

**MINUTES OF THE 2021 ANNUAL STOCKHOLDERS' MEETING**  
**SPC POWER CORPORATION**  
**May 28, 2021, 9:00 A.M.**  
**via ZOOM Video Teleconference**

**I. REGISTRATION**

	<b>Outstanding Shares</b>	<b>Percentage</b>
<b>Shareholders Present:</b>	1,473,739,523	98.07
	(See Record of Attendance)	

**Directors Present:**

Alfredo L. Henares	<i>Chairman of the Board Chairman, Executive Committee Member, Audit Committee</i>
Dennis T. Villareal	<i>President and CEO Member, Executive Committee Member, Corporate Governance Committee</i>
Alberto P. Fenix, Jr.	<i>Executive Director Member, Executive Committee</i>
Ramon Y. Sy	<i>Independent Director Member, Audit Committee Member, Corporate Governance Committee</i>
Enrique L. Benedicto	<i>Independent Director Member, Corporate Governance Committee</i>
Sergio R. Ortiz-Luis, Jr.	<i>Independent Director Chairman, Corporate Governance Committee Member, Audit Committee</i>
Yoon, Jong Ryoan	<i>Member, Executive Committee</i>
Kim, Yong Uk	<i>Member, Executive Committee Member, Audit Committee Member, Corporate Governance Committee</i>
Lee, Kyung-Eun	<i>Member of the Board</i>
Youn, Sang Young	<i>Member of the Board</i>

**Others Present:**

Francisco L. Viray	<i>Nominee, Independent Director</i>
Victor P. Lazatin	<i>Corporate Secretary</i>
Jaime M. Balisacan	<i>Treasurer SVP, Finance and Administration</i>

James Roy N. Villareal	<i>Vice President</i>
Maria Luz L. Caminero	<i>SVP, Legal/Regulatory Affairs Compliance Officer</i>
Cesar O. Villegas	<i>SVP, Operations and Business Development</i>
Nino Ray D. Aguirre	<i>VP, Finance</i>
Mishelle Anne R. Rubio-Aguinaldo	<i>Assistant Corporate Secretary</i>

*Guidelines on voting procedure and participation by remote communication is contained in the Information Statement*

Unless otherwise required by law, on all matters to be taken up, majority vote of the outstanding capital stock present and represented at the meeting where a quorum is existing shall be sufficient.

For the election of directors, the eleven (11) nominees receiving the most number of votes will be elected to the Board of Directors. Cumulative voting will apply.

After the nomination for directors is closed, the Corporate Secretary will ask if any stockholder prefers the election to be done by secret ballot, the procedure for which will be provided by the Corporate Secretary. If none so prefers, the stockholders will vote openly. The Corporate Secretary, in the presence of the external auditor, will then tally and report on the votes, including the votes of stockholders *in absentia*. Thereafter, the Chairman will declare the elected directors.

Voting on motions may be done by secret ballot, if any stockholder so requests, or by *viva voce* or by raising of hands. In case of a division of the house, the votes will be tallied and reported by the Corporate Secretary in the presence of the external auditor.

Stockholders who will participate via remote communication or in *absentia* may submit their votes on agenda items requiring stockholders' action and on the nomination and election of directors, as well as their concerns, through email [info@spcpower.com](mailto:info@spcpower.com) on or before 9:00 A.M. of May 28, 2021, or an hour before the conduct of the Annual Stockholders' Meeting.

Stockholders who will participate via remote communication will receive the Zoom meeting invitation and other instructions in their email account, or on their mobile phone or Viber account. They will be admitted by the meeting host/administrator of the meeting and their presence will be recorded. They can participate in the meeting, and raise questions and concerns via live video, audio, and/or chat services on Zoom platform.

*Separate Guidelines were emailed to the stockholders before the meeting.*

## **II. MEETING PROPER**

[See next page]

**MINUTES OF THE 2021 ANNUAL STOCKHOLDERS' MEETING**  
**SPC POWER CORPORATION**  
**May 28, 2021, 10:00 A.M.**  
**via ZOOM Video Teleconference**

**1. Call to Order**

The Chairman called the meeting to order at 10:00 a.m. Pursuant to the Internal Procedures for Annual Stockholders' Meeting by Teleconference, the Chairman directed the Corporate Secretary to verify and state for the record (a) the identities of the stockholders participating in the teleconference either by person or by proxy; and (b) those who have the right to vote; and to (c) certify the sending of notices and the existence of quorum.

**2. Certification of Due Notice and Presence of a Quorum**

The Corporate Secretary certified that: (1) there are at least **14** stockholders in attendance and approximately **20** proxies, all of whom are entitled to vote; (2) notice was published in Malaya Business Insight and Manila Standard on May 5 and 6, 2021 and the said notice was sent to all stockholders of record as of May 7, 2021 as required by the ByLaws, SEC Memorandum Circular No. 6, series of 2020, and SEC Notice dated April 20, 2020; and that (3) stockholders, in person or by proxy, representing **1,473,739,523** shares or **98.07%**, which constitute more than a majority of the total issued and outstanding shares, are present in the meeting; a quorum is therefore present to transact the business at hand.

**3. Approval of Minutes of the Previous Annual Stockholders' Meeting of 28 May 2021**

The Chairman proceeded to the reading and approval of the Minutes of the Annual Stockholders' Meeting held on June 25, 2020. A copy of the Minutes is available in the Company's website and was emailed to the stockholders before the meeting.

A motion that the reading of the minutes be dispensed with, and that the minutes be approved, was made and seconded. The Chairman asked if there are objections, but no one raised any.

**Resolution:**

Upon motion duly seconded, the stockholders present and represented by proxy, resolved that the reading of the Minutes of the Annual Stockholders Meeting held on June 25, 2020 be dispensed with, and that the same be approved.

**Tabulation of votes:**

<i>Voted to Approve</i>	<i>Raised Objections</i>	<i>Abstained</i>
1,473,739,523	0	0

#### **4. Report of the Chairman and Presentation of the Audited Financial Statements as of and for the Year Ended December 31, 2020**

The Chairman reported on the highlights of the operations and events which may have some effects on current and future operations of the Company and its subsidiaries.

The Chairman reported that the operational and financial results reflect the difficult economic conditions resulting from the Covid-19 pandemic and the increasing competitive pressure in the year 2020. He added that, the resulting lockdown had an adverse impact on the Group similar to other businesses, but managing the crisis remained the Group's priority with focus on the health and safety of the employees and their families and the needs of customers while keeping operations running efficiently and maintaining the Group's financial health.

According to the Chairman, notwithstanding the challenges, the Group managed to keep the power generating plants and power distribution utilities running safely with minimal interruptions while achieving enhanced operating efficiencies and high reliability. The Chairman then presented the summary of plant performance:

##### **Panay Diesel Power Plant Complex (PDPP Complex)**

The Chairman reported that PDPP 1, with three (3) operating diesel generating units, sustained its total dependable capacity of 15 MW in 2020 with a 56.8% reduction in total outage and a very high availability of 99.4%, that is 28% higher than in 2019. However, utilization rate and net generation reportedly decreased by 30.3% and 52.8%, respectively, due to Panay's transmission line constraints and the participation of more dispatchable reserve providers. PDPP 3's 50 MW capacity was also sustained with very high availability of 99.2% due to a 74.9% reduction in total outage. Similar to PDPP 1, there was a decrease in utilization and net generation by 41.7% and 31.3%, respectively.

##### **Bohol Diesel Power Plant (BDPP)**

The Chairman informed the shareholders that the plant sustained its 16.2 MW capacity with significant performance improvements such as 5.6% reduction in the total outage, plant availability of 97.6%, which is 3.2% higher than 2019, and its utilization rate favorably increased by 5.3% while net generation decreased significantly by 90.1% due to relatively more stable power players.

##### **Power Barge 104**

PB104 reportedly registered the most improved performance in 2020 with a plant availability of 99.1%, total outage reduction of 61.3% due to the completion of rehabilitation works. Utilization rate increased to 98.3% which is significantly higher than 27.2% in 2019 while net generation decreased by 22.8%.

##### **KEPCO SPC Power Corporation**

KSPC with 2x100 MW CFBC coal fired power plant with both units sustaining is rated capacity of 100 MW each in 2020 except for the 1% increase in the net heat rate of 2,633 kcal kWh generally performed better than its 2020 annual plan. The plants' combined availability reached 94.6%, that is 7.1% higher than the previous year. This resulted in an increase in net generation to 1.2 million MW.

### **Bohol Light Company Inc.**

The Chairman reported that by the end of 2020, BLCI has a total customer base of 19,200 households and 3,100 establishments which is 2.1% higher than last year. The impact of the continuing quarantine protocols generally affected its commercial performance. The monthly peak demand decreased by 6.5% and the total energy sales by 10.6%. In spite of the quarantine limitations, the Chairman acknowledged BLCI's continuous efforts to improve its overall operations resulting in a lower systems loss from 6.5% in 2019 to 6.2% in 2020.

### **Mactan Electric Company Inc.**

The Chairman also reported that MECO's total customer base increased to 95,649 households and 6,123 establishments at the end of 2020 which is 6.7% higher than last year. He further reported that, similar to BLCI, the pandemic affected MECO's performance. Peak demand was reduced by 2.7% from 93.2 megawatts down to 90.7 megawatts, while the total energy sales decreased by 11% from 559 MW hours in 2019 to 497 MW hours in 2020. At any rate, the Chairman proudly shared that in spite of the pandemic, MECO managed to reduce its systems loss by 2.9% from 7.82% in 2019 down to 7.59% in 2020.

### **Consolidated Financial Position**

The Chairman announced that the Group ended 2020 with consolidated comprehensive income of P1,636.4 million, which is reportedly lower by 9.6% than last year's P1,810.2 million. According to the Chairman, the decrease is attributable mainly to low power demand and increased competitive pressures in power supply and distribution. Even so, the Group's financial position reportedly remained sound with a 3.1% increase in total assets from P11,095.7 million in 2019 to P11,440.0 million in 2020.

On liabilities, the Chairman declared that the Group's liabilities remain manageable and has no outstanding bank loans. Debt ratio as at end 2020 was very low at 0.08:1. The Chairman added that free cash flows remained robust which made declaration of cash dividends of P0.40 per share in May and December 2020, or a total payout of P0.80 per share, viable, and this has remained consistent for the past four (4) years. The Chairman explained that dividend payment is subject to the company's level of surplus compared to the capacity to accept more business, in keeping with the objective to have a resilient financial foundation and robust platform for growth in funding future expansion.

The Chairman remains confident that with prudent investment strategy and low gearing ratios, the challenges of increasing competition, changing regulatory environment, shift from fossil fuels to renewable energy, and expiring power sales contracts of KSPC, can be overcome by the Group which remains steadfast in its commitment to a sustainable future.]

The Chairman concluded his report by expressing his gratitude and appreciation to the shareholders, directors, officers, staff, and partners, and investee companies for their role in safeguarding their people, business, and for their contributions in their respective communities.

After the Chairman's report, SVP for Finance and Administration, Mr. Jaime M. Balisacan presented the highlights of the Audited Financial Statements as of and for the Year Ended 2020.

## **Consolidated Results of Operations**

Mr. Balisacan explained that major disruptions caused by Covid-19 pandemic resulted in a 9.6% decline in the Group's consolidated comprehensive income from P1,810.2 million in 2019 to P1,636.4 million in 2020. He expounded that demand growth during the first quarter was negated by the decrease in average demand, especially in 2<sup>nd</sup> and 3<sup>rd</sup> quarters during the implementation of the most stringent protocols against Covid-19. Lower results caused earnings per share to decline from P1.19 in 2019 to P1.07 in 2020.

Mr. Balisacan further reported that 74.2% of its total comprehensive income and a combined equity share of P1,213.5 million is attributable to its investee companies. On the other hand, 23.6% or P386.7 million net income is attributable to power generation which fell by 6.2% mitigated by improvements in availability and enhanced operating efficiencies of power generating plants. Last but not least, 2.2% of the total comprehensive income or P36.6 million net income is attributable to power distribution, which is substantially lower by 46.9% as compared to the previous year. The slight increase in demand for electricity from residential customers reportedly cannot offset the 21.5% drop in demand from commercial and industrial customers.

According to the report, the substantial decrease of 31.5%, that is P2,108.5 million to P1,444.4 million in plant operating costs and expenses brought about by lower fuel cost, purchased power, lubricants, and spare parts, helped mitigate the impact. The Group's administrative and general expenses likewise reportedly decreased by 26.7% or P203.4 million from P277.4 million of the previous year.

## **Consolidated Financial Position**

Mr. Balisacan confirmed that despite the pandemic, the group's balance sheet is solidly positioned to support growth plans. Total assets increased by 3.1% at P11,440.00 million. Total assets include the Group's portfolio of investments at P5,782.9 million which is slightly lower by 2.8% as compared to 2019 due to dividend declarations by investee companies. Total liabilities decreased by 5.2% by the end of the year.

Stockholders' equity reportedly grew by 3.9% to P10,555.3 million as at end-2020 from the total comprehensive income in 2020 of P1,636.4 million less cash dividends of 1,243.5 million, with a payout of around 76% in 2020. Financial ratios remained favorable at current ratio of 9.71:1 and a lower debt as percentage of equity from 9.2% to 8.4%; liquidity was sourced from (1) cash generated from operating activities amounting to 629.2 million and (2) cash dividends from investee companies amounting to P1,381.0 million. Funds were applied mainly to cash dividends of P1,243.5 and additions to property, plant, and equipment of 49.5 million.

Mr. Balisacan further reported that the group ended year with cash and cash equivalents amounting to 3,944.3 million or 22.2% higher from P3,227.4.

Mr. Balisacan ended his report on a positive note and thanked the Directors, the Team, and Partners.

After the presentation, the Chairman opened the floor for questions and instructed the stockholders who wish to raise questions, objections, or comments, to click the raise hand icon or to use the chat box.

Mr. Hans Benson Tan, a stockholder, raised that most of the company's assets are either diesel or coal, and asked if there have been efforts to secure projects in renewable energy

space. The Chairman affirmed that the company has been looking into the solar and battery areas of the renewable space. The Chairman added that the company has reviewed a couple of projects and is expected to generate results by the end of the year or early next year.

Mr. Ian Patrick Dy, another stockholder, asked whether the 90% difference in BDPP's net generation was actually true. The Chairman explained that those are standby plants or reserve plants providing reserve capacity and the numbers are more of an indicator of the stability in the grid. Mr. Dy raised another question particularly on the business of power distribution, whether there are delays in collection and payments of customers as a consequence of the pandemic. Mr. Balisacan confirmed that there are delays allowed by the Energy Regulatory Commission (ERC) through advisories instructing the distribution utilities to delay the collection of receivables especially during the implementation of strict protocols.

The Chairman inquired if there are more questions, but none followed.

## **5. Approval of Directors' Fees/Bonus for CY 2020**

The Chairman proceeded to the next item of the agenda which is the approval of the Directors' Fees for calendar year ended December 31, 2020.

A motion that (1) each director who served the Corporation during the calendar year ending December 31, 2020 be paid directors' fees in the amount of P600,000.00 for a full year of service or pro rata thereof; (2) the Chairman be paid an additional P200,000.00; and (3) each director performing executive functions be paid additionally for such services which payment in the aggregate amounts to P14,042,299.00, was made and seconded. The Chairman asked if there are any objections but no one raised any.

### **Resolution:**

Upon motion duly seconded, the stockholders present or represented by proxy resolved that the said motion to pay the amount of ₱600,000.00 to each director who served the Corporation during the calendar year ended December 31, 2020 for a full year or pro rata, an extra payment of ₱200,000.00 for the Chairman, and to pay those directors performing executive functions an additional amount aggregating to ₱14, 042,299.00 be approved.

### **Tabulation of votes:**

<i>Voted to Approve</i>	<i>Raised Objections</i>	<i>Abstained</i>
1,473,739,523	0	0

## **6. Ratification of All Previous Actions of the Board of Directors and Officers of the Corporation Since the Last Annual/Regular Meeting**

A motion that the actions taken by the Board of Directors and Officers of the Corporation since the last annual stockholders meeting on June 25, 2020 be ratified and approved, was made and seconded. The Chairman asked if there are any objections but no one raised any.

**Resolution:**

Upon motion duly seconded, the stockholders present or represented by proxy resolved that the actions taken by the Board of Directors and Officers of the Corporation since the last annual stockholders meeting on June 25, 2020 be ratified and approved.

**Tabulation of votes:**

<i>Voted to Approve</i>	<i>Raised Objections</i>	<i>Abstained</i>
1,473,739,523	0	0

**7. Election of Directors (2021-2022)**

The Chairman announced that stockholders as of May 7, 2021 are entitled to vote as discussed in the 2021 Information Statement posted on the website.

The Chairman of the Corporate Governance Committee (also Nomination Committee), Dir. Sergio L. Ortiz-Luis, briefly discussed the nomination process and the evaluation of the qualifications of the nominees. If found to be qualified, the list of the nominees are submitted to the Board. As required by the Articles of Incorporation and ByLaws, eleven (11) directors shall be elected. For 2021-2022, he announced the nominees as follows:

1. Dennis T. Villareal
2. Alfredo L. Henares
3. Alberto P. Fenix, Jr.
4. Yoon, Jong-Ryoon
5. Kim, Yong-Uk
6. Lee, Kyung-Eun
7. Youn, Sang-Young

For Independent Directors:

1. Ramon Y. Sy
2. Sergio R. Ortiz-Luis, Jr.
3. Francisco L. Viray
4. Enrique L. Bendicto

Dir. Ortiz-Luis explained that Mr. Benedicto had exceeded the term limit of nine (9) years as an independent director. Pursuant to SEC Memorandum Circular No. 4, Series of 2017, Mr. Benedicto's nomination was justified as he possesses impeccable credentials and unimpeachable integrity that have invaluable contributed to the reputation and standing of the Company. He emphasized that Mr. Benedicto is held in high esteem in the field of finance, banking and government. Along with his business acumen and decisive leadership in the Board, he has helped helm the direction taken by the Company bringing it to where it is now.

A motion to approve and close the nomination was made and seconded. The Chairman asked for objection, but none was raised. Since there are 11 directors to be elected and there are only 11 nominees, the Chairman directed the Corporate Secretary to cast all votes in favor of all those nominated. The Chairman asked if there are any objections but no one raised any.



**Tabulation of votes:**

<i>Voted to Approve</i>	<i>Raised Objections</i>	<i>Abstained</i>
1,473,739,523	0	0

**Resolution:**

Upon motion duly made and seconded, the stockholders present or represented by proxy unanimously elected the following persons to serve as Directors for CY 2021-2022 and to act as such until their successors shall have been elected:

1. Dennis T. Villareal
2. Alfredo L. Henares
3. Alberto P. Fenix, Jr.
4. Yoon, Jong-Ryoon
5. Kim, Yong-Uk
6. Lee, Kyung-Eun
7. Youn, Sang-Young

For Independent Directors:

1. Ramon Y. Sy
2. Sergio R. Ortiz-Luis, Jr.
3. Francisco L. Viray
4. Enrique L. Bendicto

The Chairman congratulated the newly-elected members of the Board of Directors. Thereafter, the Chairman thanked Mr. Roberto F. De Ocampo, director and Chairman of the Audit Committee who had to step down as part of regulatory compliance after 18.5 years of dedicated service. The Chairman expressed sincere appreciation for Mr. De Ocampo's commitment and invaluable contributions which shall be a lasting legacy to the Company. The Chairman also announced that two (2) other directors, namely, Mr. Chung, Keeyong and Mr. Kim, Jeong-Heon had to relinquish their positions to be reassigned in KEPCO headquarters in Korea. The Chairman also thanked Messrs. Chung, Keeyong and Kim, Jeong-Heon for their wise counsel and valuable support during their tenure.

**8. Appointment/Reappointment of External Auditors**

A motion to reappoint the auditing firm of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the calendar year 2021 was made and seconded. The Chairman asked for objections but no one raised any.

**Tabulation of votes:**

<i>Voted to Approve</i>	<i>Raised Objections</i>	<i>Abstained</i>
1,473,739,523	0	0

**Resolution:**

Upon motion duly made and seconded, without any objection, the stockholders present or represented by proxy reappointed the auditing firm of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the calendar year 2021.

## **9. Other Matters**

The Chairman inquired if there are other matters left to be taken up, but none was raised.

## **10. Adjournment**

A motion to adjourn was made and seconded. The Chairman asked for objections but none was raised.

The meeting was adjourned at 11:05 A.M.

### **Prepared and Attested By:**

**MISHELLE ANNE R. RUBIO-AGUINALDO**  
Assistant Corporate Secretary

### **Noted By:**

**VICTOR P. LAZATIN**  
Corporate Secretary

**ALFREDO L. HENARES**  
Chairman

**SPC POWER CORPORATION**  
**ANNUAL STOCKHOLDERS MEETING**  
**May 28, 2021**

**ATTENDANCE SHEET**

STOCKHOLDERS NAME	PROXY	NO.OF SHARES	%
KEPCO Philippines Holdings, Inc.	Yoon, Jong-Ryoon	568,098,817	37.96
Intrepid Holdings, Inc.	Dennis T. Villareal	118,047,124	7.89
JAD Holdings, Inc.	Dennis T. Villareal	64,492,545	4.31
KV Holdings, Inc.	Dennis T. Villareal	74,749,847	4.99
Jaime M. Balisacan	In person	52,000	0.00
Alfredo L. Henares	In person	1	0.00
Dennis T. Villareal	In person	6,425,501	0.43
Alfredo P. Fenix	In person/DTV	855,933	0.06
Ramon Y. Sy	In person	2	0.00
Enrique L. Benedicto	In person	1	0.00
Yoon, Jong-Ryoon	In person	1	0.00
Kim, Yong-Uk	In person	1	0.00
Lee, Kyung-Eun	In person	1	0.00
Youn, Sang-Young (??)	In person	1	0.00
Sergio R. Ortiz-Luis, Jr.	In person	1	0.00
Francisco L. Viray	In person	1	0.00
Ma. Luz L. Caminero	In person/DTV	137,098	0.01
Cesar O. Villegas	In person/DTV	685,492	0.05
James Roy N. Villareal	In person/DTV	274,196	0.02
Dennis Lawrence N. Villareal	In person/DTV	274,196	0.02
Victor Anthony N. Villareal	In person/DTV	274,196	0.02
Corazon L. Gamez	In person/DTV	826,797	0.06
PDS Group	PDTC Participants	568,037,869	37.95
Cancorp, Inc.	Dennis T. Villareal	21,000,000	1.40
Landmark Holdings Corporation	Dennis T. Villareal	200,000	0.01
Rowell Plastic Corporation	Dennis T. Villareal	38,864,638	2.60
Elsa G. Dorotheo	Dennis T. Villareal	27,519	0.00
Lorenzo D. Inocando	Dennis T. Villareal	56,000	0.00
Stanley Krug	In person/DTV	299,196	0.02
Sonia M. Magno	In person/DTV	60,549	0.00
Mali Ni	Dennis T. Villareal	10,000,000	0.67
<b>Total (Outstanding)</b>		<b>1,473,739,523</b>	<b>98.07</b>

**BY INVITATION**

Alvin M. Pinpin	SGV
Ehda Dagooc	The Freeman
Kat Cacho	Sunstar
Atty. Frank Malilong	
Alena Mae Flores	Manila Standard
Jordeene Lagare	Manila Times
Ronnel Domingo	Philippine Daily Inquirer
Myrna Velasco	Manila Bulletin
Bernadette Romero	Manila Standard
Angelica Yang	Business World
Danessa Rivera	Philippine Star
Lenie Lectura	Business Mirror
Jed Macapagal	Malaya

Attested by:

**MISHELLE ANNE R. RUBIO-AGUINALDO**  
Assistant Corporate Secretary

Noted by:

**VICTOR P. LAZATIN**  
Corporate Secretary