

ALVIERA COUNTRY CLUB, INC.
MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS
6th Annual Stockholder's Meeting
25 November 2020, 10:00 AM
via remote communication

<u>STOCKHOLDERS PRESENT/REPRESENTED</u>	<u>SHARES</u>
Nuevocentro, Inc.	6,676
Leonardo L. Leonio	1
Bernard Vincent O. Dy	1
Clarissa Teresita L. Asuncion	1
Augusto D. Bengzon	1
Arturo G. Corpuz	1
Anna Ma. Margarita B. Dy	1
Carlo Leonardo N. Leonio	1
Maria Cristina Carmen M. Zuluaga	1
 NO. OF SHARES REPRESENTED	 6,684
 NO. OF SHARES OUTSTANDING	 6,800

ALSO PRESENT

Anna Liza M. Ang-Co
Reinerr John A. Nuestro
John Rey Capitulo
Hyacintha Mea G. Chim
Ma. Luisa D. Chiong
Jennfier L. Chua
Nicholas William G. Di
Jonathan Ryan S. Dyrning
Darren Jason B. Elicanal
John Marcial R. Estacio
Blanca Flores
Frances Pauline V. Gacho
Leonard H. Grape
Peter Mañalac
Regina F. Magbitang
Carlo Paolo V. Manalang
Roncel A. Nebre
Johann V. Ramirez
Angelica Joan Recto
Glen M. Snyder
Jose Pepito E. Zabat

I. INTRODUCTION

Mr. Leonard H. Grape, the incumbent General Manger of the Club, opened the meeting proper from the principal office of the Club, and called on Ms. Clarissa Teresita L. Asuncion, the Treasurer and Director of the Club, to preside over the meeting.

II. CALL TO ORDER

Ms. Clarissa Teresita L. Asuncion, the Treasurer and Director of the Club, acted as Chairperson, called the meeting to order, and presided over the same. Atty. Anna Liza M. Ang-Co, the Corporate Secretary, recorded the minutes of the meeting.

Ms. Asuncion acknowledged the presence of her fellow Directors, Officers, representatives of Co Ferrer Ang-Co & Gonzales Law Offices, their legal counsel, as well as representatives from Sycip Gorres Velayo & Co., their external auditor, who were all able to join the videoconference meeting.

III. PROOF OF NOTICE AND DETERMINATION OF QUORUM

Atty. Anna Liza Ang-Co, Corporate Secretary, certified that written notices of this meeting were sent to the stockholders of record as of 30 September 2020 to their respective addresses indicated in the membership rolls in accordance with the Club's By-Laws and the Securities Regulation Code and that there is a quorum to transact business, with stockholders present owning at least 6,684 shares or 98.29% of the total outstanding shares of the Club entitled to vote being present or represented at the meeting.

Atty. Ang-Co also added that in accordance with the requirements of the SEC in the conduct of stockholders' meetings through remote communication, the meeting shall be recorded.

Finally, Atty. Ang-Co highlighted the rules and procedures for the videoconference meeting. Stockholders who registered through the online shareholder registration system or who notified the Club by email via members@alvieracountryclub.com by 15 November 2020 of their intention to participate in the meeting by remote communication, may attend the meeting through remote videoconferencing facilities and may vote *in absentia*, cast their votes online, or by appointing a proxy. Stockholders may also send their questions or comments to the same email address on or before 15 November 2020.

IV. APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING HELD ON 8 NOVEMBER 2019

Upon motion duly made and seconded, there being no objections or questions from the stockholders, the Minutes of the Annual Stockholders' Meeting held on 8 November 2019, were approved.

V. RATIFICATION OF ALL ACTS, CONTRACTS, INVESTMENTS, AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND ACTS OF MANAGEMENT SINCE THE LAST STOCKHOLDERS' MEETING

Upon motion made and duly seconded, there being no objections or questions from the stockholders, the stockholders present unanimously approved, confirmed and ratified all acts, contracts, investments, and resolutions of the Board of Directors and all acts of Management of the Corporation taken or adopted since the last stockholders' meeting on 8 November 2019 up to the date of the meeting, as reflected in the books and records of the Corporation.

VI. PRESENTATION AND APPROVAL OF THE PRESIDENT'S REPORT AND THE 2019 AUDITED FINANCIAL STATEMENTS

The Club's President, Ms. Anna Ma. Margarita B. Dy, via a recording, presented the President's Report while Ms. Ma. Luisa D. Chiong, the Club's Comptroller and Chief Finance Officer, reported on the 2019 Audited Financial Statements.

The President's Report opened with the state of the Club before the pandemic, during which it experienced growth in club visits, revenue and new membership activations. But as the pandemic struck, the Club was forced to close sometime in March, and only re-opened on 8 July 2020. In its reopening, the Club focused on three key points: a) Ensuring health and safety of members and personnel; b) Managing costs and cash flows; and c) Encouraging patronage and facility usage.

First, with regard to health and safety, before re-opening on 8 July 2020, the Club made sure that all the government mandated health and safety protocols were strictly adhered to; all the employees of the Club underwent COVID-19 swab tests and were cleared to be 100% negative. The Club is also fully compliant with the DOH and DOLE Regulations, which includes PPEs for employees. Because of these actions, the Club was granted a Certificate to Authority to Operate by the Local Government Unit of Porac. The Club also launched a Health and Safety Information Campaign on various social media platforms, such as their website and the ACC Viber Community Page to provide the latest guidelines and protocols observed in the club. Accelerated Digital Initiatives for online registration and contactless ordering were put in place in order to ensure business continuity as well.

Second, in terms of managing costs, the managing team has made a conscious effort upon the reopening of the Club to focus on reducing operating expenses. These include initiatives such as focusing on Food and Beverage Outlets, shortening the operating hours for sports and recreational facilities. Facilities which cater to bigger groups and events are also temporarily closed, the Club has lowered the number of manpower shifts from 3 to 2, and every Mondays the Club is closed for general disinfection. From all these initiatives, the Club has achieved a 46% expense reduction compared to the original budget, which can be broken down further into a 36% reduction in manpower expenses, a 65% reduction in operating expenses and a 55% reduction in overhead expenses.

Third, with regard to patronage and usage, to encourage visits from members, monthly due payments were reallocated to increase consumable credits. The Club has also pivoted its service offerings to meet the demands of its members and generate additional sources of revenue. One of this is the Food Service which caters to the Club's locators at the Alviera Industrial Park, for which the Club was able to offer and deliver a total of 13,260 meals from August to October 2020. The Club has also made a Pick up & Delivery service for bread and pastry from Manyaman Restaurant and Sabyan Café in order for members to enjoy the food at the comfort of their homes. The "ACC@Work Stations" Program was also implemented to provide internet service for Club Members who work from home who want to take advantage of the strong internet connection in the Club. Finally, the Club has also redefined its banquet packages, offering the banquet services to groups with a maximum of 30 participants, in keeping with the government's COVID-19 guidelines.

The President was happy to share that all of these initiatives are yielding positive results, as there has been an increase in Club visits, even exceeding pre-pandemic levels, especially in light with the easing of the COVID-19 travel restrictions.

As regards the Club's 2019 Audited Financial Statements, the Total Assets of the Club for the year ending 31 December 2019 amount to PhP967 Million Pesos, with Current Assets of PhP126 Million comprising mainly of PhP11 Million worth of Cash and PhP107 Million worth of Input VAT, and Non-Current Assets of PhP841 Million are lodged mainly in Property and Equipment, i.e. costs to build the Club. On the other hand, Total Liabilities amount to PhP70 Million, pertaining mainly to remaining payable related to the Club Construction and advances from Nuevocentro, Inc. ("NCI") for pre-operating requirements. Finally, Total Equity amounts to PhP897 Million, which comprises PhP957 Million in paid-up capital and PhP59 Million in Deficits.

The Club was able to register PhP13 Million in Total Revenues for the year ending 31 December 2019, following the commencement of its operations in March 2019, followed by the grand launch on 31 July 2019. This is comprised primarily of sale of goods (primarily from Food & Beverage and events), association dues, and other income pertaining to guest fees, spa, sports complex revenues. The Club also earned PhP277,000.00 from placing available cash in interest-earning instruments. Costs and Expenses amounted to PhP56 Million mainly due to Direct Operating Expenses (contracted services, utilities, supplies, depreciation) and General Administrative Expenses (payroll, taxes, professional fees). In view of this, the Resulting Net Loss of the Club is at PhP43 Million,

The Club's Beginning Cash of PhP158 Million in addition to PhP205 Million from financing activities (NCI Net Subscription) were used to fund PhP330 Million in operating activities and PhP22 Million in investing activities, resulting to an ending cash balance of PhP11 Million.

Upon motion duly made and seconded, there being no objections from the stockholders, the President's Report, together with the 2019 Audited Financial Statements, were approved by the stockholders.

VII. ELECTION OF DIRECTORS

The following were duly nominated and elected as Directors of the Corporation for the ensuing year to serve as such until their successors are duly elected and qualified:

CLARISSA TERESITA L. ASUNCION
AUGUSTO D. BENGZON
ARTURO G. CORPUZ
ANNA MA. MARGARITA B. DY
BERNARD VINCENT O. DY
JOSE P. DE JESUS*
CARLO LEONARDO N. LEONIO
LAWRENCE CONRAD N. LEONIO
LEONARDO L. LEONIO
OSCAR S. REYES*
MA. CRISTINA CARMEN M. ZULUAGA

* Independent Directors.

Upon motion duly made and seconded, there being no objections from the stockholders, and considering that the nominees have already been screened and shortlisted by the Nomination Committee in accordance with the Club's Manual of Corporate Governance and the Securities Regulation Code, and that the number of nominees was equal to the number of directors elected, the 11 nominees were elected as Directors of the Corporation.

VIII. APPOINTMENT OF INDEPENDENT EXTERNAL AUDITOR AND FIXING OF REMUNERATION

The Audit and Risk Committee recommended SyCip Gorres Velayo & Co. ("SGV & Co."), as the external auditor of the Club, for fiscal year 2020, with Mr. Jose Pepito Zabat III from the SGV Clark Servicing Office, as Partner-in-Charge with the audit fee of Php190,000 exclusive of Value-Added Tax and Out-of-Pocket Expenses, which is capped at 5% of the audit fee.

Upon motion duly made and seconded, the stockholders approved the following resolutions:

"RESOLVED, as it is hereby resolved, that the Corporation be authorized and empowered to appoint SyCip Gorres Velayo & Co. ("SGV & Co."), as the external auditor of the Club, for fiscal year 2020, with Mr. Jose Pepito Zabat III from the SGV Clark Servicing Office as Partner-in-Charge, and with the audit fee of PhP190,000.00 exclusive of Value-Added Tax and Out-of-Pocket Expenses capped at 5% of the audit fee, pursuant to the recommendation of the Audit and Risk Committee."

"RESOLVED FURTHER, that any Director or Officer of the Corporation be authorized to: (i) perform all acts to implement this resolution; and (ii) sign, execute, and deliver any and all statements, contracts, applications, and other documents as may be necessary to give effect to the foregoing resolutions."

IX. OTHER MATTERS

The Chairperson then entertained questions and comments from the stockholders. Mr. Johann V. Ramirez, the incoming General Manager, addressed questions from the Club's members which pertained to matters not taken up during the meeting.

The first question addressed was whether the Club's members are still required to pay membership fees during the lockdown. Mr. Ramirez confirmed that membership fees are still mandatory during the lockdown to ensure the business continuity of the Club. Mr. Ramirez added that an increase in the consumable amount of food and beverages for the members to enjoy was made to compensate for the days the Club is closed.

In relation thereto, Mr. Ramirez addressed the question on whether members may avail of the consumables until 2021. Mr. Ramirez clarified that the billing of the Club's consumables is only until 30 December 2020. Members are encouraged to avail of the delivery service of the club to be able to use all their consumables this year. Mr. Ramirez highlighted that the delivery service is available for both food and beverages.

A question pertaining to the standard health and safety protocols in place at the Club was also addressed. Mr. Ramirez assured that the Club strictly observes the standard health and safety protocols in compliance and in coordination with the local government to safeguard the health and safety of the Club's members and employees.

Lastly, a member asked whether the Club allows the booking of events for the year. Mr. Ramirez explained that the facilities of the Club are available for events and social gatherings with a maximum of 30 people per event, in compliance with government guidelines. The facilities of the Club which are open for booking are the following:

- a) The Manyaman Private Dining Area;
- b) The Social Hall;
- c) The Meeting Rooms; and
- d) The Galo Sports Bar.

X. ADJOURNMENT

Upon motion made and duly seconded, there being no further business to transact and upon motion made and duly seconded, the meeting was adjourned. Ms. Clarissa Teresita L. Asuncion thanked the Management and employees of the Club for working together and making the necessary adjustments to show solidarity with the rest of the nation in trying to stop the pandemic.

On behalf of the Board and the Management, she expressed their gratitude to all the members who participated in the Club's programs and activities to make all of them a success. Ms. Asuncion reminded everyone that a link of the recorded videoconference of the meeting will be posted on the Alviera Country Club website.

CERTIFIED CORRECT:

ATTY. ANNA LIZA M. ANG-CO
Corporate Secretary

ATTESTED BY:

MS. CLARISSA TERESITA L. ASUNCION
Appointed Chairperson of the Meeting