

DRAFT | FOR APPROVAL BY STOCKHOLDERS

**MINUTES OF THE STOCKHOLDERS’ MEETING OF
APC GROUP, INC.**

Held on 01 July 2019 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	4,966,519,917 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. Ramon D. Dizon and Johnny Ang, 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 31 May 2019 to all stockholders of record as of 31 May 2019 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 4,966,519,917 shares representing 66.1831 % 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 2018**

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 2018.

Upon motion duly made and seconded, the stockholders approved the minutes of the annual meeting of the stockholders held on 27 September 2018 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 2018 is approved.”

Below is the tabulation of votes:

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,966,519,917	100%	0	0%	0	0%

4. **Approval of the Annual Report and Audited Financial Statements for the Year 2018**

The Chairman then requested the President and CEO, Mr. Jackson T. Ongsip, to render his report on the Company’s results of operations for 2018. 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 2019 Annual Stockholders Meeting of APC Group, Inc.

I am pleased to report that your Company through its subsidiary, Aragorn Power and Energy Corporation (APEC), is making great strides in its Kalinga Geothermal Project (KGP). Obtaining a Certificate of Energy Project of National Significance (CEPNS) in the previous year, the KGP exploration phase is now in full swing.

The KGP has successfully achieved the following milestone to date:

- a) community development projects for the concerned ancestral domains have been completed;
- b) land use agreements for the project have been assured;
- c) major bottlenecks on the main road access have been cleared; and
- d) permits for water and special land use have also been secured.

These preparatory feats 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 as we advocate and strengthen our community relationships with the indigenous people in Kalinga through college scholarship grants and community development projects that aim to uplift their lives and future. Beyond educational grants, we have also provided employment opportunities to the locals, starting with two of our own scholars who are now graduate geologists. We constantly look for opportunities to increase local hiring and community engagement to provide better livelihood and stable employment. As a result of our efforts, the concerned ancestral domains have committed to cooperate with the project and have approved our undertaking for the Project.

The effects of these accomplishments have yet to manifest in the Company's financial statements for 2018, where your Company recognized a consolidated net loss of Php11.5 million to cover project-related costs and general and administrative expenses.

As of December 31, 2018, APC Group, Inc. recorded total Assets worth Php279.9 million, Liabilities of Php111.8 million and Stockholders' Equity of Php168.1 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 patience, 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 of our employees. We look forward to working together with our many stakeholders to move our project further in 2019.

Thank you."

The Chairman explained that the 2018 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 2018 Annual Report and the 2018 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	%
4,996,519,917	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 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.”

Below is the tabulation

In Favor		Against		Abstain	
No. of Shares	%	No. of Shares	%	No. of Shares	%
4,996,519,917	100%	0	0%	0	0%

6. **Election of Directors for 2019-2020**

The next item in the agenda is the election of directors for the year 2019-2020. The Chairman requested, Mr. Tomas D. Santos, Chairman of the Corporate Governance Committee, to present the nominees to the Board. Mr. Santos stated that the Corporate Governance Committee had pre-screened and short-listed all candidates qualified and nominated to the Board of Director and announced that the following have been nominated and qualified for election of the Board for the year 2019 to 2020:

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 2019-2020. 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	4,996,519,917	100%
Jackson T. Ongsip	4,996,519,917	100%
Bernardo D. Lim	4,996,519,917	100%
Edmundo L. Tan	4,996,519,917	100%
Virginia A. Yap	4,996,519,917	100%
Laurito E. Serrano	4,996,519,917	100%
Tomas D.Santos	4,996,519,917	100%

7. **Appointment of External Auditor**

The next item in the agenda is the appointment of the Company’s External Auditor for 2019. 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 2019. 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 2019 and the following resolution was passed and approved:

“RESOLVED that SyCip, Gorres, Velayo & Co. is appointed as the External Auditor of APC Group, Inc. for 2019, 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	%
4,996,519,917	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/2019Minutes/01 July 2019 ASM Minutes

DRAFT