainable growth.

1. The name of the game is "GAME CHANGING", we need to change and do something different from what we used to do.

2. Non life insurance is "RISK MANAGEMENT" and not just purely insurance. While we manage the risk transfers to us, we need to smartly manage the risks being transferred to us at a reasonable cost.

3. Risk management on consumer related products is KEY.

4. New products is a FOCUS, being a GAME CHANGER means introducing new products to reliable markets such as BANCASSURANCE, AFFINITY GROUPS, WHOLESALE SALES ORGANIZATIONS, MICRO INSURANCE, DIGITAL AND SOCIAL MEDIA by creating the DEMAND for our insurance products.

5. Acquire or accept portfolio transfers from smaller but reliable "niche" market players, more of retention businesses and convert them into general agencies of ABIC.

A. **GROUP's Businesses**

1. Be the "Risk Manager" for the group's assets at reasonable cost. Risk that can be transferred via insurance should be the direction. Under-insurance should be defocused as this is even a COSTLY STRATEGY in the long run. We have managed to reduce the insurance cost for the group given a more comprehensive coverage. Premiums were not increased but even reduced while providing comprehensive risks cover. Knowing and understanding their business is also key in addition to closer coordination with the business functional units. Maximize and leverage on the group's total business. LTG businesses should not be scattered but just written as one portfolio for greater leverage and holistic risk management strategy.

B. **Bancassurance**

1. Introduce "first in the market" products which will enable the bank to sell their products such as "ATM SAFE", "FAMILY UPGRADE", "ON GUARD", Global and Domestic Assistance, PA Cover with Pangkabuhayan Assistance, Financial Shortfall Gap Cover for the motor car portfolio, Extended Warranty, Credit Card Cancellation Cover, etc. This is in line with the 100 years theme "You First".

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2. Technology driven process - ability to quote immediately and compare prices on line and close the deal and approve the loan related business.
3. Complement with tele marketing and direct marketing calls.
4. Non Exclusivity in bancassurance means selling to other banks such as rural banks, savings banks, commercial banks and other universal banks with no insurance owned companies and leverage on our capabilities of bancassurance expertise and product manufacturer for the general clientele of the bank market.

C. **Special Markets, Products, Marketing and Operational Support**

1. Mandatory Student PA for the public school students.
2. Micro insurance programs
3. OFW re hires programs.

D. **Maximizing and optimizing capital requirements for the GROUP**

With the present regulatory and business development in the industry and in the ASEAN market, ABIC with its present capital together with PNB Gen, may want to rethink its business model and overall insurance business strategy to maximize capital for all the insurance business needs of the group and to minimize risks for our stakeholders for a more effective risk management strategy for the entire group and not just for the bank, taking note of the high regulatory compliance required of the banks and its subsidiaries and affiliates.

E. **Finding Growth Opportunities and Overcoming Key Risks for 2016**

For the year 2016, we are looking at a gross written premium of **PhP500 Million or a growth of 21%** versus an industry's growth of **only 7.5%.** Included in this is a gross premiums written from the LTFRB PPAI related premium business amounting to **PhP180 Million**.

III. MAJOR THRUSTS OF OPERATIONAL ACTIVITIES IN SUMMARY

1. Strategic partnership or alliances to fully support or enhance our product development initiative.

2. IT infrastructure and Systems support for the integration of processes from the prospecting, underwriting, policy issuance, policy servicing, claims handling, check disbursement, reinsurance handling, accounting and financial statements reporting, e quotation, and interactive website to develop the business and support it.

3. New and expanded but lean organizational structure to support the expanded plans of the company both at the head office and at the selected branches.

4. Much needed Training of our employees and junior level people to cope up with the changing strategies and direction of the company.

The activities lined up for the year are quite ambitious given the existing manpower resources and investment in infrastructure that we have. However, we

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are working as much as we can to be within more reasonable cost targets to attain these goals for the next year.

IV. Reenforcement of Gratitude to the Board and Stockholders

Once again, we would like to thank the Board of Directors and our stakeholders for the trust and confidence in the AlliedBankers Team and we are looking forward to attainment of such goals with your continued and full support."

The Chairman asked if there were any comments or questions on the Report of the President.

There being no comments and questions, the Stockholders, on motion duly made by Peter Y. Ong which was duly seconded by Lucio K. Tan, Jr., unanimously approved, as follows:

STOCKHOLDERS' RESOLUTION NO. 2016-01

RESOLVED, that the President's Report for the year ended December 31, 2015 be, as it is hereby noted.

VI PRESENTATION OF THE 2015 AUDITED FINANCIAL STATEMENTS

Pres. R. B. Dela Cruz then presented the next item in the Agenda for approval which was the Audited Financial Statements for the year 2015. She extensively discussed the Corporation's Statements of Financial Position, Statements of Income, Statements of Comprehensive Income, Statements of Changes in Stockholders' Equity, and Statements of Cash Flows for the year ended December 31, 2015, as audited and prepared by the auditing firm SyCip Gorres Velayo & Co. (SGV & Co.). She informed the Board of Directors that based on the 2015 Audited Financial Statements, the Corporation, for the year ended December 31, 2015, realized a Net Income of PhP40,780,678.00 which is slightly lower by PhP1,998,302.00 as against the P42,778,980.00 total for the year ended December 31, 2014. The Stockholders, after some discussion and on motion duly made and seconded, unanimously approved, as follows:

STOCKHOLDERS' RESOLUTION NO. 2016-02

RESOLVED, to approve and confirm the Corporation's Audited Annual Financial Statements for the year 2015, as audited by the Auditing Firm SyCip Gorres Velayo & Co..

VII. RATIFICATION OF ALL THE ACTS, RESOLUTIONS, DECISIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, CORPORATE OFFICERS AND MANAGEMENT SINCE THE 2015 ANNUAL STOCKHOLDERS' MEETING

The next item in the Agenda was the Ratification of all the Acts, Resolutions, Decisions and Proceedings of the Board of Directors, Corporate Officers and Management since the 2015 Annual Stockholders' Meeting.

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Pres R. B. Dela Cruz gave a brief summary of the acts, resolutions, decisions and proceedings of the Board of Directors, Corporate Officers and Management since the 2015 Annual Stockholders' Meeting. She explained that said acts, resolutions, decisions and proceedings were corporate acts taken by the Board of Directors, Corporate Officers and Management in the normal course of business. She informed the Stockholders that the Board of Directors adopted and approved a total of 85 resolutions for the year 2015 and a total 27 resolutions from January to April 2016.

The Stockholders were also informed that the minutes of the meetings of the Board of Directors and Board Committees are on file with the Office of the Corporate Secretary and are available for review/inspection at anytime during office hours, upon request by any Stockholder.

Rowena T. Chua moved that all acts, decisions and proceedings of the Board of Directors, Corporate Officers and Management since the 2015 Annual Stockholders' Meeting be confirmed and ratified, which was duly seconded by Michael G. Tan.

A motion having been made and seconded and there being no objection from any of the Stockholders, the following resolution was unanimously adopted and approved:

STOCKHOLDERS' RESOLUTION NO. 2016-03

RESOLVED, to approve, ratify and confirm all the acts, resolutions, decisions and proceedings of the Board of Directors, Corporate Officers and Management since the 2015 Annual Stockholders' Meeting.

VIII. ELECTION OF DIRECTORS

The Chairman proceeded to the next item in the Agenda which was the Election of Directors of the Corporation for the ensuing year. He explained that the Corporation's Articles of Incorporation provides for eleven (11) directors. He then asked the Corporate Secretary to report on the list of nominees to the Board of Directors for the ensuing year, including from both the controlling and non-controlling shareholders, if any.

The Corporate Secretary reported that the following are the nominees to the Board of Directors for the year 2016 - 2017:

1. MR. LUCIO C. TAN
2. MR. WILLY S. CO
3. MR. HARRY C. TAN
4. MR. MANUEL T. GONZALES
5. MS. ROWENA T. CHUA
6. MR. LUCIO K. TAN, JR.
7. MR. MICHAEL G. TAN
8. MS. REBECCA B. DELA CRUZ
9. MS. RUFINA T. YU
10. MR. ALFREDO B. JIMENEZ, JR. as Independent Director
11. MR. PETER Y. ONG as Independent Director

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The Corporate Secretary gave a brief profile of the nominees which includes their age, academic qualification, work experience, relevant trainings, directorships in other companies and date of first appointment as director of ABIC.

At this point, the Chairman explained that under the Corporation Code, the election can be by ballot if requested by any Stockholder. He also explained that every Stockholder has the right to vote the number of shares standing in his/her name in the books of the Corporation for as many nominees as there are directors to be elected or may cumulate said shares and give one nominee as many votes as the number of directors to be elected to be multiplied by the number of his/her shares or may distribute his/her votes on the same principle among as many nominees as he/she may deem fit, provided that the total number of votes cast by the Stockholder shall not exceed his/her number of shares as shown in the books of the Corporation multiplied by the whole number of directors to be elected.

Lucio K. Tan, Jr. moved that since there were only eleven (11) nominees, the Corporate Secretary be instructed to cast the votes in favor of the eleven (11) nominees and that the eleven (11) nominees be proclaimed as elected Directors of the Corporation for the ensuing year to serve as such until the election and qualification of their successors. Said motion was seconded by Michael G. Tan.

The Chairman asked if there was any objection on the motion.

A motion having been made and seconded and there being no objection from any of the Stockholders, the Chairman declared the motion duly approved and proclaimed all the eleven (11) nominees as duly elected Directors of the Corporation for 2016 - 2017 to act as such until their successors shall have been duly elected and qualified.

IX. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman called on the next item in the Agenda which was the Appointment of External Auditor for the year 2016.

Pres. R. B. Dela Cruz explained that the Corporation's present External Auditor, SyCip Gorres Velayo & Co., has provided satisfactory service to the Corporation and on that basis, Management is recommending for the retention/re-appointment of SyCip Gorres Velayo & Co. as External Auditor for the year 2016.

After due deliberation and on motion duly made by Peter Y. Ong which was duly seconded by Rowena T. Chua, the Stockholders unanimously approved, as follows:

STOCKHOLDERS' RESOLUTION NO. 2016-04

RESOLVED, to approve the re-appointment/retention of SyCip Gorres Velayo & Co. as External Auditor for the year 2016.

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X. ADJOURNMENT

The Chairman asked if there were any other matters which the Stockholders wished to take-up before adjournment. There being none and considering all the matters in the Agenda have been discussed, the Chairman, on motion duly made and seconded, adjourned the meeting at 10:55 a.m..

CERTIFIED CORRECT:

ATTY. ARLENE J. GUEVARRA
Corporate Secretary

ATTESTED:

LUCIO C. TAN
Chairman

REBECCA B. DELA CRUZ
President

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PRESIDENT'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

I. Past Year's Operating Performance

A. Net Income Performance

Alliedbankers Insurance (ABIC) ended the year 2016 with an audited net income after tax of **Php 58Million** as against last year's Php **41 Million or an increase of 41.6% versus last year.** This translates into a Return on Average Equity of about 4.5%.

The significant growth in net income performance for 2016 can be attributed to the growth in our gross written premiums from Php 441 Million to Php 529 Million or a 20% increase, higher investment income of Php 51.6 Million compared to Php 46.5 Million in 2015 or an increase of 11 % and higher other income resulting from the reversal of excess catastrophic reserves amounting to Php24 Million. The reversal of catastrophic reserves offset the decline in market values of stocks amounting to Php15.3 Million. Likewise, we booked cat loss participation with our treaty reinsurers amounting to Php5.6 million pertaining to 2014 resulting from a higher than 90% required combined ratio. We also paid about Php7.5 Million in tax assessments for the years 2011 and 2012. Without the extraordinary adjustments, the audited net income would have been at **Php70.4 Million** which is 72% higher compared to last year. This will also translate into a return on equity of **5.3 %**.

Versus **Budgeted net income of Php 69 Million**, the audited net income of **Php58 Million** is equivalent to 84% achievement ratio but if we are to use the adjusted income factoring out the extraordinary items, then the resulting net income of **Php70.4 Million** is equivalent to an achievement ratio of **102%.**

During the year, the country is fortunate that it was not hit by catastrophic losses. However, for 2016, we had to book significant losses from our casualty resulting from certain aviation losses and related aviation liability losses and the fire loss for UE Recto. We also paid loss participation to our lead Proportional reinsurer of Php5.5 Million pertaining to losses for the 2014 treaty.

In terms of **Total Assets,** Alliedbankers ended the year with **Php 2.4 Billion** compared to **Php1.8 Billion** which is higher by 33.3%. Such increase was accounted for by the increase in our premiums receivables, investible assets, and reinsurance assets.

B. One of the Strongest Networth in the Philippine non-life insurance market(top 9)

In June 2013, the mandatory increase in capitalization, based on net worth was already implemented by the Insurance Commission, hence, the number of insurance companies went down from 71 to 62 companies by end of that year. By December 31, 2016, the net worth requirement is already at Php550 **Million** and based on the latest ranking, ABIC is in the 9th spot among the 62 companies. Latest updates disclosed that about 8-15 companies will not be able to meet the minimum required capitalization of Php550 Million. The final tally will be known by end of June after the Insurance Commission would have finished their evaluation of the insurance companies. The total number of companies is expected to be at 50 by then. By December 2018, there is a possibility of another 15-20

companies falling out and finally by 2022, when networth requirement is at Php1.3 Billion, the estimated insurance companies may be reduced to just 20-25 companies.

There have been significant changes in the regulatory environment effective January 1, 2017 and these include not only the minimum net worth requirement but also the implementation of new Risk Based Capital Framework or RBC2, the new reserving method for non-life companies which include not just the 24th reserving method but also a provision for Margin for Adverse Deviation or MFAD, recognition of Incurred But Not Reported losses(IBNR), and Incurred but not Enough Reserves(IBNER) in the financials and adoption of a more diversified and comprehensive RBC framework in the recognition of risk charges. The other change is the implementation of the new Financial Reporting Framework for purposes of financial reporting standards.

This market and improved regulatory scenario is expected to result in retaining only the bigger, stronger, well capitalized, and well managed players of the industry. This gives ABIC an opportunity to look into possibility of mergers or acquisition of portfolio of other non-life companies, development of new and innovative products, as well as expansion of its distribution channels.

C. Reinsurance Support and Risk Management Strategy

Alliedbankers was able to complete its proportional surplus and non-proportional treaties for the year effective April 1, 2017. The reinsurers as mentioned before have been shying away from proportional surplus treaties with cat risks included because of the high exposure to cat events by the Philippines. In the recent news and studies, 7 out of the top 20 cities prone to cat risks, are in the Philippines. Because of this, reinsurers are willing to accept only excess of loss or non proportional treaties for cat exposures. For our non-proportional treaties, we increased our excess of loss cover by Php400 Million due to increase in our aggregate exposure for earthquake, typhoon, and flood cat risks. Our total non-proportional or excess of loss coverage for our retained exposure is now at Php 1 Billion. Despite the increase in our aggregate exposure, we still managed to reduce our rate on line(ROL) cost for the whole capacity to 3.66% per P1.00 retained premium from last year's 4.92%(ROL) or a reduction of 26%. If you will recall, the independent review of reinsurance treaty programs made by Aon Benfield during our March board meeting showed that ABIC has a high deductible in its program but the lowest ROL among the 23 companies that they compared, which means, that we have the cheapest excess of loss premium costs among these companies.

ABIC continues to enjoy the respect and high regard of reinsurers because of the Integrity, professionalism, transparency, and fairness we have shown in our dealings with them. We strive hard to maintain this reputation as these are critical factors in maintaining the trust and confidence and long term relationship with our reinsurers. Likewise, we have to ensure that reinsurance support is available for our group assets as part of our risk management strategy for the LT Group. We should continue to leverage on the captive accounts through long term relationship and maintenance of all the group accounts and most of all fairness in handling insurance claims. We cannot afford to have reputational risks in handling insurance claims for the group.

II. STRATEGIC DIRECTION FOR ABIC

A. Challenges and Key Drivers of Change:

a. Increased capitalization requirement
b. Climate change and increasing catastrophic risks
c. Digitalization environment
d. AFTA and Globalization
e. Increasing regulatory environment

f. Operational efficiency
g. Potential mergers or acquisitions

B. Existing Competitive Advantage

a. Sufficient capitalization till 2022 at Php1.3 Billion
b. LTG companies as backbone
c. Bancassurance tie ups and experience
d. Reputable relationship with reinsurers and the industry
e. Cost effective reinsurance treaty programs
f. Lead insurer for PPAI business- leadership among certain group of insurance companies- reassurance of our pool management capability
g. Innovative Products such as ATM SAFE, PA with Pangkabuhayan, Assist America rider etc.
h. Lean and increasing pool of young talents
i. Improved Risk Management capability

C. Transformation Strategy/ies For Improved Competitive Advantage

a. **New Products is a FOCUS**, being a GAME CHANGER means introducing new products to reliable markets or creating the demand for our newly developed products
   - Annual Travel Insurance in addition to short term based travel insurance products
   - Micro Health Insurance
   - ABICCTPL or Easy CTPL-online acquisition of CTPL and authentication
   - Secure Mind-bouquet of Protection Insurance for those with loans covering not only in the event of death but also in case of disability or loss of job
   - Motor Car Safe
   - Home Safe
   - Prepaid PA Products
   - Auto Dealers Packages
   - Extended Warranties

b. **Expansion of Market Channels-both traditional, non-traditional and digital avenues**
   - Enhanced bancassurance tie ups with digital marketing capabilities and improved operational efficiency
   - Affinity Groups marketing
   - Dealers fleet or portfolio sales
   - Wholesale Sales Organizations
   - Micro insurance channels
   - Digital and social media marketing
   - Airline tie up
   - Brokers and agents
   - Collaborative marketers- riders automatically attached to products where available and possible
   - Pooling of risks for high value items
   - OFWs and beneficiaries-enhanced

c. **Portfolio or sales organization acquisition**- a "niche "and opportunistic "strategy

d. **GROUP's Risk Manager**
   - Be the "Risk Manager" for the group's assets at reasonable cost. Risks that can be transferred via insurance should be the direction. Under- insurance should be defocused as this is even a COSTLY STRATEGY in the long run. We have managed to

reduce the insurance cost for the group given a more comprehensive coverage. Premiums were not increased but even reduced while providing comprehensive risks cover. Knowing and understanding their business is also key in addition to closer coordination with the business functional units. Maximize and leverage on the group's total business. LTG businesses should not be scattered but just written as one portfolio for greater leverage and holistic risk management strategy. CONTROL is the key.

e. **Technology platform** - secured, efficient, revenue generating, customer friendly, and cost effective IT system.

f. **Talent Acquisition and Development –** young and trainable talents are key to sustainable growth

g. **Excellent Customer Experience-** not just in acquiring sales but more so in claims settlement, the fulfillment of the promise for long term sustainability.

h. **Excellent Corporate Governance and Corporate Standards**

D. Maximizing and optimizing general insurance business model for the GROUP

Size is a key factor to leverage, attain operational efficiency and improved underwriting and operating income for the group which may mean finding the right business model for the two non-life insurance companies of the group.

E. Finding Growth Opportunities and Overcoming Key Risks for 2017 and onwards

For the year 2017, ABIC is looking at a gross written premium of **P 600 Million or a growth of 13%** versus an industry's growth of **only 7.5%.** Included in this is a gross premiums written from the LTFRB PPAI related premium business amounting to **Php 180 Million**.

2017 is going to be a challenging yet opportunistic and exciting year. It is a "Game Changing" scenario and the more robust, creative, and innovative players will soon be unveiled.

III. Reinforcement of Gratitude to the Board and Stockholders

Once again, we would like to thank the Board of Directors and our stakeholders for the trust and confidence in the Alliedbankers Team and we are looking forward to attainment of such goals with your continued and full support.

REBECCA B. DELA CRUZ
President & CEO

ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS FOR RATIFICATION BY THE STOCKHOLDERS ON APRIL 18, 2017

<table>
<tr><td>Board Resolution 01-16</td><td>Approval and confirmation of the policies approved and accepted with sum insured of P50, 000,000.00*Fifty Million Pesos* and above for Non-Group accounts for the month of December 2015.</td></tr>
<tr><td>Board Resolution 02-16</td><td>Approval and confirmation of new purchase and sale /dispositions of stock investments for the month of December 2015 contained in the lists as presented.
Further, notation on the updates on the Corporation's Investments Portfolio as of December 2015.</td></tr>
<tr><td>Board Resolution 03-16</td><td>Approval and authorization of the Corporation to invest in the Short Term Commercial Papers (SCTPs) – Series B of SL Agritech Corporation in the amount of *Fifteen Million Peso*s (P15, 000,000.00) with the following terms and conditions.
<table>
<tr><td>Issuer</td><td>SL Agritech Corporation</td></tr>
<tr><td>Issue</td><td>Short- Term Commercial Papers (STCPs)</td></tr>
<tr><td>Issue Size</td><td>Up to 1.0 Billion to be issued in one lump sum or multiple tranches</td></tr>
<tr><td>Denomination</td><td>Minimum of Five Million Pesos (₱ 5,000,000.00) face value and increments of One Hundred Thousand Pesos (₱100,000.00)</td></tr>
<tr><td>Tenor</td><td>Series A- 90 days
Series B- 180 days
Series C- 360 days</td></tr>
<tr><td>Discount Rate</td><td>Series A- 4.50 %
Series B- 4.75 %
Series C- 5.25 %</td></tr>
<tr><td>Rating</td><td>PRS Aa</td></tr>
<tr><td>Taxation</td><td>Subject to taxation rules and regulations of the Bureau of Internal Revenue (BIR) pertaining to such purchase</td></tr>
<tr><td>Purpose of the Issue</td><td>Net proceeds of the issue shall be used to (a) support working capital requirements; and (b) replace more expensive outstanding loans</td></tr>
<tr><td></td><td></td></tr>
</table></td></tr>
<tr><td>Board Resolution 04-16</td><td>Approval on the inclusion of PNB Savings Bank as one of the depository/investment bank outlet.</td></tr>
<tr><td>Board Resolution 05-16</td><td>Approval and authorization of the Corporation to open, maintain and operate deposit account/s with PNB Savings Bank for the ATM Safe.

Further, any two (2) of the ff. designated directors/officers of the Corporation: Rebecca B. Dela Cruz, Rufina T. Yu, Harry C. Tan, Michael G. Tan, Peter Ong, shall be authorized and empowered, acting and signing jointly to execute, sign, conclude and deliver for and in behalf of the Corporation, any and all contracts, agreements, forms and documents necessary to open and operate said Bank Accounts with PNB Savings Bank.</td></tr>
<tr><td>Board Resolution 06-16</td><td>Approval of the closure and reversal to income of the long outstanding inactive claims contained in the list as presented in the amount of *One Million Nine Hundred Seventeen Thousand One Hundred Seventy Two Pesos and 42/100* (P1, 917,172.42).</td></tr>
<tr><td>Board Resolution 07-16</td><td>Approval of the establishment of Alliedbankers Insurance Corporation Pampanga Branch to be located at the 2nd Flr. Of PNB Angeles City Branch a7 730 Sto. Rosario St., Barangay Sto. Rosario, Angeles City under the following basic lease terms and conditions:
<table>
<tr><td>Area</td><td>30 square meters</td></tr>
<tr><td>Lease Term</td><td>3 years (renewable)</td></tr>
<tr><td>Lease Rate</td><td>P600.00 per square meter</td></tr>
<tr><td>Escalation Rate</td><td>5% per annum starting on the 2nd year and thereafter</td></tr>
</table></td></tr>
</table>

	<table><tr><td>Advance Rental</td><td>Two (2) months to be applied on the last two (2) months of the lease period</td></tr><tr><td>Security Deposit</td><td>Two (2) months</td></tr><tr><td>Renewal Option</td><td>Renewable, subject to mutual agreement of parties and issuance of written request for renewal at least three (3) months before expiration of the term.</td></tr></table> Further, approval of the following requirements for the opening of the Pampanga Branch. I. Initial Personnel Complement Consultant Officer Manager (1) ; Office Cashier/Policy Issue Clerk/Claims/Messenger (2) II. Fixed Monthly Variable Expenses Salaries & Wage P 64,000.00 Transportation 8,000.00 Representation 10,000.00 Rental 15,000.00 Light & Water 5,000.00 Telephone/Fax Expense 10,000.00 Office Forms/Postage 8,000.00 Company share due to the Govt. 5,000.00 13th& 14thMonth Pay 4,000.00 Miscellaneous 5,000.00 Depreciation 5,000.00 Taxes 5,000.00 ---------- P144,000.00 III. Required Monthly Paid Production P 700,000.00 For a Sustainable Branch Operation IV. Required Yearly Paid Production P8,400,000.00 For a Sustainable Brancn Operation V. Ratio of Expenses vs. Paid Production 20.57% VI. Required Production Mix Fire & Allied Perils 25% Motor Car 35% Personal Accident 15% Marine Cargo 5% Miscellaneous Casualty 20% VII. Target Number of Agents per Month Licensed 2 Special 5 VIII. Initial Cash Outlay for Capital Expenditures **P300,000.00**
Board Resolution 08-16	Approval of the hiring of a Management Consultant for the Pampanga Branch.
Board Resolution 09-16	Approval of the deployment of at least two (2) Alliedbankers Insurance Corporation personnel at Philippine National Bank-Consumer Finance Group/PNB Savings Bank at Allied Bank Center, Ayala Avenue, Makati City to serve as an extension office to support the consumer finance services both for the Housing Loan and Motor Vehicle Loan of PNB and PNB Savings Bank.
Board Resolution 10-16	Approval of the Business Plan for 2016 with a theme "Addressing Barriers to Increase Regional Competitiveness (Readiness for ASEAN Integration) 2016 and Beyond" as presented.
Board Resolution 11-16	Approval and confirmation of the policies approved and accepted with sum insured of P50, 000,000.00*Fifty Million Pesos* and above for Non-Group accounts for the month of January 2016.
Board Resolution 12-16	Notation on the updates on the Corporation's Investments Portfolio as of January 2016.
Board Resolution 13-16	Approval and authorization of the Corporation to invest in the Preferred Shares of Double Dragon Properties Corporation in the amount of Ten Million Pesos (P10,000,000.00) to Fifteen Million Pesos (P15,000,000.00).

<table>
<tr><td>Board Resolution 14-16</td><td>Approval of the hiring of MR. ROBERT ARAGON (retired employee of Philippine National Bank) as Consultant to handle and focus more on the dealership business to improve the motor business.</td></tr>
<tr><td>Board Resolution 15-16</td><td>Notation on the Financial Budget Package for 2016 as presented.</td></tr>
<tr><td>Board Resolution 16-16</td><td>Approval and confirmation of the policies approved and accepted with sum insured of P50, 000,000.00*Fifty Million Pesos* and above for Non-Group accounts for the month of February 2016.</td></tr>
<tr><td>Board Resolution 17-16</td><td>Approval of the Investment's Committee's recommendation to invest in San Miguel Corporation (SMC) Perpetual Preferred Shares Series 2G in the amount of up to Ten Million Pesos (P10,000,000.00). with the following terms and conditions:
<table>
<tr><td>Investment Outlet</td><td colspan="2">San Miguel Corporation (SMC)
Perpetual Preferred Shares</td></tr>
<tr><td>Dividend Period</td><td colspan="2">Quarterly</td></tr>
<tr><td>Series</td><td colspan="2">Series 2 G</td></tr>
<tr><td>Indicative Rate</td><td>Low</td><td>High</td></tr>
<tr><td>17 February</td><td>5.8354 %</td><td>6.5854 %</td></tr>
<tr><td>End of Bookbuilding</td><td colspan="2">March 3, 2016</td></tr>
<tr><td>Settlement Date</td><td colspan="2">March 17, 2016</td></tr>
<tr><td>Tentative Issue Date</td><td colspan="2">March 21, 2016</td></tr>
<tr><td>Minimum No. of Shares</td><td colspan="2">13,400 shares and in multiple of 100 shares thereafter</td></tr>
<tr><td>Offer Price per Share</td><td colspan="2">Php 75.00</td></tr>
<tr><td>Taxation</td><td colspan="2">Individual- 10% FWT
Corporation- 0%</td></tr>
<tr><td>Other Information</td><td colspan="2">➢ Issue Size: Php 21.0 Billion
➢ Dividend Rate Step-up: For series 2G on the 5th year= higher of initial dividend rate or 3% plus 10Yr PDST-R2
➢ Conditions on Declaration and Payment of Dividends
• Subject to discretion of the Board of Directors
• Amount scheduled to be repaid shall include all dividends due on such payment date and all accumulated dividends due and payable or dividends in arrears in respect of prior dividends periods.</td></tr>
</table></td></tr>
<tr><td>Board Resolution 18-16</td><td>Approval and authorization of payment of the Claim of WYE Marketing Corp. under Policy No. HOFI-9343 arising from Fire Loss that occurred last April 17, 2015, in the amount of P24,915,397.75 *Twenty Four Million Nine Hundred Fifteen Thousand Three Hundred Ninety Seven & 75/100 Pesos *, detailed as follows:
Gross P24,915,397.75
Retention P 2,242,385.79
Quota Share P 249,153.98
1st Surplus P22,423,857.98</td></tr>
<tr><td>Board Resolution 19-16</td><td>Approval of the hiring of Engineer Jaycee C. Santos as Risk Management Consultant for a period of one (1) year, effective upon assumption to replace Daniel Z. Barlicos.</td></tr>
<tr><td>Board Resolution 20-16</td><td>Approval and authorization of payment of Bureau of Internal Revenue (BIR) Tax Deficiency Assessment for Taxable Year 2011 in the total amount of *Three Million Four Hundred Eighty Four Thousand Two Hundred Sixty Four Pesos and 30/100* (P3,484,264.30), detailed as follows:
Income Tax ₱ 799,795.27
Value Added Tax 900,004.60
Expanded Withholding Tax 217,224.08
Withholding Tax on Compensation 220,026.26
Fringe Benefit Tax 111,953.22
Documentary Stamps 1,210,260.97
Other Compromise Penalty 25,000.00</td></tr>
</table>

Board Resolution 21-16	Approval and authorization of the Corporation to apply for accreditation, in behalf of the employees, with PNB Savings Bank for a P20.0 Million Corporate Tie-Up Program for the grant to the employees of consumer loans which include Home Loan, Motor Vehicle Loan and Multi-Purpose Loan. Further, authorization of the Corporation to perform the following acts: 1. Deduct and withhold the salary and benefits of the employees to answer for their outstanding obligations to PNB Savings Bank; 2. Remit to PNB Savings Bank on the date of deduction such amount withheld and deducted. 3. Inform PNB Savings Bank, if the concerned employee retires, is terminated by, has resigned or is otherwise separated from the Corporation. 4. Enter into, execute and deliver such documents, undertakings, contracts or agreements necessary or incidental thereto. Finally, authorization of the following officers REBECCA B. DELA CRUZ, RUFINA T. YU, as they are hereby authorized and empowered, acting and signing jointly, to execute and deliver, in the name of the Corporation, the necessary documents, undertakings, contracts or agreements referred to in the foregoing resolution, and to do and perform all such acts and things as said officer/s may deem necessary, appropriate and convenient in order to carry into effect the foregoing resolutions.
Board Resolution 22-16	Approval and authorization of the Corporation to apply for accreditation with Development Bank of the Philippines (DBP) thru DBP Insurance Brokerage, Inc. for the insurance requirements of the clients of DBP. Further, in connection with the Corporation's application for the accreditation with DBP, approval and authorization of the Corporation to open and maintain Time Deposit/Trust Fund or any financial investment with DBP with at least a minimum amount of One Million Pesos (P1, 000,000.00) with any two of the following, Rebecca B. Dela Cruz, Rufina T. Yu, Harry C. Tan, Michael G. Tan, Peter Ong, acting and signing jointly, as the designated authorized signatories.
Board Resolution 23-16	Approval and authorization of the Corporation to open, maintain and operate a new bank deposit account with Philippine National Bank (PNB) – Binondo Branch for disbursements. Further, that any two (2) of the following designated directors/officers of the Corporation, Rebecca B. Dela Cruz, Rufina T. Yu, Harry C. Tan, Michael G. Tan, Peter Ong, be authorized, as they are hereby authorized and empowered, acting and signing jointly, to execute, sign, conclude and deliver, for and in behalf of the Corporation, any and all contracts, agreements, forms and documents necessary to open and operate said bank deposit account with PNB-Binondo Branch.
Board Resolution 24-16	Notation of the Board of Directors of the replies/actions taken by Management on the findings and corresponding requirements contained in the Insurance Commission (IC) Examination as of December 31, 2014.
Board Resolution 25-16	Approval and authorization on the attendance of the following Officers : REBECA B. DELA CRUZ, President and RUBY D. MERCADO, Manager for Policy Admin, Customer Service and Reinsurance Support, to the 2016 Annual UIB Asia Reinsurance Market Seminar to be held in Penang, Malaysia from May 5to 7, 2016.
Board Resolution 26-16	Approval and appointment of DINAH DOMENISE as Acting Officer-in-Charge (OIC) of Davao Branch effective upon assumption. Further, approval of the hiring of an additional service staff at Davao Branch to assist and support Acting OIC Domenise.

<table>
<tr><td>Board Resolution 27-16</td><td>Conduct of Annual Stockholders Meeting on April 19, 2016 at 10:00am at the Summit Room, Century Park Hotel, 599 P. Ocampo St., Malate Manila, in pursuant to Article II, Section 1 of the Corporation's By-Laws.</td></tr>
<tr><td>Board Resolution 28-16</td><td>Approval of the attached Audited Financial Statements of Alliedbankers Insurance Corporation for the year ended December 31, 2015, as audited and submitted by the auditing firm SyCipGorresVelayo& Co., as the official annual financial report of the Corporation for the year 2015, for purposes of submission to the appropriate regulatory agencies, including the Bureau of Internal Revenue.</td></tr>
<tr><td>Board Resolution 29-16</td><td>Approval and confirmation of the reversal of long outstanding reserves in the total amount of * Thirteen Million Two Hundred Seventy Four Thousand One Hundred Seventy One Pesos and 00/100* (₱ 13,274,171.00) detailed as follows:
<table>
<tr><td>Years</td><td>Amount of Loss</td></tr>
<tr><td>2000 and prior</td><td>₱ 2,272,628.00</td></tr>
<tr><td>2001-2005</td><td>₱ 802,536.00</td></tr>
<tr><td>2006-2010</td><td>₱ 2,745,145.00</td></tr>
<tr><td>2011</td><td>₱ 1,706,345.00</td></tr>
<tr><td>2012</td><td>₱ 2,712,255.00</td></tr>
<tr><td>2013</td><td>₱ 3,035,262.00</td></tr>
<tr><td>TOTAL</td><td>₱ 13,274,171.00</td></tr>
</table></td></tr>
<tr><td>Board Resolution 30-16</td><td>Approval, ratification & confirmation of the renewal of the Corporation's Reinsurance Treaties effective April 1, 2016 to March 31, 2017, including the rates, terms and treaty allocations as presented</td></tr>
<tr><td>Board Resolution 31-16</td><td>Approval and confirmation of the policies approved and accepted with sum insured of ₱50,000,000.00 *Fifty Million Pesos* and above for Non-Group accounts for the month of March 2016.</td></tr>
<tr><td>Board Resolution 32-16</td><td>Notation of the updates on the Corporation's Investment Portfolio as of March 31, 2016.</td></tr>
<tr><td>Board Resolution 33-16</td><td>Approval and authorization of the Corporation to open and maintain Depository and Revolving Deposit Accounts with Philippines National Bank-Angeles City Branch to service Alliedbankers Insurance Corporation Angeles City Branch, with the following as the duly designated and authorized signatories to execute, sign, conclude and deliver, for and in behalf of the Corporation, any and all contracts, agreements, forms and documents necessary to open and operate said deposit accounts, as follows:
I. For the Depository Account (any two of the following, acting and signing jointly)
1. REBECCA B. DELA CRUZ - President
2. RUFINA T. YU- Senior Vice President/ Comptroller
3. HARRY C. TAN- Treasurer
4. MICHAEL G. TAN- Director
5. PETER Y. ONG- Director
II. For the Revolving Account ((any two of the following, acting and signing jointly):
1. REBECCA B. DELA CRUZ - President
2. RUFINA T. YU- Senior Vice President/ Comptroller
3. LARRY G. TY- Vice President/Marketing, Sales and Product Development
4. VLADIMIR T. VENTURINA- Branch Manager</td></tr>
<tr><td>Board Resolution 34-16</td><td>Approval of the hiring of Giovanni P. Miranda as Assistant Vice President (AVP)/ Head of Marketing, Product Development and Support Services Department under the Sales and Marketing Group, effective upon assumption.</td></tr>
<tr><td>Board Resolution 35-16</td><td>Approval of the election of the following as Officers of the Corporation, to the positions set after their names, who are to serve as such until their successors are duly elected and qualified:
LUCIO C. TAN - Chairman
WILLY S. CO - Vice Chairman
REBECCA B. DELA CRUZ - President
RUFINA T. YU - Senior Vice President/Comptroller
ARLENE J. GUEVARRA - Corporate Secretary
HARRY C. TAN - Treasurer</td></tr>
</table>

Board Resolution 36A-16	Approval of the reconstitution of the Board and Management Committees effective immediately, as follows: I. BOARD COMMITTEES A. CORPORATE GOVERNANCE AND REMUNERATIONS COMMITTEE 1. LUCIO C. TAN - Chairman 2. MICHAEL G. TAN - Vice Chairman 3. HARRY C. TAN - Member 4. LUCIO K. TAN, JR. - Member 5. ROWENA T. CHUA - Member 6. PETER Y. ONG - Member (Independent Director) 7. REBECCA B. DELA CRUZ - Member B. AUDIT AND COMPLIANCE AND RISK MANAGEMENT COMMITTEE 1. ALFREDO B. JIMENEZ, JR.- Chairman (Independent Director) 2. WILLY S. CO - Vice Chairman 3. MICHAEL G. TAN - Member 4. LUCIO K. TAN, JR. - Member 5. PETER Y. ONG - Member C. INVESTMENTS COMMITTEE 1. MICHAEL G. TAN - Chairman 2. ROWENA T. CHUA - Member 3. MANUEL T. GONZALES - Member 4. REBECCA B. DELA CRUZ - Member 5. RUFINA T. YU - Member RESOURCE PERSONS: 1. RICKY CEBRERO (PNB - Treasury Group) 2. DANNY LORENZO (PNB -Treasury Group 3. MANUEL ANTONIO G. LISBONA (PNB Securities Corp.) 4. HELEN Y. ANG (PNB -Trust Banking Group) 5. MA. CARMELA A. PAMA (PNB -Risk Management Group) II. MANAGEMENT COMMITTEES A. CLAIMS COMMITTEE 1. REBECCA B. DELA CRUZ- Chairman 2. RUFINA T. YU - Member 3. CHIEF UNDERWRITER – Member 4. MARKETING HEAD- Member 5. RISK MANAGEMENT OFFICER Based on the approving limits and subject to Board of Directors confirmation for claims of One Million Pesos (₱ 1,000,000.00) and above. B. UNDERWRITING COMMITTEE 1. REBECCA B. DELA CRUZ- Chairman 2. RUFINA T. YU- Member 3. HEAD OF UNDERWRITING- Member 4. LINE UNDERWRITERS- Member 5. MARKETING HEAD- Member Based on the approving limits as defined in the Policy and Fifty Million Pesos (₱ 50,000,000.00) and up sum insured is to be reported and confirmed by the Board of Directors.
Board Resolution 36-16	Approval of the increase in the Per Diems of the Board of Directors for attending the Board of Directors' meetings from Ten Thousand Pesos (₱ 10,000.00) to **Twenty Thousand Pesos (₱ 20,000.00)**and the Board Committees' (Corporate Governance and Remunerations Committee, Audit and Compliance and Risk Management Committee and Investments Committee) meetings from Two Thousand Pesos (₱ 2,000.00) to **Ten Thousand Pesos (₱10,000.00).**
Board Resolution 37-16	Limitation of the Corporation's earthquake risk exposure accounts which are within the fault line to the existing accounts with total sum insured of ₱994,235,549.54 but not to exceed ₱1.0 Billion. However, new accounts may be elevated to the Board of Directors for approval, on a case-to-case basis, as an exception but only low rise properties. High rise properties shall not at all be considered and accepted.
Board Resolution 38-16	Approval and confirmation of the policies approved and accepted with sum insured of ₱50,000,000.00 * Fifty Million Pesos* and above for Non-Group accounts for the month of April 2016.

Board Resolution 39-16	Approval and confirmation of the new purchases and sale/dispositions of stock investments for the month of April 2016 contained in the lists as presented. Further, to note the updates on the Corporation's Investments Portfolio as of April 30, 2016.
Board Resolution 40-16	In view of the very satisfactory performance of the Corporation in 2015, to approve and authorize the payment of bonus to the Directors equivalent to five percent (5%) of the audited net income for the year ended December 31, 2015 but not to exceed One Hundred thousand Pesos (₱100,000.00) each Director.
Board Resolution 41-16	Approval of the purchase of a 2016 2.8 Innova Diesel Manual at a cost of One Million One Hundred Forty Two Thousand Pesos (₱1,142,000.00) for and as Company Service Car to be used for official functions and activities, detailed as follows: Car Model: 2016 2.8 Innova Diesel Manual Unit Price: ₱1,142,000.00 LTO Registration: ₱8,200.00 Freebies: Tint, Jack, Floor Matting, Rustproof, Basic Tools, Seat Cover Warranty: 3 Years or 100,000 kms, whichever comes first Note: Driver for the Company Service Car will be from an Agency or will be hired on a contractual basis.
Board Resolution 42-16	Approval and confirmation of the policies approved and accepted with sum insured of ₱50,000,000.00 *Fifty Million Pesos* and above for Non-Group accounts for the month of May 2016.
Board Resolution 43-16	Approval and confirmation of the sale/dispositions of stock investments for the month of May 31, 2016 contained in the list as presented. Further, to note the updates on the Corporation's Investments Portfolio as of May 31, 2016.
Board Resolution 44-16	Approval and authorization of the Corporation to invest, thru Philippine National Bank- Trust Banking Group (PNB-TBG), in the Series B Seven (7)-Year Fixed Rate Bonds of SMC Global Power Holdings Corp. in the amount of Ten Million Pesos (₱10,000,000.00) to Fifteen Million Pesos (₱15,000,000.00).
Board Resolution 45-16	Approval and authorization of the Corporation to invest, thru Philippine National Bank- Trust Banking Group (PNB-TBG), in the Series B Seven (7)-Year Fixed Rate Bonds of Ayala Corporation in the amount of Ten Million Pesos (₱10,000,000.00) to Fifteen Million Pesos (₱15,000,000.00).
Board Resolution 46-16	Approval of the reconsideration/ increase of the Claim of LKY Development Corporation arising from typhoon "Glenda" to maximum of Five Million Pesos (₱5,000,000.00).
Board Resolution 47-16	Approval of the increase in per diem of the Corporate Secretary for attending Board of Directors' meetings from Two Thousand Pesos (₱2,000.00) to Ten Thousand Pesos (₱10,000.00), net of withholding tax, effective April 19, 2016 Board meeting, and the per diem of Five Thousand Pesos (₱5,000.00), net of withholding tax, for attending Board Committees' meetings.
Board Resolution 48-16	Approval and authorization of the Corporation to open and maintain a new bank deposit account with Philippine National Bank (PNB) - Escolta Branch for the Home Development Mutual Fund (HDMF)/ Pag-IBIG, Social Security System (SSS) and PhilHealth Electronic Payment. Further, any two (2) of the following designated directors/officers of the Corporation be authorized, as they are hereby authorized and empowered, acting and signing jointly, to execute, sign, conclude and deliver, for and in behalf of the Corporation, any and all contracts, agreements, forms and documents necessary to open and operate said bank deposit account with PNB- Escolta Branch as follows: MICHAEL G. TAN-Director; PETER Y. ONG-Director; REBECCA B. DELA CRUZ- President/Director; HARRY C. TAN-

<table>
<tr><td></td><td>Treasurer/Director; RUFINA T. YU- Senior Vice President/Comptroller/Director.</td></tr>
<tr><td>Board Resolution 49-16</td><td>Approval and confirmation of the policies approved and accepted with sum insured of ₱50,000,000.00 * Fifty Million Pesos* and above for Non-Group accounts for the month of June 2016.</td></tr>
<tr><td>Board Resolution 50-16</td><td>Approval and confirmation of the policies approved and accepted within the one (1) kilometer fault line radius.</td></tr>
<tr><td>Board Resolution 51-16</td><td>Approval and confirmation of the new purchases and sale/dispositions of stock investments for the month of June 2016 contained in the lists as presented.
Further, to note the updates on the Corporation's Investments Portfolio as of June 30, 2016.</td></tr>
<tr><td>Board Resolution 52-16</td><td>Approval and confirmation of the following recommendations of the Corporate Governance and Remuneration Committee:
I. Grant of Annual Performance Bonus for 2015 to all officers and employees, including the consultants, in the total amount of Two Million Eight Hundred Eighty Four Thousand Eight Hundred Seventy Eight Pesos and 13/100 (₱2,884,878.13), based on the parameters set up for the Company and the performance of the Company and employees, detailed as follows., based on the parameters set up for the Company and the performance of the Company and employees, detailed as follows.

A. COMPANY PARAMETERS
<table>
<tr><th>Metrics</th><th>Weights</th><th>Budget</th><th>Actual Results</th><th>Actual Weights</th></tr>
<tr><td>1. SALES</td><td>30 %</td><td>420,000,000.00</td><td>409,964,521.00</td><td>0 %</td></tr>
<tr><td>2. NET INCOME</td><td>30 %</td><td>48,410,140.00</td><td>58,434,428.00</td><td>26.1 %</td></tr>
<tr><td>3. OPERATING EXPENSE</td><td>20 %</td><td>75,148,568.00</td><td>58,926,879.00</td><td>20.8 %</td></tr>
<tr><td>4. UNDERWRITING MARGIN</td><td>20 %</td><td>69,321,964.00</td><td>92,405,995.00</td><td>23.3 %</td></tr>
<tr><td>OVERALL COMPANY RATING</td><td>100 %</td><td></td><td></td><td>70.2%</td></tr>
</table>
B. BASIS OF AGGREGATE BONUS [EITHER OF THE TWO (2) BELOW]:
15% of Annual Compensation - ₱4,607,500.00
5% of Adjusted Net Income - ₱2,921,721.00

C. RECOMMENDED BONUS BASED ON COMPANY AND EMPLOYEES PERFORMANCES
<table>
<tr><th>LEVEL</th><th>BUDGET RANGE (as a % of Annual Compensation)</th><th>ACTUAL RANGE (as a % of Annual Compensation)</th><th>Equivalent Months</th><th>Total Amount</th></tr>
<tr><td>Rank and File</td><td>17 %</td><td>16 %</td><td>1.00 month</td><td>456,250.27</td></tr>
<tr><td>Supervisors/ Managers</td><td>35 %</td><td>33 %</td><td>1.09 months</td><td>956,117.50</td></tr>
<tr><td>Senior Executives</td><td>48 %</td><td>51 %</td><td>1.51 months</td><td>1,472,510.36</td></tr>
<tr><td>TOTAL</td><td>15 %</td><td>15 % of Annual Compensation or 5% of Net Income</td><td>1.2 months</td><td>2,884,878.13</td></tr>
<tr><td>BUDGET</td><td>15% or 5% of Audited Net Income</td><td></td><td></td><td>3,234,465.00</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><td></td><td>II. Grant of Merit Increase to all employees effective May 1, 2016, detailed as follows:
<table>
<tr><th>RATING</th><th>RANGE</th><th>SALARY ADJUSTMENT</th></tr>
<tr><td>OUTSTANDING</td><td>9-10</td><td>10 %</td></tr>
<tr><td>VERY GOOD</td><td>8-8.99</td><td>8 %</td></tr>
<tr><td>GOOD</td><td>7-7.99</td><td>6 %</td></tr>
<tr><td>AVERAGE</td><td>4-6.99</td><td>4 %</td></tr>
<tr><td>BELOW AVERAGE</td><td>3-3.99</td><td>2 %</td></tr>
<tr><td>POOR</td><td>BELOW 3</td><td>0 %</td></tr>
</table>
III. Salary Realignment of up to twenty percent (20%) or as needed to be at par.
IV. Promotional Adjustment of additional five percent (5%) to ten percent (10%).

[Note : Total cost for the Merit Increase is ₱ 91,070 per month, Realignment is ₱42,281.11 per month and Promotion is ₱7,598.91 per month]</td></tr>
<tr><td>Board Resolution 53-16</td><td>Approval of the Revised Corporate Governance Manual as presented, incorporating the following amendments/revision:
1. To include in the Objective the commitment of the Board of Directors to adopt a sound and practical corporate governance and put in place a corporate governance framework.
2. To add a provision providing for the Orientation and Training of the Board of Directors.
3. To expand the duties and responsibilities of the Corporate Governance Committee by including the duties and responsibilities of the Remuneration Committee.
4. To add a provision relating to the External Auditor.
5. To define what constitute a Quorum for the Stockholders' meetings.
6. To include the Corporation's policy on Dividend Declaration</td></tr>
<tr><td>Board Resolution 54-16</td><td>Approval of the Anti-Fraud, Whistle blowing, Bribery and Corruption Policy as presented which establishes the principles and approach for managing and mitigating risks of fraud, bribery and corruption.</td></tr>
<tr><td>Board Resolution 55-16</td><td>Approval of the inclusion of Davao Branch Officer-in-Charge Dinah Domenise as Authorized Signatory for Davao Branch Revolving Fund Account.</td></tr>
<tr><td>Board Resolution 56-16</td><td>Approval and confirmation of the policies approved and accepted with sum insured of ₱50,000,000.00 *Fifty Million Pesos* and above for Non-Group accounts for the month of July 2016, as follows.</td></tr>
<tr><td>Board Resolution 57-16</td><td>Approval and confirmation of the new purchases and sale/dispositions of stock investments for the month of July 2016 contained in the lists as presented.

Further, to note the updates on the Corporation's Investments Portfolio as of July 31, 2016.</td></tr>
<tr><td>Board Resolution 58-16</td><td>Board of Directors notation on the Minutes of the Corporate Governance and Remuneration Committee meeting held on June 27, 2016.</td></tr>
<tr><td>Board Resolution 59-16</td><td>Approval and confirmation of the capital expenditures for the renovation of the Head Office and Branches in the total amount of Four Million Two Hundred Thousand Pesos (₱4,200,000.00), detailed as follows:
<table>
<tr><th>PARTICULARS</th><th>AMOUNT</th><th>REMARKS</th></tr>
<tr><td>Renovation of Head Office</td><td>₱3,000,000.00</td><td></td></tr>
<tr><td>Renovation of Branches</td><td>₱1,000,000.00</td><td rowspan="2">Unused Budget</td></tr>
<tr><td>Renovation of New Branches</td><td>₱ 700,000.00</td></tr>
<tr><td>Air-Conditioning Upgrade</td><td>₱ 268,000.00</td><td>Previously used ₱232,000.00 to purchase one (1) unit of floor mounted air conditioning unit. Balance is also added to ₱3.0 Million renovation budget.</td></tr>
</table></td></tr>
</table>

	Wiring (based on Board resolution No.29-15)	₱ 300,000.00	Added to ₱3.0 Million as this is part of renovation.
	Total Budget	₱5,268,000.00	
	Total Actual renovation Cost		₱ 4,200,000.00
Board Resolution 60-16	Approval and confirmation of the policy approved and accepted within the one (1) kilometer fault line radius for the month of July 2016.		
Board Resolution 61-16	Approval and authorization of the Corporation to open and maintain Depository and Revolving Deposit Accounts with Philippine National Bank-Escolta Branch to service AlliedBankers Insurance Corporation Angeles City Branch, with the following as the duly designated and authorized signatories to execute, sign, conclude and deliver, for and in behalf of the Corporation, any and all contracts, agreements, forms and documents necessary to open and operate said deposit accounts, as follows: I. For the **Depository Account** (any two of the following, acting and signing jointly) 1. REBECCA B. DELA CRUZ - President 2. RUFINA T. YU- Senior Vice President/ Comptroller 3. HARRY C. TAN- Treasurer 4. MICHAEL G. TAN- Director 5. PETER Y. ONG- Director II. For the **Revolving Account** ((any two of the following, acting and signing jointly): 1. REBECCA B. DELA CRUZ - President 2. RUFINA T. YU- Senior Vice President/ Comptroller 3. LARRY G. TY- Vice President/Marketing, Sales and Product Development 4. VLADIMIR T. VENTURINA- Branch Manager *NOTE:* 1. *The Depository Account shall be where all the premium payments and collections of the Branch will be deposited. No portion of the Depository Account can be transferred to the Revolving Account.* 2. *The revolving Account can only accept deposits from the Head Office and shall be for disbursement of necessary operating expenses of the branch as approved by the appropriate approving authorities.* Further, that this effectively cancels/supersedes Board Resolution No. 33-16 dated April 13, 2016.		
Board Resolution 62-16	Hereby resolved that all unpaid subscriptions to the authorized capital stock of the Corporation be declared due and payable on or before 09 September 2016. Finally that the Office of the Corporate Secretary be authorized to sign, execute, and deliver all documents as they may be necessary to effect the foregoing resolution.		
Board Resolution 63-16	Subject to the approval of the stockholders in accordance with the requirements of law, the Corporation be, as it is hereby, authorized to reduce the par value of the Corporation from One Hundred Pesos (PhP 100.00) divide into Five Million (5,000,000) shares to One Peso (PhP 1.00) divided into Five Hundred Million (500,000,000) shares, without a corresponding reduction in the authorized capital stock. Further, that subject to the approval of the stockholders in accordance with the requirements of law, the Corporation be authorized to amend Article Seventh of its Articles of Incorporation to effect the foregoing resolution. Finally, that the President and/or the Office of the Corporate Secretary be authorized to perform all acts to sign, execute and deliver all documents as may be necessary to effect the foregoing.		
Board Resolution 64-16	Subject to the approval of the stockholders in accordance with the requirements of law, the Corporation be, as it is hereby authorized to deny the pre-emptive rights of the stockholders.		

	Further, that subject to the approval of the stockholders in accordance with the requirements of law, the Corporation be authorized to amend Article Seventh of its Articles of Incorporation and Article VIII of the By-Laws to effect the foregoing resolution. Finally, that the President and/or the Office of the Corporate Secretary be authorized to perform all acts to sign, execute and deliver all documents as may be necessary to effect the foregoing.
Board Resolution 65-16	Subject to the approval of the stockholders in accordance with the requirements of law, the Corporation be, as it is hereby, authorized to convene the Stockholder's Meeting anywhere in the City of Manila; Further, that subject to the approval of the stockholders in accordance with the requirements of law, the Corporation be authorized to amend Section 1, Article II of the By-Laws of the Corporation to effect the foregoing resolution. Finally, that the President and/or the Office of the Corporate Secretary be authorized to perform all acts to sign, execute and deliver all documents as may be necessary to effect the foregoing.
Board Resolution 66-16	Subject to the approval of the stockholders in accordance with the requirements of law, the power to amend, repeal or alter the By-Laws of the Corporation be, as they are hereby delegated to the Board of Directors.
Board resolution 67-16	Special Stockholders' Meeting be, as it is hereby, convened on 14 September 2016 for the purpose of presenting for approval of the stockholders the proposal to amend the Articles of Incorporation and the By-Laws of the Corporation; Further, that the Corporation set the date 08 September 2016 as the record date of stockholders entitled to notice of, and to vote at, the Special Stockholders' Meeting mentioned above; Finally, that the President and/or the Office of the Corporate Secretary be authorized to perform all acts to sign, execute and deliver all documents as may be necessary to effect the foregoing, including settling the time and venue for the said Special Stockholders' Meeting.
Board Resolution 68-16	Notation of the Minutes of the Investments Committee meeting held on August 10, 2016.
Board Resolution 69-16	Approval and confirmation of the policies approved and accepted with sum insured of ₱50,000,000.00 * Fifty Million Pesos* and above for Non-group accounts for the month of August 2016.
Board Resolution 70-16	Approval and authorization of the Corporation to invest, thru Philippine National Bank- Trust Banking Group (PNB-TBG), in the Metropolitan Bank and Trust Company ("Metrobank") Long Term Negotiable Certificates of Deposits (LTNCDs) with a term of seven (7) years or due 2023 with indicative rate of 3.5% and in the Ayala Land, Inc. Fixed Rate Bonds also with a term of seven (7) years or due 2023 with indicative rate of 3.75% to 4.05%, both in the amount of up to Five Million Pesos (₱5,000,000.00).
Board Resolution 71-16	Approval and confirmation of the new purchases of stock investments for the month of August 2016 contained in the list as presented. Further, to note the updates on the Corporation's Investments Portfolio as of August 31, 2016.
Board Resolution 72-16	Approval and confirmation of the policies approved and accepted within the one (1) kilometer fault line radius for the month of August 2016 contained in the list as presented.
Board Resolution 73-16	Authorization of the President, REBECCA B. DELA CRUZ, and the Senior Vice President/Comptroller, RUFINA T. YU, as they are hereby authorized and empowered, to execute, sign, conclude and deliver, either singly or jointly, for and in behalf of the Corporation, any and all contracts, instruments,

<table>
<tr><td></td><td>agreements or papers related to or connected with the ordinary discharge of the operating functions of the corporation.</td></tr>
<tr><td>Board Resolution 74-16</td><td>Approval and confirmation of the policies approved and accepted with sum insured of ₱50,000,000.00 *Fifty Million Pesos* and above for Non-Group accounts for the month of September 2016.</td></tr>
<tr><td>Board Resolution 75-16</td><td>Approval and confirmation of the new purchases of stock investments for the month of September 2016 contained in the list as presented.

Further, to note the updates on the Corporation's Investments Portfolio as of September 30, 2016.</td></tr>
<tr><td>Board Resolution 76-16</td><td>Approval and authorization of the Corporation to invest, thru Philippine National Bank- Trust Banking Group (PNB-TBG), in the Petron Corporation Fixed Rate Bonds in the amount of up to Five Million pesos (₱5,000,000.00), detailed as follows:
<table>
<tr><td>Issuer:</td><td colspan="2">Petron Corporation ("Petron")</td></tr>
<tr><td>Issue:</td><td colspan="2">Direct, unconditional, unsecured and unsubordinated Peso- denominated fixed rate bonds</td></tr>
<tr><td>Issue Size:</td><td colspan="2">Ph₱15.0 Billion with an oversubscription option of up to Ph₱5.0 Billion.</td></tr>
<tr><td>Target Issue Date:</td><td colspan="2">October 21, 2016</td></tr>
<tr><td>Tenor/Maturity Date:</td><td colspan="2">Series A Bonds- 5th Anniversary of the Issue Date
Series B Bonds- 7th Anniversary of the Issue Date</td></tr>
<tr><td>Interest Rate:</td><td colspan="2">The Interest Rate shall be determined through a book building process based on the sum of (i) the Benchmark Rate as defined below plus (ii) the following spread:
Bonds Spread
Series A Bonds 85 to 135 bps
Series B Bonds 100 to 150 bps</td></tr>
<tr><td>Call Option:</td><td colspan="2">Prior to the relevant Maturity Date of the Offer Bonds, the Issuer shall have a one-time option for each of the Series A Bonds and Series B Bonds, but shall not be obligated, to redeem on whole and not in part only, the outstanding Series A Bonds or Series B Bonds, as applicable, on an Optional Redemption Date:</td></tr>
<tr><td>Bonds</td><td>Optional Redemption Dates</td><td>Optional Redemption Price</td></tr>
<tr><td>Series A Bonds</td><td>On the 3rd Anniversary of the Issue Date
On the 4th Anniversary of the Issue Date</td><td>101.0%
100.5%</td></tr>
<tr><td>Series B Bonds</td><td>On the 5thAnniversary of the Issue Date
On the 6th Anniversary of the Issue Date</td><td>101.0%
100.5%</td></tr>
</table></td></tr>
<tr><td>Board Resolution 77-16</td><td>Approval and authorization of the payment of the Claim of University of the East (UE) under Policy No. HOFI-000000017233 arising from Fire loss up to the amount of ₱38,062,442.16*Thirty Eight Million Sixty Two Thousand Four Hundred Forty Two Pesos and 16/100*, distributed as follows:
Gross - ₱ 38,062,442.16
Retention - ₱ 3,376,131.31
First (1st) Surplus - ₱ 20,983,831.67
Facultative - ₱ 13,702,479.18</td></tr>
<tr><td>Board Resolution 78-16</td><td>Approval, ratification and confirmation of payment of the Claim of Blooming Handkerchief Manufacturing Corporation under Policy No. HO-RI-000000000904 arising from Fire loss that occurred last February 27, 2015 in the amount of ₱5,984,768.10*Five Million Nine Hundred Eighty Four Thousand Seven Hundred Sixty Eight Pesos and 10/100*, distributed as follows:
Gross - ₱ 5,984,768.10
Retention - ₱ 2,693,145.65
First (1st) Surplus - ₱ 2,992,384.05
Facultative - ₱ 299,238.40</td></tr>
</table>

<table>
<tr><td>Board Resolution 79-16</td><td>Approval of the PNB Savings Bank Free Insurance Program which offers a free insurance on the first (1st) year to PNB Saving Bank Motor Vehicle Loan (MVL) clients for a total of not less than 2,000 units, but clients will be locked in for five (5) years.</td></tr>
<tr><td>Board Resolution 80-16</td><td>Approval and confirmation of the policies approved and accepted within the one (1) – kilometer fault line radius for the month of September 2016 contained in the list as presented.</td></tr>
<tr><td>Board Resolution 81-16</td><td>As it hereby resolved, that subject to the approval of the stockholders at a meeting duly called for such purpose, the Corporation be authorized to increase its authorized capital stock from Five Hundred Million Pesos (PhP500,000,000.00) divided into Five Hundred Million (500,000,000) shares with a par value of One Peso (PhP1.00) per share to One Billion Pesos (PhP1,000,000,000.00) divided into One Billion (1,000,000,000) shares with a par value of One Peso (PhP1.00) per share;

Further, that subject to the approval of the stockholders at a meeting duly called for such purpose, the Corporation be authorized to amend Article SEVENTH of its Articles of Incorporation to effect the foregoing resolution;

Finally, that the President and/or the Office of the Corporate be authorized to perform all acts and to sign, execute and deliver all documents as may be necessary to effect the foregoing.</td></tr>
<tr><td>Board Resolution 82-16</td><td>As it is hereby resolved, that all unpaid subscriptions to the capital stock of the Corporation as of 09 September 2016 be declared delinquent, to wit (hereinafter the "Delinquent Subscription"):
<table>
<tr><th>Stockholder</th><th>Unpaid Subscription</th><th>Interest</th><th>Total Amount Due</th></tr>
<tr><td>Mariano C. Tanenglian</td><td>PhP37,500,000.00</td><td>PhP187,500.00</td><td>PhP37,687,500.00</td></tr>
</table>
Further, that upon compliance with the requirements of Section 68 of the Corporation Code the Delinquent Subscription shall be subject to a sale at public auction on Monday, November 14, 2016, at 10:00 A.M., at the 17th Floor Federal Tower, Dasmariñas Street corner Muelle de Binondo, Binondo, Manila;

Finally, that the office of the Corporate Secretary be authorized to sign, execute and deliver all documents as may be necessary to effect the foregoing solutions.</td></tr>
<tr><td>Board Resolution 83-16</td><td>As it is hereby resolved, that the November Regular Board of Directors' meeting be held on November 16, 2016 (instead of November 09, 2016), at 10:30 A.M., at the 2/F (PNB Board Room), Allied Bank Center, 6754 Ayala Avenue, Makati City.</td></tr>
<tr><td>Board Resolution 84-16</td><td>Approval and confirmation the policies approved and accepted with sum insured of P50,000,000.00*Fifty Million Pesos* and above for Non-Group accounts for the month of October 2016, as follows:</td></tr>
<tr><td>Board Resolution 85-16</td><td>Notation of the updates on the Corporation's Investments Portfolio as of October 31, 2016</td></tr>
<tr><td>Board Resolution 86-16</td><td>Approval and confirmation of the policies approved and accepted within the one (1) – kilometer fault line radius for the month of October 2016 contained on the list presented.</td></tr>
<tr><td>Board Resolution 87-16</td><td>Authorization and designation of the following as the Corporation's authorized representatives and signatories for the renewal of the business permits of the branches, with authority to execute, sign and deliver any and all documents, contracts, instruments and forms and to do any all acts as may be appropriate and necessary thereto:
Cebu Branch (any one)
Larry G. Ty
Giovanni P. Miranda
Catherine Barcenas
Davao Branch (any one)
Larry G. Ty
Giovanni P. Miranda
Dinah Domenise</td></tr>
</table>

	Lipa Branch (any one) Larry G. Ty Giovanni P. Miranda Edward De Gala **Cagayan Branch (any one)** Larry G. Ty Giovanni P. Miranda Romeo Lim **Pampanga Branch (any one)** Larry G. Ty Giovanni P. Miranda Vladimir Venturina
Board Resolution 88-16	Approval of the Business Plan for 2017 as presented, which contains the following: 1. Executive Summary/Key Points 2. Transformation Strategy 2.1. Market Trends and Scenarios 2.2. Competitive Strategies 2.3. Opportunities and Market 2.4. ABIC's Competitive Advantage 2.5. Corporate Scorecard 2.6. Strategy 2.7. Technology Process 2.8. The Team 3. Financial Highlights 3.1. Comparative Income Statement Actual 2016 – Budget 2016 – Budget 2017 3.2. Budget Expenses 2017 3.2.1. Capital Expenditures 3.2.2. Manpower Requirements 3.3 Budget Assumptions 2017
Board Resolution 89-16	In support of the increase in the authorized capital stock of the Corporation, as approved by the Board of Directors in its meeting on 12 October 2016, the Corporation be authorized to declare stock dividends in the total amount of One Hundred Twenty Five Million Pesos (₱125,000,000.00) to be taken from its unrestricted earnings as of 31 December 2015 and to be distributed to all stockholders of record as of 15 December 2016 Further, that the Corporation's President be, as she is hereby, authorized and directed to implement the above declared stock dividends, to pay the same to the shareholders of the Corporation entitled thereto, and in general to do any and acts necessary to effect the foregoing.
Board Resolution 90-16	Authorization to declare cash dividends in the amount of One Hundred Twenty Five Million Pesos (₱125,000,000.00) to be taken out of the unrestricted earnings of the Corporation as of 31 December 2015. Further, that the Corporation's President be, as she is hereby, authorized and directed to implement the above declared cash dividends, to pay the same to all the stockholders of record as of 15 December 2016, and in general to do any all acts necessary to effect the foregoing.
Board Resolution 91-16	That a Special Stockholders' Meeting be, as it is hereby, convened on Wednesday, 14 December 2016, for the purpose of presenting for approval of the stockholders the proposal to amend the Articles of Incorporation to increase the Corporation's authorized capital stock from Five Hundred Million Pesos (P500,000,000.00) to One Billion Pesos (P1,000,000,000.00) and to declare dividends. Further, that the Corporation set the date 30 November 2016 as the record date of stockholders entitled to notice of, and to vote at, the Special Stockholders' Meeting mentioned above; Finally, that the President and/or the office of the Corporate Secretary be authorized to perform all acts and to sign, execute and deliver all documents as may be necessary to effect the foregoing, including setting the time and venue for the said Special Stockholders' Meeting.

<table>
<tr><td>Board Resolution 92-16</td><td>Approval in principle the following proposed business strategies as part of the direction of AlliedBankers Insurance Corporation ("ABIC"), outside its organic growth, and to enable ABIC to maximize and leverage on its capital as follows:
1. Acquire or purchase portfolio of smaller insurance companies which would complement ABIC's portfolio.
2. Invest in PNB General Insurers Company, Inc. subject to independent actuarial valuation.
3. The goal is to create bigger value for the general insurance business of the entire group and its potentials, then ABIC can invite foreign investor with excellent reinsurance support and product technology to be a partner.</td></tr>
<tr><td>Board Resolution 93-16</td><td>Approval and confirmation of the policy/ies approved and accepted with sum insured of ₱50, 000,000.00 *Fifty Million Pesos* and above for Non-Group accounts for the month of November 2016.</td></tr>
<tr><td>Board Resolution 94-16</td><td>Approval, ratification and confirmation the investment on Philippine National Bank (PNB) Long Term Negotiable Certificates of Deposit (LTNCD) in the amount of Twenty Million Pesos (₱ 20,000,000.00).

Further, to note the updates on the Corporation's Investments Portfolio as of November 30, 2016.</td></tr>
<tr><td>Board Resolution 95-16</td><td>Approval and confirmation of the policies approved and accepted within the one (1) – kilometer fault line radius for the month of November 2016 contained in the list as presented.</td></tr>
<tr><td>Board Resolution 96-16</td><td>Approval of the Revised Underwriting Maximum Limits of Authority, detailed as follows:
A. FOR GROUP ACCOUNTS
<table>
<tr><td></td><td colspan="2">PROPOSED</td><td colspan="2">EXISTING</td></tr>
<tr><td>LINE</td><td>UNIT HEADS</td><td>CHIEF UNDERWRITER</td><td>UNIT HEADS</td><td>CHIEF UNDERWRITER</td></tr>
<tr><td>FIRE</td><td>UP TO 100M</td><td>UP TO 500M</td><td>UP TO 50M</td><td>UP TO 200M</td></tr>
<tr><td>MARINE</td><td>UP TO 40M</td><td>UP TO 200M</td><td>UP TO 20M</td><td>UP TO 100M</td></tr>
<tr><td>CASUALTY AND MOTOR CAR</td><td>UP TO 20M</td><td>UP TO 100M</td><td>UP TO 10M</td><td>UP TO 100M</td></tr>
<tr><td>ENGINEERING LINES</td><td>UP TO 50M</td><td>UP TO 500M</td><td>UP TO 10M</td><td>UP TO 200M</td></tr>
<tr><td>BONDS</td><td>-</td><td>UP TO 15M</td><td colspan="2">*With prior approval from the President</td></tr>
</table>
B. FOR NON-GROUP ACCOUNTS
<table>
<tr><td></td><td colspan="2">PROPOSED</td><td colspan="2">EXISTING</td></tr>
<tr><td>LINE</td><td>UNIT HEADS</td><td>CHIEF UNDERWRITER</td><td>UNIT HEADS</td><td>CHIEF UNDERWRITER</td></tr>
<tr><td>FIRE</td><td>UP TO 50M</td><td>UP TO 200M</td><td>UP TO 50M</td><td>UP TO 200M</td></tr>
<tr><td>MARINE</td><td>UP TO 20M</td><td>UP TO 100M</td><td>UP TO 20M</td><td>UP TO 100M</td></tr>
<tr><td>CASUALTY AND MOTOR CAR</td><td>UP TO 5M</td><td>UP TO 100M</td><td>UP TO 10M</td><td>UP TO 100M</td></tr>
<tr><td>ENGINEERING LINES</td><td>UP TO 10M</td><td>UP TO 200M</td><td>UP TO 10M</td><td>UP TO 200M</td></tr>
<tr><td>BONDS</td><td>-</td><td>UP TO 15M</td><td colspan="2">*With prior approval from the Comptroller and or/President</td></tr>
</table>
Notes:
1. Exceeding the Authorized Limits, refer to the President and subject to the confirmation of the Board of Directors.
2. Aviation and other special accounts, with prior approval/clearance of the President.
3. As a general rule, Underwriters should follow the Table of Retention Limits. Over and above the Retention Limits shall be with justification and prior approval.</td></tr>
</table>

	4. Subject to Underwriting guidelines and procedures on risk evaluation and risk aggregation. 5. Underwriting is supported by Risk Management Department responsible for: a. Review and reassessment by the Risk Management Department ensuring that the best Risk Management practice in the industry are complied with and/or considered. b. Review and re-evaluation of the accounts'/clients' status to determine/understand/decide whether to avoid or to mitigate or to exploit as opportunities. c. Assessment of the client perception towards the findings, comments and recommendations before, during and after the meeting, pre/post survey of the risk/s. d. Verification of the previous improvement and betterments recommendation of the risk and its status. e. Consideration of the Top Management's Appetite for such risks. 6. All policy issuance of Ph₱50,000,000.00 and above shall be reported to the Board of Directors during Board meeting.
Board Resolution 97-16	Notation of the the Insurance Commission (IC) Audit Examination for the Year 2015, together with the actions taken and replies of Management to address/resolve the findings. Management is hereby directed to continuously update the Board of Directors on the resolution of the findings.
Board Resolutions 98-16	Appointment & authorization of any two (2) of the following directors/officers of the Corporations, as they are hereby authorized signatories for the Corporation's account with Philippine National Bank – Trust Banking Group (PNB-TBG) for the extended Personal Passenger Accident Insurance Program (PPAIP) of the Land Transportation Franchising and Regulatory Board (LTFRB), as follows: REBECCA B. DELA CRUZ-President; RUFINA T. YU – Senior Vice President / Comptroller; HARRY C. TAN – Treasurer; MICHAEL G. TAN – Director; PETER Y. ONG – Director
Board Resolutions 01-17	Approval & confirmation of the policies approved and accepted with sum insured of P50, 000,000.00*Fifty Million Pesos* and above for Non-Group accounts for the month of December 2016.
Board Resolution 02-17	Notation on the updates on the Corporation's Investments Portfolio as of December 31, 2016.
Board Resolution 03-17	Approval & confirmation the Corporation's availment of BDO Stocks Right Offering covering the Corporation's 10,504 shares at a price of Eighty Three Pesos and 75/100 (P83.75) per share, or a total price of Eighty Three Pesos and Seventy Nine Thousand Seven Hundred Ten Pesos (P876,710.00).
Board Resolution 04-17	RESOLVED, to approve and confirm the policies approved and accepted within the one (1) – kilometer fault line radius for the month of December 2016 contained in the list as presented.
Board Resolution 05-17	RESOLVED, to designate the following, as they are hereby appointed and designated, as the new authorized signatories to the branches' respective Revolving Fund Accounts, duly authorized and empowered, to execute, sign, conclude and deliver, for and in behalf of the Corporation, any and all contracts, agreements, documents and forms necessary and/or required to maintain and operate the branches' respective Revolving Fund Accounts, as follows: CEBU BRANCH OFFICE: CATHERINE BARCENAS & JOCELYN D. LASONER (replacing Cielo M. Dumalos); LIPA BRANCH OFFICE: EDUARDO M. DE GALA (replacing Jocelyn D. Lasonder).
Board Resolution 06-17	Approval of the rehearsal to income of the long outstanding claims listed in the schedule as presented in the total amount of Two Million Six Hundred Forty Five Thousand Ninety Nine Pesos and 81/100 (P2,645,099.81), broken down as follows:Fire Line -₱ 911.27;Motor Car- ₱1,678,956.40; Other Lines-₱965,232.14.
Board Resolution 07-17	Approval of the renewal of the Corporation's Treaty with Philippine Machinery Management Services Corporation (McPool) for the Peso Treaties and 100 Lines for US Dollar Treaties.
Board Resolution 08-17	Authorization of the Corporation to note or approve, as applicable and to report and apply for apply for approval with the Insurance Commission

	Circular No. 2016-39 on "Guidelines in the Establishment, Transfer, Change of Address and Closure of a Branch, Extension, Satellite and/or Service Office and Penalties in Branch Centers enumerated in the attached List of Regional Branch Centers; Further, that the Board of Directors grant each Regional Branch Manager a Special Power of Attorney to receive summons, notices and legal processes in any action or other legal processes in any action or other legal proceedings against the said company, for its behalf; Further, that the Board of Directors grant each Regional Branch Manager/Officer in Charge authority to represent our Company to negotiate, transact and process necessary clearances/permission, in connection with the establishment of our Branch office; Further, that the Board of Directors authorized each Regional Branch Manager/Officers in Charge as bank signatory to Branch Office "Revolving Fund", Finally, that all other resolutions on consistent with the foregoing are hereby deemed amended and/or revoked accordingly.
Board Resolution 09-17	Approval of the engagement of the services of JP Wall to do actuarial and liability valuation for a target company for the following professional Fees: Actuarial Valuation -₱400,000.00 *Four Hundred Thousand Pesos* (net of applicable 12% Value Added Tax); Liability Valuation-₱300,000.00*Three Hundred Thousand Pesos* (net of applicable 12% Value Added Tax) Payable as follows: Fifty percent (50%) upon acceptance of JP Wall; Remaining fifty percent (50%) and Out of Pocket; Expenses (OPEs) upon submission if the final report.
Board Resolution 10-17	Approval of the Audit and Compliance and Risk Management Committee's endorsement/approval of the engagement of JP Wall Consulting Partners to conduct Actuarial Appraisal Valuation and Strategic Review of AlliedBankers Insurance Corporation for a total Professional Fee of One Million One Hundred Twenty Thousand Pesos (P1,120,00.00), detailed as follows: Actuarial Appraisal Valuation ₱ 600,000.00 Strategic Review ₱ 400,000.00 ₱1,000,000.00 Value Added Tax (VAT) ₱120,000.00 **TOTAL** **₱1,120,000.00*** *Fifty percent (50%) payable upon signing of the Contract and the remaining fifty percent (50%) upon submission of the Draft Report.
Board Resolution 11-17	Approval & confirmation of the policies approved and accepted with sum insured of P50, 000,000.00*Fifty Million Pesos* and above for Non-Group accounts for the month of January 2017.
Board Resolution 12-17	Approval & confirmation the new purchases and sale/disposition of stock investments for the month of January 2017 contained in the lists as presented; Further, to note the updates on the Corporation's Investments Portfolio as of January 31, 2017.
Board Resolution 13-17	Approval & confirmation of the policies approved and accepted within the one (1) – kilometer fault line radius for the month of January 2017 contained in the list as presented.
Board Resolution 14-17	Approval of the engagement of Santos Santos & Santos Law Offices as Legal Counsel for Recovery and/or Defense Actions/Services under the following terms and conditions: Retainer Fee of *Ten Thousand pesos (₱10, 000.00) per month, payable before the 5th day of the month; and For Recovery and/or Defense Actions/Services of *Five Thousand Pesos (₱5,000.00).
Board Resolution 15-17	Approval of the payment of the Legal and Professional Fees (Progress Billing) of Roxas De Los Reyes Laurel Rosario & Leagogo Law Offices for

<table>
<tr><td></td><td>work/services done in connection with AlliedBankers Insurance Corporation recapitalization in the total sum of Four Hundred Forty Eighty Thousand Six Hundred Eighty Two Pesos and 00/100 (P448,682.00), detailed as follows:
Legal and Professional Fees ₱395,000.00
Out-of-Pocket Expenses ₱ 2,150.00
Sub-Total ₱397,150.00
12% EVAT ₱ 47,658.00
Mailing & Postage ₱ 1,000.00
Filing & Other Fees ₱ 2,874.00
TOTAL ₱448,682.00
NOTE: Management is directed to negotiate on a best effort basis for a discount and/or reduction of the fee/billing.</td></tr>
<tr><td>Board Resolution 16-17</td><td>Approval and confirmation of the policies approved and accepted with sum insured of P50, 000,000.00*Fifty Million Pesos* and above for Non-Group accounts for the month of February 2017.</td></tr>
<tr><td>Board Resolution 17-17</td><td>Approval & confirmation of the new purchases of stock investments for the month of February 2017 contained in the lists as presented;

Further, to note the updates on the Corporation's Investments Portfolio as of February 28, 2017.</td></tr>
<tr><td>Board Resolution 18-17</td><td>Approval of the investment, through Philippine National Bank- Trust banking Group (PNB-TBG), in SMC2H and SMC2I Preferred Shares at Five Million Pesos (₱5,000,000.00) each or a total of Ten Million Pesos (₱10,000,000.00), detailed as follows:
<table>
<tr><td></td><td>SMC2H</td><td>SMC2I</td></tr>
<tr><td>Issue Date</td><td>03.30.2016</td><td>03.30.2016</td></tr>
<tr><td>Call Date</td><td>03.03.2021</td><td>03.30.2023</td></tr>
<tr><td>Call Date with Step Up</td><td>03.30.2023</td><td>03.30.2026</td></tr>
<tr><td>Dividend Rate</td><td>6.3222%</td><td>6.3355%</td></tr>
<tr><td>Market Price (03.03.2017*)</td><td>78.10</td><td>79.40</td></tr>
<tr><td>Yield to Call (date)</td><td>5.5090%</td><td>5.4258%</td></tr>
</table>
*Subject to change depending on the execution date.</td></tr>
<tr><td>Board Resolution 19-17</td><td>Approval and confirmation of the policies approved and accepted within the one (1) – kilometer fault line radius as of February 2017 contained in the list as presented.</td></tr>
<tr><td>Board Resolution 20-17</td><td>Approval of the attached Audited Financial Statements of AlliedBankers Insurance Corporation for the year ended December 31, 2016, as audited and submitted by the auditing firm SyCip Gorres Velayo & Co., as the official annual financial report of the Corporation for the year 2016, for the purposes of submission to the appropriate regulatory agencies, including the Bureau of Internal Revenue.</td></tr>
<tr><td>Board Resolution 21-17</td><td>Appointment and designation of EMILIO YU as the Corporation's authorized playing representative for its Wack Wack Golf & Country Club share.</td></tr>
<tr><td>Board Resolution 22-17</td><td>Resolved that Philippine National Bank-Jakosalem Branch (hereinafter called the "Bank") be, as it is hereby designated a depository of account/s of the Corporation, and that any two (2) of the following: JOCELYN D. LASONDER-Branch Marketing Officer and RHEA JANE C. SAAVEDRA- Branch Admin,RUBY D. MERCADO-Policy Admin Manager; LARRY G. TY (VP)and GIOVANNI P. MIRANDA (AVP)- Marketing, Sales & Product Development is/are hereby authorized to sign, for and on behalf of the Corporation, any and all checks, drafts or other orders with respect to any funds at any time to the credit of this Corporation with the Bank and/or against any account/s of this Corporation maintained at any time with the Bank, inclusive of any such checks, drafts or other orders in favor of any of the above designated officer/s and/or other person/s and that the Bank be and is hereby authorized to pay and debit the same to any account/s of this Corporation then maintained with it; and Bank is hereby further authorized to receive for deposit to the credit of this Corporation, and/or for collection for the account of this Corporation any and all checks, drafts, notes or other instrument for the payment of money whether or not endorsed by this</td></tr>
</table>

	Corporation, and that each item shall be deemed to have been unqualifiedly endorsed by this Corporation, and that each item shall be to receive, as the act of the Corporation, reconcilements of account/s when signed by any two (2) of the above authorized officers; That any withdrawals of money and/or other transactions relating to the account/s of the Corporation with the Bank heretofore had in behalf of this Corporation are hereby ratified, confirmed and approved, and the Bank may rely upon the authority conferred by this Board revoking or modifying the same.
Board Resolution 23-17	Approval of the appointment of new Branch Managers/Officers-in-Charge (OICs) for the following branches: CEBU BRANCH OFFICE –JOCELYN D. LASONDER (replacing Cielo M. Dumalos); LIPA BRANCH OFFICE- EDUARDO M. DE GALA (replacing Jocelyn D. Lasonder).
Board Resolution 24-17	Approval, confirmation and ratification of the accreditation of the Reinsurers for the Year 2017 contained in the list presented.
Board Resolution 25-17	Approval and confirmation of the engagement of J.P. Wall Consulting Partners to do the Quarterly 2017 Valuations and Financial Year End 2017 valuation of the non-life claim and premium liabilities for a combined /total fee of ₱295,000.00 *Two Hundred Ninety Five Thousand Pesos and 00/100, net of Value Added Tax (VAT).
Board Resolution 26-17	Confirmation of Corporate Governance and Remunerations Committee's approval of the 2016 Corporate Governance Scorecard as presented and its submission to the Insurance Commission (IC) via the website.
Board Resolution 27-17	Confirmation of Corporate Governance and Remunerations Committee's approval of the amendments to the Revised Manual on Corporate Governance as presented, to update and align the Manual with the best corporate governance practices.
Board Resolution 28-17	Approval that the April Regular Board Meeting be held on April 18, 2017, at 12:00 p.m., at the Summit Room, Century Park Hotel, 599 P. Ocampo Street, Malate, Manila.
Board Resolution 29-17	Pursuant to Article II, Section I of the Corporation's By-Laws, the 2017 Annual Stockholders' Meeting to be held on April 18, 2017, at 1:30 p.m., at the Summit Room, Century Park Hotel, 599 P. Ocampo Street, Malate, Manila.

Alliedbankers Insurance Corporation
A member of The Lucio Tan Group of Companies

17th Flr. Federal Tower Bldg.,
Dasmariñas St. cor Muelle de Binondo
Binondo Manila, Philippines
(632)245.2886 Trunkline (632) 241.2549 Fax

PROPOSED BOARD OF DIRECTORS FOR THE YEAR 2017-2018

CHAIRMAN	DR. LUCIO C. TAN	Non-Executive
VICE CHAIRMAN	MR. WILLY S. CO	✓
DIRECTOR	MR. HARRY C. TAN	✓
DIRECTOR	MR. MANUEL T. GONZALES	✓
DIRECTOR	MR. LUCIO K. TAN, JR.	✓
DIRECTOR	MR. MICHAEL G. TAN	✓
DIRECTOR	MS. REBECCA B. DELA CRUZ	Executive
DIRECTOR	MS. RUFINA T. YU	- Executive
DIRECTOR	MS. ROWENA T. CHUA	✓
INDEPENDENT DIRECTOR	MR. PETER Y. ONG	Independent
INDEPENDENT DIRECTOR	MR. ALFREDO JIMENEZ, JR.	✓

7 - non-executive
2 - Executive
2 - Independent Directors

11

	31 Dec 2016	2017
Non-Executive Directors -	7	7
Independent Directors -	2	2
Executive Directors -	2	2

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MEMORANDUM

For : **BOARD OF DIRECTORS**

From : **REBECCA B. DELA CRUZ**
President

Subject: **Appointment of External Auditor**

Date : April 18, 2017

This is to request Board confirmation for the appointment of Sycip Gorres Velayo & Co. (SGV) as the external auditor for the year 2017.

Thank you.

MINUTES OF THE SPECIAL STOCKHOLDERS' MEETING OF ALLIEDBANKERS INSURANCE CORPORATION HELD ON SEPTEMBER 14, 2016, AT 11:00 A.M., AT THE SUMMIT ROOM, CENTURY PARK HOTEL, 599 P. OCAMPO STREET, MALATE, MANILA

PRESENT:

	NO. OF SHARES
QUALISURE HOLDINGS INC.	1,550,000
Proxy : LUCIO C. TAN	
LUCIO C. TAN	1,320,000
WILLY S. CO	310,000
Proxy: MICHAEL G. TAN	
PHILIPPINE NATIONAL BANK	200,000
Proxy: LUCIO C. TAN	
ROWENA T. CHUA	1
HARRY C. TAN	1
LUCIO K. TAN, JR.	1
MICHAEL G. TAN	1
MANUEL T. GONZALES	1
REBECCA B. DELA CRUZ	1
PETER Y. ONG	1
ALFREDO B. JIMENEZ, JR.	1
RUFINA T. YU	1
Total No. Of Shares Present and Represented	3,380,009

ALSO PRESENT:

ATTY. ARLENE J. GUEVARRA - Corporate Secretary

I. CALL TO ORDER

The Chairman, Lucio C. Tan, called the meeting to order and presided over the same.

II. CERTIFICATION OF QUORUM

The Chairman requested the Corporate Secretary to certify to the existence of a quorum. The Corporate Secretary certified that there was a quorum for the valid transaction of business by the Stockholders, there being present based on the attendance record and the proxies and powers of attorney on hand, in person and represented by proxy, Stockholders owning a total of at least 67.6% of the total outstanding shares of the Corporation. Thus, the Chairman declared the meeting open for business.

The Chairman then requested the President, Rebecca B. Dela Cruz, to preside for the rest of the meeting.

III. PROOF OF THE REQUIRED NOTICE

The President asked the Corporate Secretary, Arlene J. Guevarra, to show proof that required notice of the meeting was duly sent to all stockholders of record. The Corporate Secretary certified that notices for today's meeting were duly sent to all the Stockholders. She stated that notice of the time and place of

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the holding of today's meeting, including the Agenda of the meeting, were sent to all the stockholders of record on September 09, 2016, in accordance with Section 2, Article II of the By-Laws of the Corporation. She added that the Office of the Corporate Secretary has on file duly receipted copies of the said notices sent to the Stockholders.

The Stockholders present confirmed the sending of notices for today's meeting. All the Stockholders present likewise agreed to waive any defect in the notice of the meeting.

IV. APPROVAL OF THE AMENDMENT OF ARTICLE SEVENTH OF THE ARTICLES OF INCORPORATION TO REDUCE THE PAR VALUE FROM ONE HUNDRED PESOS (PHP100.00) TO ONE PESO (PHP1.00) WITHOUT A CORRESPONDING DECREASE IN THE AUTHORIZED CAPITAL STOCK

The President informed the Stockholders of the resolution passed by the Board of Directors in its meeting held on August 10, 2016, approving the amendment of the Articles of Incorporation of the Corporation to reduce the par value of the Corporation's shares from One Hundred Pesos (PhP100.00) to One Peso (PhP1.00) in order to simplify the capital structure of the Corporation. She explained that it will be noted that there will be no reduction of the Corporation's authorized capital stock, and that only the number of shares of each Stockholder will be proportionately adjusted, while still maintaining their respective pro-rata share. After due deliberation and on motion duly made and seconded, the following resolution was unanimously adopted and approved:

STOCKHOLDERS' RESOLUTION NO. 2016-05

RESOLVED, that the Corporation be, as it is hereby, authorized to reduce the par value of the shares of the Corporation from One Hundred Pesos (PhP100.00) divided into Five Million (5,000,000) shares to One Peso (PhP1.00) divided into Five Hundred Million (500,000,000) shares, without a corresponding reduction in the authorized capital stock;

RESOLVED FURTHER, that that the Corporation be, as it is hereby, authorized to amend Article SEVENTH of its Articles of Incorporation to read as follows:

> SEVENTH : That the amount of authorized capital stock of said corporation is FIVE HUNDRED MILLION PESOS (₱500,000,000.00), Philippine Currency, and said capital stock is divided into FIVE HUNDRED MILLION (500,000,000) shares with a par value of ONE PESO (₱1.00) per share.

to reflect the foregoing reduction of par value per share;

RESOLVED FINALLY, that the President and/or the Office of the Corporate Secretary be authorized to perform all acts to sign, execute and deliver all documents as may be necessary to effect the foregoing.

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V. APPROVAL OF THE AMENDMENT OF ARTICLE SEVENTH OF THE ARTICLES OF INCORPORATION TO DENY PRE-EMPTIVE RIGHTS OF STOCKHOLDERS

The President also informed the Stockholders of the resolution passed by the Board of Directors in its meeting held on August 10, 2016, denying the pre-emptive rights of stockholders in order to enable the Corporation to issue additional shares, when so needed, to facilitate the entry of additional investments in the Corporation. She explained that it was anticipated that the Corporation may need to forge strategic alliances with third (3rd) parties in order to strengthen and solidify the Company's position preparatory to ASEAN integration and comply with the eventual networth requirements of the Insurance Commission. After due deliberation and on motion duly made and seconded, the Stockholders unanimously adopted and approved the following resolution:

STOCKHOLDERS' RESOLUTION NO. 2016-06

RESOLVED, that the Corporation be, as it is hereby, authorized to deny the pre-emptive rights of its stockholders;

RESOLVED FURTHER, that the Corporation be, as it is hereby, authorized to amend Article SEVENTH of its Articles of Incorporation to effect the foregoing resolution;

RESOLVED FINALLY, that the President and/or the Office of the Corporate Secretary be authorized to perform all acts to sign, execute and deliver all documents as may be necessary to effect the foregoing.

VI. APPROVAL OF THE AMENDMENT OF SECTION I, ARTICLE II OF THE BY-LAWS TO CHANGE THE VENUE OF THE ANNUAL STOCKHOLDERS' MEETING FROM THE OFFICE OF THE CORPORATION IN THE CITY OF MANILA TO ANYWHERE WITHIN THE CITY OF MANILA

The President then informed the Stockholders of the resolution passed by the Board of Directors in its meeting held on August 10, 2016, approving the amendment of the By-Laws of the Corporation to change the venue of the Annual Stockholders' Meeting from the Office of the Corporation in the City of Manila to anywhere within the City of Manila. The Stockholders, after some discussion and upon a duly seconded motion, unanimously adopted and approved the following resolution:

STOCKHOLDERS' RESOLUTION NO. 2016-07

RESOLVED, that the Corporation be, as it is hereby, authorized to change the venue of the Annual Stockholders' Meeting from "the office of the corporation in the City of Manila" to anywhere within the City of Manila;

RESOLVED FURTHER, that the Corporation be, as it is hereby, authorized to amend Section 1, Article II of the By-Laws of the Corporation to read as follows:

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SECTION 1: Annual Meeting : The annual meeting of the stockholders of the Corporation for the election of Directors and for the transaction of such other business as may properly come before the meeting, shall be held anywhere within the City of Manila on the third Tuesday of April of each year, and if the day so fixed be a legal holiday, then on the next succeeding business day, at 5:00 o'clock in the afternoon or at such other day and hour as shall upon order of the Board of Directors be stated in the notice of the meeting.

RESOLVED FINALLY, that the President and/or of the Office of the Corporate Secretary be authorized to perform all acts to sign, execute and deliver all documents as may be necessary to effect the foregoing.

VII. APPROVAL OF THE AMENDMENT OF ARTICLE VIII OF THE BY-LAWS TO DENY THE PRE-EMPTIVE RIGHTS OF STOCKHOLDERS

The President also presented for approval of the Stockholders the amendment of Article VIII of the By-Laws of the Corporation to deny the pre-emptive right of the stockholders, to be consistent with the amendment of Article Seventh of the Articles of Incorporation. After some discussion and on motion duly made and seconded, the following resolution was unanimously adopted and approved:

STOCKHOLDERS' RESOLUTION NO. 2016-08

RESOLVED, that the Corporation be, as it is hereby, authorized to deny the pre-emptive rights of its stockholders;

RESOLVED FURTHER, that the Corporation be, as it is hereby, authorized to amend Article VIII of the By-Laws of the Corporation to effect the foregoing resolution;

RESOLVED FINALLY, that the President and/or the Office of the Corporate Secretary be authorized to perform all acts to sign, execute and deliver all documents as may be necessary to effect the foregoing.

VIII. APPROVAL TO DELEGATE AUTHORITY TO AMEND, REPEAL OR ALTER THE BY-LAWS TO THE BOARD OF DIRECTORS

The President then discussed the resolution passed by the Board of Directors in its meeting held on August 10, 2016, delegating the power to amend, repeal or alter the by-laws of the Corporation to the Board of Directors in order to enable the Board to make necessary changes to expeditiously meet the needs of the Corporation. After due deliberation and upon a duly seconded motion, the Stockholders unanimously adopted and approved the following resolution:

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STOCKHOLDERS' RESOLUTION NO. 2016-09

RESOLVED, that the Stockholders hereby approve the delegation of the power to amend, repeal or alter the By-Laws of the Corporation to the Board of Directors.

X. ADJOURNMENT

The President asked if there were any other matters which the Stockholders wished to take-up before adjournment. There being none and considering all the matters in the Agenda have been discussed, the President, on motion duly made and seconded, adjourned the meeting at 12:35 p.m..

CERTIFIED CORRECT:

ATTY. ARLENE J. GUEVARRA
Corporate Secretary

ATTESTED:

LUCIO C. TAN
Chairman

REBECCA B. DELA CRUZ
President

MINUTES OF THE SPECIAL STOCKHOLDERS' MEETING OF ALLIEDBANKERS INSURANCE CORPORATION HELD ON DECEMBER 14, 2016, AT 11:00 A.M., AT THE SUMMIT ROOM, CENTURY PARK HOTEL, 599 P. OCAMPO STREET, MALATE, MANILA

PRESENT:

	NO. OF SHARES
QUALISURE HOLDINGS INC. Proxy : EDWIN L. TAN	155,000,000
LUCIO C. TAN Proxy : MICHAEL G. TAN	132,000,000
WILLY S. CO Proxy: LYNDON G. CO	31,000,000
PHILIPPINE NATIONAL BANK Proxy: MICHAEL G. TAN	20,000,000
ROWENA T. CHUA	100
LUCIO K. TAN, JR.	100
MICHAEL G. TAN	100
MANUEL T. GONZALES	100
REBECCA B. DELA CRUZ	100
PETER Y. ONG	100
ALFREDO B. JIMENEZ, JR.	100
RUFINA T. YU	100
Total No. Of Shares Present and Represented	338,000,800

ALSO PRESENT:

ATTY. ARLENE J. GUEVARRA - Corporate Secretary

I. CALL TO ORDER

The Stockholders called the meeting to order.

In the absence of the Chairman and the Vice Chairman, the Stockholders unanimously agreed and decided to designate Mr. Michael G. Tan as the Acting Chairman who presided over the meeting.

II. CERTIFICATION OF QUORUM

The Acting Chairman requested the Corporate Secretary, Atty. Arlene J. Guevarra, to certify to the existence of a quorum.

The Corporate Secretary certified that there was a quorum for the valid transaction of business by the Stockholders, there being present based on the attendance record and the proxies and powers of attorney on hand, in person and represented by proxy, Stockholders owning a total of at least 67.6% of the total outstanding shares of the Corporation.

Thus, the Acting Chairman declared the meeting open for business.

III. PROOF OF THE REQUIRED NOTICE

The Acting Chairman then asked the Corporate Secretary to show proof that required notice of the meeting was duly sent to all stockholders of record.

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3

The Corporate Secretary certified that notices for today's meeting were duly sent to all the Stockholders.

The Corporate Secretary stated that notice of the time and place of the holding of today's meeting, including the Agenda of the meeting, were sent to all the stockholders of record on 09 December 2016, in accordance with Section 2, Article II of the By-Laws of the Corporation. She added that the Office of the Corporate Secretary has on file duly receipted copies of the said notices sent to the Stockholders.

The Stockholders present confirmed the sending of notices for today's meeting. All the Stockholders present likewise agreed to waive any defect in the notice of the meeting.

IV. APPROVAL OF THE AMENDMENT OF ARTICLE SEVENTH OF THE ARTICLES OF INCORPORATION TO INCREASE THE AUTHORIZED CAPITAL STOCK FROM FIVE HUNDRED MILLION PESOS (₱500,000,000.00) TO ONE BILLION PESOS (₱1,000,000,000.00)

In order to meet the capital requirements of the Insurance Commission of the Philippines, the Acting Chairman presented for consideration of the Stockholders the resolution passed by the Board of Directors in its meeting held on 12 October 2016, approving the amendment of the Articles of Incorporation of the Corporation to reflect the increase in its authorized capital stock from Five Hundred Million (₱500,000,000.00) to One Billion Pesos (₱1,000,000,000.00).

After due deliberation and on motion duly made by Mr. Edwin L. Tan which was duly seconded by Mr. Manuel T. Gonzales, the following resolution was unanimously approved:

STOCKHOLDERS' RESOLUTION NO. 2016-10

RESOLVED, that the Corporation be, as it is hereby, authorized to increase its authorized capital stock from Five Hundred Million Pesos (₱500,000,000.00) divided into Five Hundred Million (500,000,000) shares to One Billion Pesos (₱1,000,000,000.00) divided into One Billion (1,000,000,000) shares with a par value of One Peso (₱1.00) per share;

RESOLVED FURTHER, that the Corporation be, as it is hereby, authorized to amend Article SEVENTH of its Articles of Incorporation to read as follows:

> SEVENTH : That the amount of authorized capital stock of said corporation is ONE BILLION PESOS (₱1,000,000,000.00), Philippine Currency, and said capital stock is divided into ONE BILLION (1,000,000,000) shares with a par value of ONE PESO (₱1.00) per share,

to reflect the foregoing increase in the authorized capital stock;

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RESOLVED FINALLY, that the President and/or the Corporate Secretary be authorized to perform all acts and to sign, execute and deliver all documents as may be necessary to effect the foregoing.

V. DECLARATION OF STOCK DIVIDENDS

The Acting Chairman thereafter announced that the Corporation is expected to post unrestricted retained earnings of Four Hundred Eight Million Eight Hundred Two Thousand Six Hundred Ninety Nine Pesos and 11/100 (₱408,802,699.11) as of 31 December 2016.

The Acting Chairman explained that since the Corporation has more than enough unrestricted retained earnings plus contributed surplus, and in order to solidify the paid-up capital preparatory to the new networth requirement for insurance companies, the Board of Directors recommends that stock dividends be declared in the amount of One Hundred Twenty Five Million Pesos (₱125,000,000.00) to be taken from the unrestricted retained earnings/contributed surplus of the Corporation as of 31 December 2015.

The Acting Chairman also explained that said stock dividends can be furthermore utilized to support the Corporation's increase in its authorized capital stock from Five Hundred Million Pesos (₱500,000,000.00) to One Billion Pesos (₱1,000,000,000.00).

The Stockholders, after due deliberation and on motion duly made by Mr. Peter Y. Ong which was duly seconded by Ms. Rufina T. Yu, unanimously approved the following resolution:

STOCKHOLDERS' RESOLUTION NO. 2016-11

RESOLVED, that the Corporation be, as it is hereby, authorized to declare stock dividends in the total amount of One Hundred Twenty Five Million Pesos (₱125,000,000.00) to be taken from its unrestricted retained earnings/contributed surplus as of 31 December 2015 and to be distributed to all stockholders of record as of 15 December 2016;

RESOLVED FURTHER, that the Corporation's President be, as she is hereby authorized and directed to implement the above declared stock dividends, to pay the same to the shareholders of the Corporation entitled thereto, and in general to do any and all acts necessary to effect the foregoing.

VI. DECLARATION OF CASH DIVIDEND

The Acting Chairman then informed the Stockholders of the resolution passed by the Board of Directors in its meeting held on 09 November 2016, approving the declaration of cash dividends by the Corporation in the amount of One Hundred Twenty Five Million Pesos (₱125,000,000.00) to be taken from the unrestricted retained earnings/contributed surplus of the Corporation as of 31 December 2015 and to be distributed to all stockholders of record as of 15 December 2016. After some discussion, the Stockholders noted the report.

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VII. ADJOURNMENT

The Acting Chairman asked if there were any other matters which the Stockholders wished to take-up before adjournment. There being none and considering all the matters in the Agenda have been discussed, the Acting Chairman, on motion duly made by Mr. Alfredo B. Jimenez, Jr. and duly seconded by Mr. Peter Y. Ong, adjourned the meeting at 11:35 a.m..

CERTIFIED CORRECT:

ARLENE J. GUEVARRA
Corporate Secretary

ATTESTED:

MICHAEL G. TAN
Acting Chairman