

MINUTES OF THE STOCKHOLDERS' MEETING OF

APC GROUP, INC.

Held on 22 July 2021 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 Member, Executive Committee
BERNARDO D. LIM	Director Chairman, Risk Oversight Committee Member, Audit Committee Member, Corporate Governance Committee Member, Related Party Transactions Committee
RAFAEL M. ALUNAN III	Lead Independent Director Chairman, Audit Committee Member, Corporate Governance Committee Member, Related Party Transactions Committee Member, Risk Oversight Committee
EDMUNDO L. TAN	Director Member, Compensation and Remuneration Committee
VIRIGINIA A. YAP	Director Member, Executive Committee Member, Compensation and Remuneration Committee
TOMAS D. SANTOS	Independent Director Chairman, Corporate Governance Committee Chairman, Related Party Transactions Committee Member, Audit Committee Member, Risk Oversight Committee

ALSO PRESENT:

RICHARD ANTHONY D. ALCAZAR	Corporate Secretary
IAN JASON R. AGUIRRE	Chief Financial Officer, Treasurer, Chief Risk Officer and Compliance Officer
MICHELLE T. HERNANDEZ	Contact for Stakeholders' Concerns
CRISTINA NAGUIT	Third-party Tabulator of Votes

Stockholders present in person or represented by proxy

4,694,817,781 shares (Please see the Record of Attendance here attached as Annex "A")

The representatives from the Company's external auditor, Sycip Gorres Velayo & Co., Messrs. Wilson Tan, Johnny Ang, 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 on June 18, 2021 and posted on the Corporation's website beginning June 21, 2021. In addition, the Corporate Secretary also certified that the notices of the meeting were distributed electronically and by courier to the shareholders starting on June 24, 2021.

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 4,694,817,871 shares representing 62.56% of the total outstanding capital stock of the Corporation as of record date June 15, 2021.

The Chairman then declared that there was a quorum for the transaction of business. He then invited everyone to listen to a brief discussion on the rules of conduct and voting procedures of the meeting.

The Corporate Secretary discussed the rules of conduct and voting procedures set forth in the Definitive Information Statement and in the Notice of Annual Stockholders' Meeting, in accordance with the rules of the Securities and Exchange Commission as follows:

First, shareholders who notified the Corporation of their intention to participate in the meeting by remote communication have sent their questions or comments through the e-mail address provided for the purpose;

Shareholders now participating through the livestream can continue sending more questions throughout the duration of the meeting through the Q&A button located at the bottom of their screens.

Second, some of the questions or comments received will be read out during the Open Forum, after all matters in the agenda are concluded;

As the time dedicated for the meeting, however, is limited, the questions and comments which will not be read out and responded to during the meeting will be answered by the appropriate officers of the Corporation concerned;

Third, resolutions will be proposed for adoption by the shareholders for each of the items in the Agenda for this meeting. Each proposed resolution will be shown on the screen as the same is being taken up.

Finally, as tabulated, the votes cast as of July 21, 2021 are from shareholders owning 4,664,245,229 voting shares, representing 62.16% of the total outstanding voting shares. The results of this preliminary tabulation will be referred to when the voting results are reported throughout the meeting.

The results of the final tabulation of votes, with full details of the affirmative and negative votes and abstentions, will be reflected in the Minutes of the Meeting.

3. **Approval of the Minutes of the Annual Meeting of Stockholders held on 10 August 2020.**

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 10 August 2020. 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 10 August 2020 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. The minutes reflect the proceedings of the last annual meeting, including resolutions adopted and approved, with corresponding tabulation of votes for each item then for approval.

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	%
4,694,817,781	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 10 August 2020 is approved.”

4. **Approval of the 2020 Operation and Results**

The Chairman proceeded to the next item in the agenda which is the approval of the 2020 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 2020. 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 2020. The President reported as follows:

Ladies and gentlemen, good afternoon. Thank you for joining us today at the 2021 Annual Stockholders’ Meeting of APC Group, Inc.

Your Company, through its subsidiary, Aragorn Power and Energy Corporation, continues to move forward in its Kalinga Geothermal Project (The Project). In 2020, we obtained from the Department of Energy an extension of the Geothermal Renewable Energy Service Contract, for its exploration period, until October 2022. DOE recognized not only the significant accomplishments of the project despite the encountered difficulties, but also the need for further exploration given the results of the drilling completed in 2020, which showed commercial temperature and encouraging chemistry.

The Project has continued exploration activities by re-conducting geology, geochemical, and geophysical surveys which were completed during the first half of 2021. The Project is now in the process of collating, analyzing, interpreting the new data intended to refine and expand the Conceptual Model to ensure soundness of the geologic targets of the next exploration well prior to resuming drilling operations. Recognizing the challenging impacts of the COVID pandemic, the

Company remains committed to move forward and continue exploration activities with current regulatory, logistical, and working conditions allowing for safe and effective operations.

Your Company is mindful of its responsibility to its many stakeholders. To this end, as of June 2021, the consent of nine (9) out of eleven (11) ancestral domains has been secured covering 85% of the GRESC area, and all of the Community Development projects have been fully completed and turned over to the respective community beneficiaries. The Project 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 2020-2021, the Project has already extended scholarship to 369 grantees and has produced 281 graduates in various courses. Three (3) scholar graduates in engineering and geology have been hired for the Project.

As of December 31, 2020, our Company’s consolidated assets stood at P267.4 million, lower by 2% versus the year prior. Liabilities of P114.6M, up by 2% from 2019 and stockholders’ equity worth P152.8 million in 202, down by 5% due to the total comprehensive loss recognized amounting to P8.4 million. For the details related to these, please refer to the 2020 Definite Information Statement which were sent to all our shareholders.

Let me take this opportunity to express my gratitude to you, our valued shareholders for your trust and confidence, to our Board of Directors for their guidance and wisdom, and to our employees for their hard work and dedication despite these challenging times. We will soldier on together as we look for viable opportunities which will redound to sustainability, growth and profitability.”

Thank you.

The Chairman then requested Corporate Secretary to announce the results of the voting for the approval of the 2020 Operations and Results of the Corporation which were appended to the Definitive Information Statement, the 2020 Annual Report and the Consolidated Audited Financial Statements of the Corporation as of December 31, 2020 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	%
4,694,817,781	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 2020 Annual Report, 2020 Consolidated Audited Financial Statements of APC Group, Inc., and the Corporation’s 2020 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	%
4,694,817,781	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 2021-2022

The next item in the agenda is the election of directors for the year 2021-2022. The Chairman requested Mr. Rafael M. Alunan III, a member of the Corporate Governance Committee to announce the nominees.

Mr. Alunan announced the following nominees, prequalified by the Corporate Governance Committee, for the election to the Board for 2021-2022:

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

Independent Directors

RAFAEL M. ALUNAN III
JERRY C. TIU

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	4,694,817,781	100%
Jackson T. Ongsip	4,694,817,781	100%
Bernardo D. Lim	4,694,817,781	100%
Edmundo L. Tan	4,694,817,781	100%
Virginia A. Yap	4,694,817,781	100%
Rafael M. Alunan III	4,694,817,781	100%
Jerry C. Tiu	4,694,817,781	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
JERRY C. TIU

Likewise, the Chairman, on behalf of the Corporation, thanked Mr. Tomas D. Santos for the guidance that he shared during his term of office as the Company’s independent director for nine years.

7. **Appointment of External Auditor**

The next item in the agenda was the appointment of the Company’s External Auditor for 2021. The Chairman of the Audit Committee, Mr. Rafael M. Alunan III informed the shareholders that the Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders, the appointment of Reyes Tacandong & Co. as the Corporation’s external auditor for 2021.

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	%
4,694,817,781	100%	0	0%	0	0%

Accordingly, the following resolution was passed and approved:

“RESOLVED that Reyes Tacandong & Co. is appointed as the External Auditor of APC Group, Inc. for 2021, 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 apc.corpsec@gmail.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 outlook of the Company in the coming years?”

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

“We are currently in the exploration stage of our Kalinga Geothermal Project. The initial drilling in 2020 showed commercial temperature and encouraging chemistry. We are now currently processing the new data obtained from the additional 3G surveys to refine and expand the conceptual model prior to resuming drilling operations.”

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

Nilda/2020Minutes/22 July 2021 APC ASM Minutes

APPROVED