

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
OF

SYNERGY GRID & DEVELOPMENT PHILS., INC.

Held on August 10, 2021
Via Videoconference

DIRECTORS PRESENT:

Henry T. Sy,
Robert G. Coyiuto, Jr.
Paul P. Sagayo, Jr.
Vicente D. Gerochi IV
Jose Perpetuo M. Lotilla
Ryan V. Romero

ALSO PRESENT:

Luis Jose P. Ferrer
Francis Saturnino C. Juan
Ma. Theresita G. Yulo
Cheryl S. Saldaña-de Leon
Pia Isabel O. Co

1. CALL TO ORDER

The Chairman of the meeting, Paul P. Sagayo, Jr., called the meeting to order and presided over the same. The Corporate Secretary, Vicente D. Gerochi IV, recorded the minutes of the proceedings.

2. CERTIFICATION OF NOTICE, AGENDA AND QUORUM

The Secretary conducted a roll call of the members of the Board and advised all the participants of this meeting that in compliance with the requirements of the Securities and Exchange Commission for meetings held by remote communication, this meeting is being recorded, and which recording shall form part of the records of the Corporation.

During the roll call, the Secretary verified and confirmed the identity of the participants, their location, the device they are using, that each participant received the relevant materials prior to the meeting, and that they can clearly hear and see the other participants.

The Secretary certified that a quorum was present for the transaction of business with the presence of a majority of the members of the Board. The directors confirm receipt of notice and agenda of the meeting. Thereafter, the Chairman declared that the Board could now proceed to transact the official business for this meeting.

3. APPROVAL OF MINUTES OF THE PREVIOUS MEETING

Upon motion duly made and seconded, the minutes of the previous meeting of the Board of Directors held on June 30, 2021 were unanimously approved.

4. RESIGNATION OF DIRECTORS

The Chairman informed the Board of the resignation of Mr. Dave Nhowel M. Asejo and Atty. Ryan V. Romero as director and independent director, respectively. After some discussion and upon motion duly made and seconded, the following resolution was passed and approved:

“**RESOLVED**, that the resignation of Mr. Dave Nhowel M. Asejo and Atty. Ryan V. Romero as director and independent director, respectively, is hereby accepted, effective immediately.”

5. ELECTION OF NEW INDEPENDENT DIRECTORS

The Chairman explained that as a result of the vacancies, and in compliance with Article 7.1 of the Corporation’s Manual on Corporate Governance, which states that the Board shall have at least three (3) independent directors, or such number as to constitute at least one-third of the members of the Board, whichever is higher, two (2) independent directors will be elected to fill-in the vacancies.

Upon the recommendation of the corporate governance committee and upon nominations duly made and seconded, the following were elected, until their successors are duly elected and qualified, as follows:

<u>Name</u>	<u>Position</u>
Luis Jose P. Ferrer	Independent Director
Francis Saturnino C. Juan	Independent Director

6. ELECTION OF MEMBERS OF COMMITTEES

Due to the election of new Independent Directors, the Board, upon motion duly made and seconded, elected the directors below to be members of the following committees:

<u>Audit and Risk Committee</u>	
Luis Jose P. Ferrer	Chairman
Francis Saturnino C. Juan	Member
Vicente D. Gerochi IV	Member

<u>Corporate Governance Committee</u> (also performing the functions of the Nomination and Remuneration Committee)	
Francis Saturnino C. Juan	Chairman
Jose Perpetuo M. Lotilla	Member
Luis Jose P. Ferrer	Member

Related Party Transaction Committee

Jose Perpetuo M. Lotilla	Chairman
Francis Saturnino C. Juan	Member
Luis Jose P. Ferrer	Member

7. RESIGNATION OF OFFICERS

The Chairman likewise informed the Board of the resignation of several officers for purposes of corporate reorganization namely, Mr. Henry Sy, Jr. as President, Atty. Vicente D. Gerochi IV as Corporate Secretary, and Mr. Dave Nhowel M. Asejo as Treasurer and Compliance Officer, effective immediately. After some discussion and upon motion duly made and seconded, the following resolution was passed and approved:

“**RESOLVED**, that the resignations of Mr. Henry Sy, Jr. as President, Atty. Vicente D. Gerochi IV as Corporate Secretary, and Mr. Dave Nhowel M. Asejo as Compliance Officer are hereby accepted, effective immediately.”

8. ELECTION OF OFFICERS

Due to the resignations, the Board, upon motion duly made and seconded, nominated and elected the persons below as officers, effective *immediately*, to fill in the vacancy until their successors are duly elected and qualified:

<u>Name</u>	<u>Position</u>
Mr. Robert G. Coyiuto, Jr.	Vice-Chairman
Paul P. Sagayo, Jr.	President
Cheryl S. Saldaña-de Leon	Corporate Secretary
Ma. Theresita G. Yulo	Treasurer

9. APPOINTMENT OF OTHER SENIOR MANAGEMENT POSITIONS

Upon motion duly made and seconded, the Board appointed the persons below for the senior management positions, effective immediately, except for Ms. Zurohayda Monierro, whose appointment will be effective on 01 Septeberm 2021:

<u>Name</u>	<u>Position</u>
Ma. Theresita G. Yulo	Comptroller/ Data Protection Officer/ Related Party Transaction Officer
Pia Isabel O. Co	Compliance Officer
Zurohayda Yoko M. Montierro	Audit and Risk Officer

10. APPROVAL OF ADDITIONAL AMENDMENTS TO THE CORPORATION'S ARTICLES OF INCORPORATION

In view of the Follow-On Offering of Shares approved by the Board in the previous meeting held on 30 June 2021 and upon motion made and duly seconded, the Board of Directors unanimously approved the following resolutions:

“RESOLVED, That the Board of Directors of **SYNERGY GRID & DEVELOPMENT PHILS., INC.** (the **“Corporation”**), approves and authorizes the amendment of Articles Fourth and Seventh of the Corporation’s Articles of Incorporation;

RESOLVED, FURTHER, That the Fourth Article of the Corporation’s Articles of Incorporation be, as it is hereby, amended to read as follows:

‘FOURTH – That the corporation shall have perpetual existence.’

RESOLVED, FURTHER, That the Seventh Article of the Corporation’s Articles of Incorporation be, as it is hereby, amended to read as follows:

‘SEVENTH: That the authorized capital stock of said Corporation is Five Billion Three Hundred Million Pesos (PhP5,300,000,000.00), divided into Five Billion Three Hundred Million (5,300,000,000) common shares at a par value of One Peso (PhP1.00) per share; (As approved by the Board of Directors on June 30, 2021)

That no transfer of stocks or interest which shall reduce the ownership of Filipino citizens to less than required percentage of the capital stock shall be allowed or permitted to be recorded in the proper books and this restriction shall be printed or indicated in the stock certificates to be issued by the corporation.

As long as the corporation is listed on the Philippine Stock Exchange (“PSE”) and owns or controls National Grid Corporation of the Philippines, ownership of shares in the corporation is subject to the following restrictions: (i) a Power Industry Player (as defined below) or its stockholders, directors or officers, or any of their relatives within the fourth civil degree of consanguinity (except if such relative, whether by blood or marriage, has no employment, consultancy, fiduciary, contractual, commercial or other economic relationship or interest in such Power Industry Player) and their respective spouses, shall not be allowed to own more than one per centum (1%) of the total outstanding shares of the corporation; provided, however, that a stockholder of a PSE-listed Power Industry Player owning less than one per centum (1%) of the total outstanding shares of the same Power Industry Player shall not be subject to the foregoing restriction; and (ii) a stockholder of the corporation shall not own more than one per centum (1%) of the shares of stock or equity interest in any Power Industry Player.

Any issuance or transfer of shares of the corporation in violation of the foregoing restrictions shall be void, and no shares of stock

issued or acquired in violation of such restrictions shall be recorded (or allowed to remain recorded) in the books of the corporation, or allowed to vote or be entitled to representation at any stockholders' meeting of the corporation, nor shall the holder of such shares be entitled to any of the rights of a stockholder of the corporation, including the right to dividends, during the existence of such violation.

For purposes of the foregoing provisions, a "Power Industry Player" means a generation company, distribution utility, or its respective subsidiary or affiliate, or other entity engaged in generating and supplying electricity specified by the Energy Regulatory Commission. An "affiliate" means any person which, alone or together with any other person, directly or indirectly, through one (1) or more intermediaries, controls, is controlled by, or is under common control, with another person. As used herein, "control" shall mean the power to direct or cause the direction of the management policies of a person by contract, agency or otherwise.

The foregoing provisions are subject to Republic Act No. 9511 (2008), the legislative franchise of National Grid Corporation of the Philippines. In case of any conflict between the foregoing provisions and Republic Act No. 9511, the latter shall prevail.

No holder of any class of shares of stock shall, because of ownership such stock, have a pre-emptive right or other right to purchase, subscribe for or take any part of the any stock or of any other securities convertible into or carrying options or warrants to purchase stock of the corporation, whether out of the unissued authorized capital stock or any future increases thereof. Any part of such stocks or other securities may at any time be issued, optioned for sale, and sold or disposed of by the corporation pursuant to the resolution of its Board of Directors, to such persons and upon such terms as the Board may deem proper, without first offering such stock or securities or any part thereof to existing stockholders. These restrictions shall be indicated in the stock certificates to be issued by the corporation.'

"RESOLVED, FURTHER, That any director or officer of the Corporation, and any lawyer or representative of the law firms of SyCip Salazar Hernandez & Gatmaitan and Gerodias Suchianco Estrella be authorized to sign, execute and deliver all such documents and perform all such actions as may be necessary to implement the foregoing resolutions, including but not limited to filing of the appropriate applications and notices with the SEC and all other government and private agencies;

"RESOLVED, FINALLY, That the Board recommends that the stockholders of the Corporation approve the foregoing amendments to the Articles of Incorporation of the Corporation."

11. AMENDMENT OF THE CORPORATION'S BY-LAWS

The Chairman also discussed the proposal to amend the Corporation's By-Laws and to delegate to the Board the authority to amend the By-Laws and implement the proposed changes. After a brief discussion and upon motion duly made and seconded, the following resolutions were unanimously approved:

“RESOLVED, That the Board of Directors of **SYNERGY GRID & DEVELOPMENT PHILS., INC.** (the **“Corporation”**), approves, as it hereby approves, the change of the notice period for regular meetings of stockholders to twenty-eight (28) calendar days, or any other number of days allowed by the applicable rules and regulations, prior to the date of the meeting, and for that purpose, authorize, as it hereby authorizes, the amendment of Article III, Section 3 of the Corporation's By-Laws to read as follows:

‘ARTICLE III - STOCKHOLDERS

xxx xxx xxx

Section 3. NOTICE OF THE MEETINGS - Notice of the meetings written or printed for every regular or special meeting of the stockholders shall be prepared and mailed to the registered post office address, whether within or outside the Philippines, of each stockholders not less than twenty-eight (28) calendar days, or any other number of days allowed by the applicable rules and regulations, prior to the date set for such meeting, such notice stating the object of objects of the meeting.’

“RESOLVED, FURTHER, That any director or officer of the Corporation, and any lawyer or representative of the law firms of SyCip Salazar Hernandez & Gatmaitan and Gerodias Suchianco Estrella be authorized to sign, execute and deliver all such documents and perform all such actions as may be necessary to implement the foregoing resolutions, including but not limited to filing of the appropriate applications and notices with the SEC and all other government and private agencies;

“RESOLVED, FINALLY, That the Board recommends that the stockholders of the Corporation approve the foregoing amendment to the By-Laws of the Corporation and also to delegate to the Board of Directors the power to amend the Corporation's By-Laws.”

12. APPROVAL OF RESOLUTIONS AND MATTERS IN RELATION TO THE FOLLOW ON OFFERING OF SHARES

In relation to the approval of the Follow-On Offering of Shares approved in the previous meeting, and upon motion made and duly seconded, the Board of Directors unanimously approved the following resolutions:

“RESOLVED, That the Board of Directors of **SYNERGY GRID & DEVELOPMENT PHILS., INC.** (the **“Corporation”**), amending previous resolutions on the same subject matter, approves and authorizes the offer and issuance of One Billion Fifty-Three Million Five Hundred Thousand (1,053,500,000) common shares, at an offer price of up to Twenty-Nine Pesos (PhP29.00) per share (the **“Offer Shares”**) (the **“Offer”**), subject to the approval by the stockholders and by the Securities and Exchange Commission (**“SEC”**) of the amendment to the Corporation’s articles of incorporation to increase the authorized capital stock of the Corporation;

- (a) The offer and sale of One Billion Fifty-Three Million Five Hundred Thousand (1,053,500,000) common shares out of the unissued portion of the authorized capital stock of the Corporation (the **“Primary Offer Shares”** or **“Firm Shares”**) to be offered by way of primary offer at an offer price of up to Twenty-Nine Pesos (PhP29.00) per share;
- (b) The grant of an over-allotment option pursuant to which a stabilizing agent or its relevant affiliate has the right to purchase up to One Hundred One Million (101,000,000) common shares of the Corporation owned by Henry T. Sy, Jr. and Robert G. Coyiuto, Jr. (the **“Selling Shareholders”**) (the **“Option Shares”**) under the same terms and conditions as the Firm Shares; and

(the Firm Shares and the Option Shares are collectively the **“Offer Shares”**)]

- (c) Delegate to the management the approval of such other terms and conditions of the Offer Shares;

(the Offer, the registration with the SEC, and the listing with the Philippine Stock Exchange, Inc. (**“PSE”**) collectively the **“Transaction”**)

“RESOLVED, FURTHER, that the management of the Corporation be authorized to determine such other terms and conditions of the issuance as may be advantageous to the Corporation and in accordance with the scope of authority by the Board, including but not limited to the determination of the dividend rate of the Initial Offer Shares, and subsequent offerings out of the Offer Shares;

“RESOLVED, FURTHER, that the Corporation, through management, be authorized to do the following acts:

- (a) application for the registration and licensing the Offer Shares with the SEC and to make any and all required filings, including the preparation and filing of the Registration Statement and Prospectus and any other documents as may be required by the SEC;

- (b) filing and submission of an application with the PSE for listing of the Offer Shares, pursuant to the listing requirements of the PSE;
- (c) signing, execution, and delivery of any and all documents, contracts, agreements and instruments as may be required or necessary in connection with the registration with the SEC, the listing with the PSE, and the public offering of the Offer Shares;
- (d) approve the disclosures in the Registration Statement to be filed with the SEC, and assume full responsibility for the information contained therein;
- (e) approve the submission of an undertaking to the SEC allowing the SEC to resolve conflicting issues regarding the selection of independent directors and allowing the SEC to examine the Corporation's bank accounts;
- (f) engage STANDARD CHARTERED BANK, BDO CAPITAL INVESTMENT CORPORATION, AND PHILIPPINE COMMERCIAL CAPITAL, INC., as the Joint Financial Advisors;
- (g) engage such other issue managers, coordinators, arrangers, bookrunners, and underwriters for the Transaction, at the discretion of the management of the Corporation;
- (h) engage the services of advisors, legal counsel, transfer agent, stabilization agent, escrow agent, receiving agent, and auditors, and other relevant parties for the Transaction;
- (i) evaluate, define, and negotiate the terms and conditions of the Transaction, including the timing, volume, and manner of the Offer; and
- (j) Execute any and all agreements and other related documents necessary for the Transaction;

“RESOLVED, FURTHER, that the Corporation be authorized to sign, execute and deliver any and all documents, contracts, agreements and instruments as may be required or necessary in connection with the registration and licensing of its shares with the SEC, the listing of its common shares with the PSE and the offer for sale to the public of its common shares;

“RESOLVED, FURTHER, that the following directors and officers of the Corporation, signing singly, are hereby authorized and appointed as the authorized representatives of the Corporation (the **“Authorized Representatives”**):

Name	Designation
Henry T. Sy, Jr.	Chairman
Robert G. Coyiuto, Jr.	Vice-Chairman
Paul Sagayo, Jr.	President
Ma. Theresita D. Yulo	Treasurer/Comptroller
Cheryl L. Sandana-De Leon	Corporate Secretary

The Authorized Representatives are authorized and empowered to undertake in the name and on behalf of the Corporation the matters above and negotiate, sign, execute, and deliver any and all documents and perform any and all actions, as may be necessary, desirable, or incidental in the pursuit of the Transaction, including but not limited to amending, supplementing documents for the Transaction to address comments by the SEC and the PSE, provided that such pertinent Transaction documents shall not be amended substantially;

“RESOLVED, FINALLY, that the Board of Directors assume responsibility for all information contained in the Registration Statement and the Prospectus and any further amendment or supplement thereto.”

13. APPROVAL OF CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS BY THE EXTERNAL AUDITORS, R.G. MANABAT & CO.

The Chairman discussed (a) the engagement of R.G. Manabat & Co. as external auditor; (b) various Audited Financial Statements of the Corporation and its subsidiaries; and (c) the issuance of the audited financial statements. After some discussion and upon motion duly made and seconded, the following resolutions were approved:

“RESOLVED, That the Board of Directors of **SYNERGY GRID & DEVELOPMENT PHILS., INC.** (the “Corporation”) approves and authorizes the engagement of R.G. Manabat as external auditors for the audit of the required financial statements of the Corporation for the required periods in relation to the follow-on offering including but not limited to the consolidated and separate statements of the Corporation and its subsidiaries; and auditors’ report on the required supplementary schedules for the Corporation;

“RESOLVED, FURTHER, That the Corporation is authorized to approve, secure and release the financial statements of the Corporation prepared by R.G. Manabat, including, but not limited to, the following reports:

1. Separate interim financial statements of the Company as at June 30, 2021;
2. Consolidated financial statements of the Company and its Subsidiaries as at June 30, 2021 and December 31, 2020;
3. Consolidated financial statements of the Company and its Subsidiaries as at December 31, 2020 and December 31, 2019;
4. Consolidated financial statements of the Company and its Subsidiaries as at December 31, 2018 and December 31, 2017; and
5. Auditors’ Report on the required supplementary schedules.

“RESOLVED, FURTHER, That the Chairman, President, or any director or officer of the Corporation be authorized and empowered to sign, execute and deliver all such documents and perform all such actions as may be necessary to implement the foregoing resolutions, including but not limited to the execution of the engagement letter, any amendments thereto;

“RESOLVED, FINALLY, That the foregoing resolutions shall remain valid, subsisting, and enforceable unless subsequently modified, revoked, rescinded, or suspended by a resolution of the Board of Directors.”

14. OTHER MATTERS

a. Dividend Policy

The Chairman discussed the need to set out the Corporation’s dividend policy, pursuant to which stockholders will be entitled to receive. Upon motion duly made and seconded, the Board unanimously approved the following resolutions:

“RESOLVED, That the Board of Directors, approves the adoption of the policy to declare dividends equivalent to up to 100% of the prior year’s net income after tax based on the company’s audited financial statements as of such year, upon declaration by the Board of Directors and subject to the availability of unrestricted retained earnings and settlement of operational expenses and other relevant taxes, cost and expense required to be paid in the ordinary course of business, and subject to any financing covenants, if applicable;

“RESOLVED, FURTHER, That the Corporation’s subsidiaries, i.e. Monte Oro Grid Resource Corp., Calaca High Power Corporation, OneTaipan Holdings, Inc., and Pacifica21 Holdings, Inc. shall likewise adopt a similar dividend policy;

“RESOLVED, FINALLY, that the foregoing resolutions shall remain valid, subsisting, and enforceable unless subsequently modified, revoked, rescinded, or suspended by a resolution of the Board of Directors.”

b. Board Compensation

Upon motion duly made and seconded, the Board of Directors approved the following resolutions:

“RESOLVED, That the Board of Directors approves the compensation of the members of the board as follows:

	Position	Compensation
1	Board of Directors	P50,000.00 per BOD meeting
2	Corporate Secretary	P30,000.00 per BOD meeting
3	Committee Chairman	P40,000.00 per Committee meeting
4	Committee Members	P30,000.00 per Committee meeting

“RESOLVED, FINALLY, that the foregoing resolutions shall remain valid, subsisting, and enforceable unless subsequently modified, revoked, rescinded, or suspended by a resolution of the Board of Directors.”

15. ADJOURNMENT

There being no further business to transact, the meeting was thereupon adjourned.

[Signature page follows.]


CERTIFIED CORRECT:


CHERYL L. SALDANA-DE LEON
Corporate Secretary

ATTESTED AND APPROVED:


HENRY SY, JR.
Chairman


ROBERT G. COYIUTO, JR.
Director


PAUL SAGAYO, JR.
Director/President


VICENTE D. GEROCHI IV
Director


JOSE PERPETUO M. LOTILLA
Lead Independent Director


LUIS JOSE P. FERRER
Independent Director


FRANCIS SATURNINO C. JUAN
Independent Director