

MINUTES OF THE STOCKHOLDERS' MEETING OF

APC GROUP, INC.

Held on 27 September 2018 at 3:00 P.M.
at SMX Convention Center, Seashell Lane,
Mall of Asia Complex, Pasay City

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
TOMAS D. SANTOS	Independent Director Chairman, Corporate Governance Committee Chairman, Related Party Transactions Committee Member, Audit Committee Member, Risk Management Committee
LAURITO E. SERRANO	Independent Director Chairman, Audit Committee Member, Risk Management 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
CATHERINE GAIL C. DIZON	Asst. Corporate Secretary

Stockholders present in person or represented by proxy	4,808,821,437 shares (Please see the Record of Attendance here attached as Annex "A")
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The representatives from the Company's external auditor, Sycip Gorres Velayo & Co., Vivian Cruz-Ruiz, Ramon D. Dizon and Mary Claire D. 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 written notices of the annual stockholders' meeting together with the agenda and the Definitive Information Statement were sent beginning 30 August 2018 to all stockholders of record as of 28 August 2018 by personal delivery and by mail.

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 4,808,821,437 shares representing 64.0816% 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 27 September 2017**

The Chairman proceeded to the next item in the agenda which is the approval of the minutes of the annual meeting of the stockholders held on 27 September 2017.

Upon motion duly made and seconded, the stockholders approved the minutes of the annual meeting of the stockholders held on 27 September 2017 and the following resolution was passed and adopted:

“RESOLVED, that the Minutes of the Annual Stockholders’ Meeting of APC Group, Inc. held on 27 September 2017 are approved.”

Below is the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,808,821,437	100%	0	0%	0	0%

4. **Approval of the Annual Report and Audited Financial Statements for the Year 2017**

The Chairman then requested the President and CEO, Mr. Jackson T. Ongsip, to render his report on the Company’s results of operations for 2017. 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 2018 Annual Stockholders Meeting of APC Group, Inc.

I am pleased to report that your Company has achieved several important milestones to date.

We, through our subsidiary, Aragorn Power and Energy Corporation (APEC), have been awarded a Certificate of Energy Project of National Significance (CEPNS) from the Energy Investment Coordinating Council through the Department of Energy for our Kalinga Geothermal Project. This

is a geothermal energy development project of APEC in cooperation with All-first Kalinga Limited. The CEPNS, pursuant to Executive Order No. 30, recognizes the merits of our project and entitles it to rights and privileges that will streamline approval processes and expedite the project's pre-development stage.

In addition to this, APEC's application for a two-year extension until September 2020 of its Geothermal Renewable Energy Service Contract (GRESO) has been approved. This will enable the Company to continue pursuing advancement in the Kalinga project that we expect will result in full commercial operations.

We are continuing to find better ways to do things, and we advocate and strengthen the community relationships with the indigenous people in Kalinga through college scholarship grants and community development projects that aim to uplift their lives and future. Consequently, the concerned ancestral domains have committed to cooperate with the project and have approved our undertaking for the road engineering and surveying work.

The effects of these milestones have not yet manifested in the Company's financial statements for 2017, wherein APC Group Inc. recognized a consolidated net loss of Php14.6 million to cover project-related costs and general and administrative expenses.

As of December 31, 2017, APC Group recorded total Assets of Php297.0 million, Liabilities of Php113.9 million and Stockholders' Equity of Php183.1 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 trust and confidence. On behalf of the Management Team, I would like to extend our gratitude for the wisdom and guidance imparted by our Board of Directors. And finally, I wish to acknowledge the dedication and hard work that our employees continue to impart to the Company. We look forward to achieving more and bigger milestones in 2018.

Thank you."

The Chairman explained that the 2017 Audited Financial Statements of the Company were appended to the Definitive Information Statement sent to all stockholders of record.

The Chairman opened the floor to stockholders for questions or comments. There being no comments nor questions from the stockholders, the following resolution was passed and approved upon motion duly made and seconded:

"RESOLVED, That the 2017 Annual report and the 2017 Audited Financial Statements of APC Group, Inc. are approved."

Below is the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,808,821,437	100%	0	0%	0	0%

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

The next item in the agenda is the ratification of all acts, transactions and contracts entered into, as well as resolutions made and adopted by the Board of Directors, its Committees, and Management from the date of the last annual stockholders' meeting up to the present stockholders' meeting. These corporate acts are detailed in the Definitive Information Statement provided to all stockholders of record.

On motion duly made and seconded, the stockholders approved the following resolutions were passed and adopted:

“RESOLVED, that the acts of 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 contracts, acts proceedings, elections and appointments made or taken by the Board of Directors, its committees, and/or the Management of the Corporation, and all acts and proceedings performed or taken pursuant to the foregoing resolution, be in all respects approved, ratified and confirmed.”

Below is the tabulation

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,808,821,437	100%	0	0%	0	0%

6. Election of Directors for 2018-2019

The next item in the agenda is the election of directors for the year 2018-2019. The Chairman requested, Mr. Laurito E. Serrano, Member of the Corporate Governance Committee, to present the nominees to the Board. Mr. Serrano stated that the Corporate Governance Committee had pre-screed and short-listed all candidates qualified and nominated to the Board of Directors, announced that the following have been nominated and qualified for election of the Board for the year 2018 to 2019:

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

Independent Directors

TOMAS D. SANTOS
 LAURITO E. SERRANO

Upon motion duly made and seconded, all unqualified votes were cast equally in favor of the nominees who were thus elected to the Board for the period 2018-2019. The following resolution was 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

TOMAS D. SANTOS
 LAURITO E. SERRANO

The votes received and cast in favor of the said nominees are as follows:

Nominee	Number of shares voting in favor	%
Willy N. Ocier	4,808,821,437	100%
Jackson T. Ongsip	4,808,821,437	100%
Bernardo D. Lim	4,808,821,437	100%
Edmundo L. Tan	4,808,821,437	100%
Virginia A. Yap	4,808,821,437	100%
Laurito E. Serrano	4,808,821,437	100%
Tomas D.Santos	4,808,821,437	100%

7. Appointment of External Auditor

The next item in the agenda is the appointment of the Company's External Auditor for 2018. The Chairman informed the shareholders that the Audit Committee pre-screened the nominees for External Auditor and qualified SyCip, Gorres, Velayo & Co. for appointment as External Auditor for 2018. The Board of Directors likewise approved and endorses this appointment.

Upon motion made and seconded, SyCip, Gorres, Velayo & Co. was appointed as the External Auditor of the Company for 2018 and the following resolution was passed and approved:

"RESOLVED that SyCip, Gorres, Velayo & Co. was appointed as the External Auditor of APC Group, Inc. for 2018, under such terms and conditions as may be approved by the Board."

Below is the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,808,821,437	100%	0	0%	0	0%

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 of the Meeting

Nilda/2018 Minutes/27 September ASM Minutes