

DRAFT | FOR APPROVAL BY STOCKHOLDERS

MINUTES OF THE STOCKHOLDERS' MEETING OF

APC GROUP, INC.

Held on 10 August 2020 at 2:00 P.M.
Via Webinar (Zoom) link

DIRECTORS PRESENT:

WILLY N. OCIER	Chairman of the Board Director Chairman, Executive Committee Chairman, Compensation and Remuneration Committee
JACKSON T. ONGSIP	President & CEO Director Chief Risk Officer Member, Executive Committee
BERNARDO D. LIM	Director Chairman, Risk Management Committee Member, Audit Committee Member, Corporate Governance Committee Member, Related Party Transactions Committee
EDMUNDO L. TAN	Director Member, Compensation and Remuneration Committee
VIRIGINIA A. YAP	Director Member, Executive Committee Member, Compensation and Remuneration Committee

ALSO PRESENT:

RICHARD ANTHONY D. ALCAZAR	Corporate Secretary
JOHN MICHAEL N. VIDA	Assistant Corporate Secretary
IAN JASON R. AGUIRRE	Chief Financial Officer and Treasurer
TRISTAN B. CHOA	Vice President for Investor Relations
CRISTINA NAGUIT	Third-party Tabulator of Votes

Stockholders present in person or 4,648,027,814 shares
represented by proxy

The representatives from the Company’s external auditor, Sycip Gorres Velayo & Co., Messrs. Ramon D. Dizon, Wilson Tan, Johnny Ang, Martin Guantes, and Ms. Mary Claire Pogeyed, were likewise in attendance to address questions from the stockholders during the Meeting.

1. Call To Order

Mr. Willy N. Ocier, the Chairman of the Board, welcomed the stockholders, called the meeting to order, and presided over the proceedings. The Corporate Secretary, Atty. Richard Anthony D. Alcazar, recorded the minutes of the meeting.

2. **Certification of Notice and Quorum**

The Corporate Secretary certified that the notice of the annual stockholders’ meeting and the Definitive Information Statement, along with the Corporation’s “Guidelines for Participation via Remote Communication and Voting in Absentia” were uploaded via PSE EDGE and posted on the Corporation’s website beginning July 7, 2020. In addition, the Corporate Secretary also certified that the notices of the meeting were distributed electronically and by courier to the shareholders starting on July 10, 2020.

The Chairman inquired from the Corporate Secretary whether there was a quorum for the transaction of business by the stockholders.

The Corporate Secretary certified that based on the proxies recorded and on the registration of those personally present at the meeting, that 4,648,027,814 shares representing 61.94% of the aggregate number of 7,504,203,997 shares issued, outstanding and entitled to vote, were either present in person or represented by proxy at the meeting. He then certified that a quorum was present for the transaction of business by the stockholders.

The Chairman then declared that there was a quorum for the transaction of business.

3. **Approval of the Minutes of the Annual Meeting of Stockholders held on 01 July 2019**

The Chairman proceeded to the next item in the agenda which is the approval of the minutes of the previous annual meeting of the stockholders held on July 1, 2019. He inquired if copies of the minutes were provided and made available to all stockholders.

The Corporate Secretary confirmed that the minutes of the stockholders’ meeting held on July 1, 2019 were posted on the Corporation’s website within 5 days after its adjournment. A copy of the minutes was also appended to the Definitive Information Statement posted on the PSE EDGE and the Corporation’s website.

Upon inquiry from the Chair, the Corporate Secretary reported that based on the tabulation of votes, 100% of the shareholders present voted in favor of the approval. Below was the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,648,027,814	100%	0	0%	0	0%

The Chairman then declared that the motion was carried and the minutes were approved, and the following resolution was passed and adopted:

“RESOLVED, that the Minutes of the Annual Stockholders’ Meeting of APC Group, Inc. held on 01 July September 2019 is approved.”

4. **Approval of the 2019 Operation and Results**

The Chairman proceeded to the next item in the agenda which is the approval of the 2019 operations and results. The Chairman explained that the copies of the Corporations Definitive Information Statement and the accompanying Annual Report had been sent and made available to all stockholders several weeks prior to the meeting, and the same were likewise posted in the Corporation’s website. The Annual report contains the summaries of operations and the Audited Financial Statements of the Corporation for the Year 2019. The information Statement and Annual report likewise contains the items required under Section 49 of the Revised Corporation Code.

The Chairman then requested the President and CEO, Mr. Jackson T. Ongsip, to render his report on the Company's results of operations for 2019. The President reported as follows:

Good afternoon, ladies and gentlemen. To our fellow stockholders, members of the Board of Directors and friends, welcome and thank you for joining us today at the 2020 Annual Stockholders Meeting of APC Group, Inc.

Through the years, APC Group has remained focused on its mission of creating value for our investors and our stakeholders. Allow me to share with you the progress that we made in 2019.

Your Company, through its subsidiary, Aragorn Power and Energy Corporation (APEC), continues to move forward in its Kalinga Geothermal Project (KGP). In 2019, KGP completed securing all the remaining necessary permits from the regulatory agencies (i.e DENR and NWRB), and maintained and complied with its commitments with each of the representative Council of Elders and Leaders (COEs). KGP also completed negotiations for right of way which allowed the Company to engage contractors and suppliers necessary for the construction of access roads, well pads, and well drilling activities. In October 2019, the Project commenced drilling of the PAS-02 exploration well.

There are three considerations to move on to commerciality, namely: temperature, permeability and chemical composition of the gas. The drilling activity in this PAS-02 exploration well was completed and resulted to positive results in terms of temperature. However, the Company has yet to obtain positive results related to permeability and chemical composition. The plan to continue drilling another exploration well, PAS-01 was suspended due to the various challenging impacts of the COVID pandemic. Nevertheless, the Company remains committed to move forward and continue exploration activities once regulatory, logistical and working conditions allow for a safe and effective operations

Your Company is mindful of its responsibility to its many stakeholders. To this end, the KGP continues to provide scholarship grants and educational assistance to deserving youths from the eight (8) ancestral domains within its contract area. As of school year 2019-2020, the KGP has already extended scholarships to 351 grantees and has produced 221 graduates in various courses. Three (3) scholar graduates in engineering and geology have been hired for the Project.

The effects of this progress have yet to manifest in the Company's financial statements for 2019, where your Company recognized a consolidated net loss of Php5.3 million to cover project-related costs and general and administrative expenses.

As of December 31, 2019, APC Group, Inc. recorded total Assets worth Php273.3 million, Liabilities of Php112.0 million and Stockholders' Equity of Php161.3 million. Details of the financial statements are contained in the Information Statement sent to the stockholders.

In closing, I would like to take this opportunity to thank you, our dear shareholders for your continued patience and trust in the work we are doing. On behalf of the Management Team, I would like to extend our gratitude for the prudent guidance given by our Board of Directors and most especially to our employees and staff whose hard work and dedication make the progress we have made possible. We look forward to working together with our many stakeholders to move our project further in 2020.

Thank you.

The Chairman then requested Corporate Secretary to announce the results of the voting for the approval of the 2019 Operations and Results of the Corporation, the 2019 Annual Report and the Consolidated Audited Financial Statements of the Corporation as of December 31, 2019 as audited by Sycip Gorres Velayo & Co.

The Corporate Secretary reported that based on the tabulation of votes, 100% of the shareholders present voted in favor of the approval. Below was the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,648,027,814	100%	0	0%	0	0%

The Chairman then declared that the motion was carried and the minutes were approved, and the following resolution was passed and adopted:

“**RESOLVED**, That the 2019 Annual Report, the 2019 Consolidated Audited Financial Statements of APC Group, Inc., and the Corporation’s 2019 Operations and Results are approved.”

5. **Approval and Ratification of the Acts of the Board of Directors and Management**

The next item in the agenda was the approval and ratification of the acts of the Board of Directors and Management during their term of office. The Chairman explained that the summary of these acts could be found in the Definitive Information Statement that was made available to all stockholders.

Upon inquiry from the Chair, the Corporate Secretary reported that based on the tabulation of votes, 100% of the shareholders present voted in favor for the approval and ratification. Below was the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,648,027,814	100%	0	0%	0	0%

The Chairman then declared that the motion was carried and the minutes were approved, and the following resolutions were passed and adopted:

“**RESOLVED**, that all acts, transactions and contracts entered into as well as resolutions made and adopted by the Board of Directors, Board Committees, and Management of APC Group, Inc. (the ‘Corporation’) from the date of the last Annual Stockholders’ Meeting up to the date of meeting are approved, ratified, and confirmed.

“**RESOLVED FINALLY**, that all acts, proceedings, elections and appointments performed or taken pursuant to the foregoing resolution, be in all respects approved, ratified and confirmed.”

6. **Election of Directors for 2020-2021**

The next item in the agenda is the election of directors for the year 2020-2021. The Chairman requested the Corporate Secretary to announce the nominees.

The Corporate Secretary announced the following nominees, prequalified by the Corporate Governance Committee, for the election to the Board for 2020-2021:

WILLY N. OCIER
JACKSON T. ONGSIP
BERNARDO D. LIM
EDMUNDO L. TAN
VIRGINIA A. YAP

Independent Directors

RAFAEL M. ALUNAN III
TOMAS D. SANTOS

Upon inquiry from the Chair, the Corporate Secretary announced the tabulation of the votes received and cast in favor of the said nominees, as follows:

Nominee	Number of shares voting in favor	%
Willy N. Ocier	4,648,027,814	100%
Jackson T. Ongsip	4,648,027,814	100%
Bernardo D. Lim	4,648,027,814	100%
Edmundo L. Tan	4,648,027,814	100%
Virginia A. Yap	4,648,027,814	100%
Rafael M. Alunan III	4,648,027,814	100%
Tomas D.Santos	4,648,027,814	100%

The Corporate Secretary announced that since there are only seven (7) nominees and with the votes received, all nominees have obtained sufficient votes for election. The following resolution was then passed and approved:

“RESOLVED, that the following persons are elected directors of APC Group, Inc. for a period of one (1) year until their successors shall have been duly elected and qualified.

WILLY N. OCIER
BERNARDO D. LIM
JACKSON T. ONGSIP
EDMUNDO L. TAN
VIRGINIA A. YAP

Independent Directors

RAFAEL ALUNAN III
TOMAS D. SANTOS

7. Appointment of External Auditor

The next item in the agenda was the appointment of the Company’s External Auditor for 2019. The Corporate Secretary informed the shareholders that the Audit Committee had pre-screened and recommended, and the Board has endorsed for consideration of the stockholders, the reappointment of SyCip, Gorres, Velayo & Co. as the Corporation’s external auditor for 2020.

Upon inquiry from the Chair, the Corporate Secretary reported that based on the tabulation of votes, 100% of the shareholders present voted in favor of the reappointment of SyCip, Gorres, Velayo & Co. as the Corporation’s external auditor for 2020. Below was the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,648,027,814	100%	0	0%	0	0%

Accordingly, the following resolution was passed and approved:

“RESOLVED that SyCip, Gorres, Velayo & Co. is reappointed as the External Auditor of APC Group, Inc. for 2020, under such terms and conditions as may be approved by the Board.”

The Chairman then announced that as stated in the Definitive Information Statement, all stockholders of record were allowed to submit questions via email to apccorpsec@bellecorp.com, and through the live comments broadcast section of the proceedings. He added that for those not entertained due to time constraints, the Corporation will endeavor to respond to their questions via email.

Upon request of the Chair, the Corporate Secretary read the following question sent via email:

What is the effect of the covid19 pandemic to the Company, and what is the Company’s outlook on the KGP?

The President and Chief Executive Officer, Mr. Jackson T. Ongsip gave the following reply:

The drilling operations are temporarily suspended due to the challenges posed by the Covid19 pandemic. Nevertheless, the Company remains committed to move forward with its exploration activities once the regulatory, logistical and working conditions have improved. The Company remains positive that it will successfully complete its drilling operations to determine commerciality. It also remains dedicated to its commitments to its host communities and ancestral domains.

8. **Other Matters**

The Chairman inquired if there were other matters that could properly be taken up at this meeting. The Corporate Secretary confirmed that there was none.

9. **Adjournment**

There being no further business to transact, the meeting was upon motion duly made and seconded thereupon adjourned.

CERTIFIED CORRECT:

RICHARD ANTHONY D. ALCAZAR
Corporate Secretary

ATTESTED BY:

WILLY N. OCIER
Chairman