MINUTES OF THE AUDITCOM MEETING **COUNTRY BANKERS INSURANCE CORPORATION** HELD AT THE BOARD ROOM, COUNTRY BANKERS CENTRE 648 T. M. KALAW AVENUE, ERMITA, MANILA **THURSDAY, 12 JANUARY 2017**

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Juan Miguel P.S. Reyes Chairman Dennis H. Locsin Member

Ernestine C.J.D. Villareal-

Fernando

Member

Ma. Victoria G. Guingona ~ Chairwoman Romeo G. Velasquez President Geraldine D. Garcia ~
Antolin T. Naguiat ~
Agnes S. Desiderio ~ SVP-GM Treasurer Director CorSec

Alfredo Alex S. Cruz III ~

Marcos C. Delin

AVP-Audit/Alternate Compliance

Officer

ORDER OF BUSINESS

I. DETERMINATION OF QUORUM

The meeting was called to order by the Chairman there being a quorum as certified by the CorSec.

II. MATTERS ARISING OUT OF THE MINUTES OF THE PREVIOUS MEETING

III. UNFINISHED BUSINESS

a) QUARTERLY REPORT ON UNSERVED WITHDRAWAL FROM RURAL BANKS:

- · On 2016 Agency Audit,
- · For the 2017 Audit Plan,
- b) COMPLIANCE OFFICER'S REPORT ON THE REVIEW OF COMPLIANCE WITH INTERNAL SYSTEM & CONTROL AND WITH STATUTORY & REGULATORY REQUIREMENTS ~ the Alternate Compliance Officer (ACO), Marcos C. Delin, reported that as of the fourth quarter of 2016, all regulatory requirements have been complied with on time except for some reports that are not yet due;
- c) ANTI FRAUD PLAN:
 - Per IC Circular Letter No. 2015-50, all insurance companies are mandated to submit within a year an Anti Fraud Plan for approval of the IC;

- Dir. Locsin advised that maybe an additional column be added in the regulatory report that shows a brief description and/or attach the latest/updated circular letters/regulations from the different Regulators for the information of the AuditCom;
- Meanwhile, the AVP-Audit/ACO informed the AuditCom that he is still coordinating with the AMLA Secretariat regarding AMLA Seminar for the Board of Directors and key Officers of the company.

IV. NEW BUSINESS

V. OTHER BUSINESS

VI. ADJOURNMENT

There being no other business to take up, the meeting on motion duly made and seconded, was adjourned.

ALFREDO ALEX S. CRUZ III
Corporate Secretary

MINUTES OF THE AUDITCOM MEETING COUNTRY BANKERS INSURANCE CORPORATION HELD AT THE BOARD ROOM, COUNTRY BANKERS CENTRE 648 T. M. KALAW AVENUE, ERMITA, MANILA THURSDAY, 06 APRIL 2017

Present:

Juan Miguel P.S. Reyes ~

Chairman (via tele-conferencing)

Dennis H. Locsin

Member

Ernestine C.J.D. Villareal-

Fernando

Member

Ma. Victoria G. Guingona Romeo G. Velasquez ChairwomanPresident

Geraldine D. Garcia Antolin T. Naguiat SVP-GMTreasurer

Agnes S. Desiderio Alfredo Alex S. Cruz III DirectorCorSec

Hygen B. Santillan

COISCC

Manager-Internal Audit/Alternate

Compliance Officer

ORDER OF BUSINESS

I. DETERMINATION OF QUORUM

The meeting was called to order by the Chairman there being a quorum as certified by the CorSec.

II. MATTERS ARISING OUT OF THE MINUTES OF THE PREVIOUS MEETING

III. UNFINISHED BUSINESS

As of the first quarter of 2017, the Manager-Internal Audit, Hygen B. Santillan, reported the following:

- a) QUARTERLY REPORT ON UNSERVED WITHDRAWAL FROM RURAL BANKS:
- b) REGULAR FINANCIAL AUDIT:

 Conducted Surprise Cash Count of Revolving Funds last 30 March 2017 and it showed that funds are intact and policies and procedures were observed;

c) DEPARTMENTAL AUDIT:

 Departmental Audit is conducted on a monthly basis that includes the audit of the Cebu Service Office, Incentives on Sales Drive for GAs, Audit of 2016 Profit Commission, Audit of Receivables (bonds/insurance policies issued at HO), GA Operations Review and Claims Management Audit;

Based on the above audit reports, the AuditCom advised the Manager-Internal Audit to present at the next AuditCom Meeting a report that states results (format of the compliance report) out of the audit that has been done;

- d) AGENCY AUDIT \sim status of accountabilities of the following GAs that were audited in 2016 and prior years:
- e) STATUS UPDATE ON GAS ENDORSED TO LEGAL DEPT. ~ likewise, stated below are the status of amounts to be recovered from the following GAs endorsed to the Legal Dept.:
- f) COMPLIANCE OFFICER'S REPORT ON THE REVIEW OF COMPLIANCE WITH INTERNAL SYSTEM & CONTROL AND WITH STATUTORY & REGULATORY REQUIREMENTS ~ the Alternate Compliance Officer (ACO), Hygen B. Santillan, reported that as of the first quarter of 2017, all regulatory requirements have been complied with on time except for some reports that are not yet due;

Insofar as the AMLC seminar is concerned, the ACO reported that all directors were done on the said seminar, while for the Corporate Governance seminar, the ACO was tasked to inquire if the Directors and/or officers and staff have to attend said seminar.

IV. NEW BUSINESS

Earlier discussed in the CBLIC AuditCom meeting, the ACO likewise further discussed the three (3) IC Circulars: Circular Letter No. 2017-08 (Recognition of Printouts of Digital Certificates of Good Moral Character & Training in Compliance with the Documentary Requirements in Applications for Qualifying Agent's Examinations;

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Circular Letter No. 2017-12 (Guidelines on the Conduct of Insurance Agent's Qualifying Examinations Through the Agent's Computerized Examinations (ACE) System and Circular Letter No. 2017-15 (Regulatory Requirements and Actions for the New Regulatory Framework);

V. OTHER BUSINESS

VI. ADJOURNMENT

There being no other business to take up, the meeting on motion duly made and seconded, was adjourned.

ALFREDO ALEX S. CRUZ III
Corporate Secretary

MINUTES OF THE AUDITCOM MEETING COUNTRY BANKERS INSURANCE CORPORATION HELD AT THE BOARD ROOM, COUNTRY BANKERS CENTRE 648 T. M. KALAW AVENUE, ERMITA, MANILA THURSDAY, 13 JULY 2017

Present:

Juan Miguel P.S. Reyes ~ Chairman (via tele-conferencing)

Dennis H. Locsin ~ Member

Nestor D. Alampay, Jr. ~ Alternate Member

Hygen B. Santillan ~ Manager-Internal Audit/Alternate

Compliance Officer

Absent: Agnes S. Desiderio ~ Member

ORDER OF BUSINESS

I. DETERMINATION OF QUORUM

The meeting was called to order by the Chairman there being a quorum as certified by the CorSec.

II. MATTERS ARISING OUT OF THE MINUTES OF THE PREVIOUS MEETING

III. UNFINISHED BUSINESS

As of the second quarter of 2017, the Manager-Internal Audit, Hygen B. Santillan, reported the following:

a) QUARTERLY REPORT ON UNSERVED WITHDRAWAL FROM RURAL BANKS:

b) REGULAR FINANCIAL AUDIT:

 Daily Collection Report (DCR) ~ company policies and procedures on issuance of OR, recording and deposits of collection and processing of commission payments were observed by the Cashier, Acctg. & Finance Depts.;

- Audit of Disbursements ~ all disbursements were authorized, duly supported and approved;
- Inventory of Delivered Forms and Supplies ~ all delivered forms and supplies were within the specifications stated in the Purchase Orders (PO);
 - Since physical inventory of fixed assets is being conducted every two (2) years, Dir. Locsin suggested to do the inventory of the same at least once a year;
- Cash Count of Revolving Funds ~ cash count conducted showed that funds were intact and the policies and procedures in handling the same were observed;
- c) DEPARTMENTAL AUDIT:

CEBU SERVICE OFFICE (CSO):

- d) AGENCY AUDIT:
 - 1) Audit Follow-Up ~ status of audited accountabilities of GAs that were audited in 2016 and prior years:
 - 2) GAs Under Audit:

- e) AUDITED GAS ENDORSED TO LEGAL DEPT .:
- f) COMPLIANCE OFFICER'S REPORT ON THE REVIEW OF COMPLIANCE WITH INTERNAL SYSTEM & CONTROL AND WITH STATUTORY & REGULATORY REQUIREMENTS:
 - the Alternate Compliance Officer (ACO), Hygen B. Santillan, reported that as of the second quarter of 2017, one report on the *Investment Made and Sold or Disposed Of* has been filed late and all other regulatory requirements have been *complied with on time except for some reports that are not yet due;
 - The Alternate Compliance Officer also reported that the response form (including the copies of the supporting documents) on the Asean Corporate Governance Scorecard for the financial year 2016 has been uploaded in the company's website Last 15 June 2017;

IV. NEW BUSINESS

V. OTHER BUSINESS

 For the AuditCom to have enough time to study the reports for the AuditCom meetings (CBLIC & CBIC), Dir. Locsin reiterated that as has been instructed by Dir. JMReyes before, the AuditCom should be furnished with the said reports at least two (2) days before the meeting;

VI. ADJOURNMENT

There being no other business to take up, the meeting on motion duly made and seconded, was adjourned.

ALFREDO ALEX S. CRUZ III
Corporate Secretary

MINUTES OF THE AUDITCOM MEETING COUNTRY BANKERS INSURANCE CORPORATION HELD AT THE BOARD ROOM, COUNTRY BANKERS CENTRE 648 T. M. KALAW AVENUE, ERMITA, MANILA FRIDAY, 13 OCTOBER 2017

Present:

Juan Miguel P.S. Reyes

Chairman

Nestor D. Alampay, Jr.

Alternate Member

Ma. Victoria G. Guingona

Chairwoman President

Romeo G. Velasquez Geraldine D. Garcia Antolin T. Naguiat

~ SVP-GM

Antolin T. Naguiat ~
Alfredo Alex S. Cruz III ~

TreasurerCorSec

Hygen B. Santillan

Manager-Internal Audit/Alternate

Compliance Officer

Absent:

Agnes S. Desiderio

Member

Dennis H. Locsin

Member

ORDER OF BUSINESS

I. DETERMINATION OF QUORUM

The meeting was called to order by the Chairman there being a quorum as certified by the CorSec.

II. MATTERS ARISING OUT OF THE MINUTES OF THE PREVIOUS MEETING

III. UNFINISHED BUSINESS

As of the third quarter of 2017, the Manager-Internal Audit, Hygen B. Santillan, reported the following:

- a) QUARTERLY REPORT ON UNSERVED WITHDRAWAL FROM RURAL BANKS:
- b) REGULAR FINANCIAL AUDIT:

Cash Count of Revolving Funds of the different departments conducted on 31
August 2017 and 18 September 2017 showed that funds were intact and policies
and procedures were observed except for the Underwriting Dept. which fund has
already been depleted;

c) AGENCY AUDIT:

- 1) Audit Follow-Up \sim to ensure accountabilities, the following GAs are being closely monitored:
- 2) GAs Under Audit:
- d) COMMITTEE ON GENERAL AGENCY ACCOUNTS ~ was revived last July 2017 to handle/undertake appropriate action on GAs' performance and compliance with GA Contract, underwriting guidelines, etc. The Committee is composed of the VP-Mktg., AVP-Mktg., AVP-Legal, AVP-Acctg. & Finance, AVP-Undtg., GACC Manager and Audit Manager;
- e) GA ACCOUNTS ENDORSED TO LEGAL DEPT .:

- f) COMPLIANCE OFFICER'S REPORT ON THE REVIEW OF COMPLIANCE WITH INTERNAL SYSTEM & CONTROL AND WITH STATUTORY & REGULATORY REQUIREMENTS:
 - The Alternate Compliance Officer (ACO), Hygen B. Santillan, reported that as of the third quarter of 2017, all reportorial requirements (AMLC, IC, SEC, etc.) have

been complied with on time except for some reports that are not yet due;

- She also reported that in compliance with IC Circular No. 2016-50 dated 06 September 2016 on Anti Fraud Plan, CBIC has already submitted to the IC the Anti-Fraud Plan policies and procedures to be implemented by the concerned departments to prevent and detect fraudulent transactions;
- With reference to IC Circular Letter No. 2017-44 on AMLC's Rules on the Imposition of Administrative Sanctions under RA No. 9160 (as amended), she stated that CBIC has to strictly implement applicable provisions to help counteract money laundering and to prevent the company from being administratively sanctioned;

IV. NEW BUSINESS

V. OTHER BUSINESS

VI. ADJOURNMENT

There being no other business to take up, the meeting on motion duly made and seconded, was adjourned.

ALFREDO ALEX S. CRUZ III
Corporate Secretary