



**ARMED FORCES AND POLICE
GENERAL INSURANCE CORPORATION**

AFPGen. Bldg. EDSA cor. Col. Bonny Serrano Road, Quezon City, Metro Manila
Trunkline No.: 911-9888 • Fax Nos.: 911-3149 • 421-2286
Website: www.afpgen.com

SECRETARY'S CERTIFICATE

I, **ATTY MARIA CECILIA A CAPA**, legal age, Filipino, with office address at Suite B 5/F Builders' Centre Bldg. 170 Salcedo St. Legaspi Village, Makati City, after having been duly sworn in accordance with law, depose and state that:


1. I am the duly elected and qualified Corporate Secretary of **AFP General Insurance Corporation** ("the CORPORATION"), a corporation duly organized under Philippine laws with office address at AFPGen Bldg. Col Bonny Serrano Rd., Cor., EDSA, QC.
2. During the Board of Directors' meeting of the Corporation held on July 31, 2013, at which meeting a quorum was present and acted throughout, the Board approved the matter entitled Per Diem of the Audit and Risk Committee Members which is the Amendment of Board Resolution 2013-3 increasing the compensable meetings of the Audit and Risk Management Committee in 2013 from 4 to 12.

IN WITNESS WHEREOF, this Certificate has been signed this 28th day of August 2013 in Quezon City.


ATTY MARIA CECILIA A CAPA
Corporate Secretary

WITNESS MY HAND AND NOTARIAL SEAL on the date and in the place first above-written, AFFIANT exhibiting to me her IBP No. 38285 issued on May 12 2013 in Pasig City

Doc. No. 79;
Page No. 17;
Page No. XII;
Series of 20 13.


ATTY. RHYNIE S. REÑIDO

Notary Public
Until Dec. 31, 2013
PTR No. MLA 1412651, Jan. 4, 2013/Manila
IBP Lifetime No. 07261
TIN 205-131-269
Roll No. 44395



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2. During the Board of Directors' meeting of the Corporation held on July 31, 2013, at which meeting a quorum was present and acted throughout, the Board approved the **AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER(Annex C)**

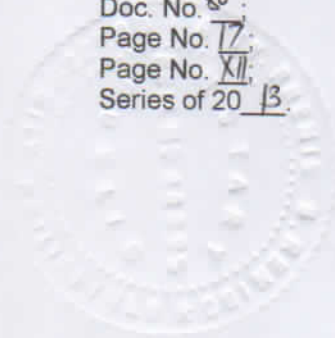
IN WITNESS WHEREOF, this Certificate has been signed this 28th day of August 2013 in Quezon City.




ATTY MARIA CECILIA A CAPA
Corporate Secretary

WITNESS MY HAND AND NOTARIAL SEAL on the date and in the place first above-written, affiant exhibiting to me her IBP NO. 38285 issued on May 12 1993 in Pasig City.

Doc. No. 80;
Page No. 17;
Page No. XII;
Series of 20 13.




ATTY BERNICE S. REÑIDO
Notary Public
Until Dec 31, 2013
EIR No. MIA 1412691, Jan. 3, 2013/Manila
JRP License No. 07261
JPN 209-131 104
Roll No. 44304

AFP GENERAL INSURANCE CORPORATION
Audit and Risk Management Committee Charter

1. PURPOSE

To assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control and management of risks, the audit process, and the Corporation's process for monitoring compliance with laws and regulations and the code of conduct.

2. AUTHORITY

The Audit and Risk Management Committee has authority to conduct or authorize reviews or investigations into any matters within its scope of responsibility. It is empowered to:

Engage independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.

Seek any information it requires from employees, members of the Board of Directors or from external parties.

Require the attendance of company officers and employees and/or meet with external parties as necessary.

3. COMPOSITION

The Audit and Risk Management Committee will consist of five (5) members of the Board of Directors except the President of AFPGen.

The board will appoint committee members and the Audit and Risk Management Committee Chair.

Members will serve co-terminus with their term as members of the Board.

The Chief Audit Executive and the Chief Risk Officer act as resource persons. The Secretary of the Audit and Risk Management Committee will be the Corporate Secretary.

4. MEETINGS

The committee will meet at least four (4) times a year, with authority to convene additional meetings, as circumstances require.

All committee members are expected to attend each meeting. A quorum of three (3) members is required for all meetings.

The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary.

Except in cases when executive sessions are called for, the AFPGEN President representing management shall at all times be invited to attend Committee meetings.

Special meetings and executive sessions may be convened as needed.

5. RESPONSIBILITIES

The committee will carry out the following responsibilities:

5.1 Financial Statements

5.1.1 Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.

5.1.2 Review with management and the external auditors the results of the annual audit.

- 5.1.3 Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.

5.2 Risk Management

- 5.2.1 Oversee the establishment of the Company's risk management system which will include the risk management policy, framework, strategy and process.
- 5.2.5 Review trends on the company's risk profile, reports on specific risks and the status of the risk management process.
- 5.2.7 Review at least annually the effectiveness of the Company's implementation and risk management strategy.

5.3 Internal Control

- 5.3.1 Evaluate the effectiveness of the company's internal control systems, including information technology security and control.
- 5.3.2 Obtain reports on significant findings and recommendations from internal and external auditors together with management's responses.
- 5.3.3 Ensure compliance by management of any approved internal control recommendations.

5.4 Internal Audit

- 5.4.1 Review with management and the Chief Audit Executive the charter, activities, staffing and organizational structure of the internal audit function.
- 5.4.2 Have final authority to review and approve the annual audit plan and all major changes to the plan.
- 5.4.3 Ensure there are no unjustified restrictions or limitations in the conduct of the audit and in the audit work plan.
- 5.4.4 Review and concur in the appointment, replacement, reassignment or dismissal of the chief audit executive.
- 5.4.5 At least once per year, review the performance of the CAE and concur with the annual compensation and salary adjustment.
- 5.4.6 Review the effectiveness of the internal audit function.

5.5 External Audit

- 5.5.1 Make recommendations to the Board regarding the engagement of services of the external auditor, in consonance with Insurance Commission (IC) and Securities and Exchange Commission (SEC) requirements.
- 5.5.2 Oversee the work of any registered public accounting firm employed by the organization.
- 5.5.3 Review the performance of the external auditors.
- 5.5.4 Ensure the independence of the external auditors.
- 5.5.5 Review the external auditors' proposed audit scope, timetable and approach, and ensure it covers no unjustified restrictions or limitations.
- 5.5.6 Resolve any disagreements between management and the auditor regarding financial reporting.
- 5.5.7 Pre-approve all auditing and non-audit services.

5.6 Compliance

- 5.6.1 Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- 5.6.2 Ensure the implementation of corrective action or of recommendations on the findings of examination conducted by any regulatory agency.
- 5.6.3 Require regular updates from management and the Compliance Officer regarding compliance matters.

5.7 Reporting Responsibilities

- 5.7.1 Regularly report to the Board of Directors about committee activities, issues, and related recommendations.
- 5.7.2 Provide an open avenue of communication between internal audit, the external auditors, and the Board of Directors.
- 5.7.3 Review any other report the company issues that relate to committee responsibilities.

5.8 Other Responsibilities

- 5.8.1 Perform other activities related to this charter as requested by the Board of Directors.
- 5.8.2 Institute and oversee special investigations as needed.
- 5.8.3 Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- 5.8.4 Confirm annually that all responsibilities outlined in this charter have been carried out.
- 5.8.5 Evaluate the committee's and individual members' performance on a regular basis.