

**MINUTES OF THE REGULAR MEETING
OF THE AUDIT AND RISK COMMITTEE
OF**

SYNERGY GRID & DEVELOPMENT PHILS., INC.

Held on 23 March 2022
Via Videoconference

COMMITTEE MEMBERS PRESENT:

Luis Jose P. Ferrer (*Chairman – ID*)
Francis Saturnino C. Juan (*ID– Member*)
Vicente Gerochi D. IV (*NED – Member*)

ALSO PRESENT:

Maria Farah Z.G. Nicolas-Suchianco
Cheryl S. Saldaña-de Leon
Ernest Aaron P. Valdez
Justice Lady P. Soriano
Ma. Teresita G. Yulo
Vernilo G. Yu (KPMG)

1. CALL TO ORDER

The Chairman of the Audit and Risk Committee, Atty. Luis Jose P. Ferrer, called the meeting to order and presided over the same. Atty. Cheryl S. Saldaña-de Leon acted as Secretary of the Meeting and recorded the minutes of the proceedings.

The Secretary advised that, in compliance with the requirements of the Securities and Exchange Commission (SEC) under its Memorandum Circular No. 6, Series of 2020 which provides for the guidelines for a board meeting through videoconference, this meeting was being recorded, which recording shall form part of the records of the Corporation.

2. CERTIFICATION OF QUORUM

The Secretary called the roll of the members of the Committee and advised all Committee members that in compliance with the requirements of the SEC 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.

Name of Participant	Location	Device	Receipt of relevant materials of the meeting	Confirmation that they can clearly hear and/or see the other attendees
Luis Jose P. Ferrer	Quezon City	Laptop	Yes	Yes
Francis Saturnino C. Juan	Quezon City	Laptop	Yes	Yes
Vicente Gerochi D. IV	Quezon City	Desktop	Yes	Yes

The Secretary certified that a quorum was present for the transaction of business with the presence of all members of the Committee.


1. APPROVAL OF THE MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 12 NOVEMBER 2021


Upon motion duly made and seconded, the Committee members unanimously passed and approved the following resolution:

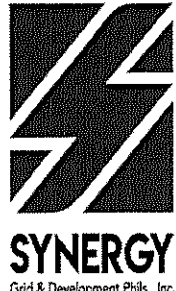
“RESOLVED, that the minutes of the meeting of the Audit and Risk Committee of the Corporation held on 12 November 2021 be approved.”

2. PRESENTATION OF ANNUAL FINANCIAL REPORTS AS OF 31 DECEMBER 2021

The annual financial reports as of 31 December 2021 were presented by the Corporation's comptroller, Ms. Theresita G. Yulo.

	CY 2021	
	Non Current Assets	P324 B ↑ 15%
	Current Assets	58 B ↓ (6%)
	Total Assets	P 382 B
	CY 2020	
	Non Current Assets	P282 B
	Current Assets	62 B
Total Assets	P 344 B	

	CY 2021	
	Non Current Liabilities	P195 B 8%
	Current Liabilities	73 B (1%)
	Total Liabilities	P 268 B
	CY 2020	
	Non Current Liabilities	P 181 B
	Current Liabilities	74 B
Total Liabilities	P 255 B	

 <p>SYNERGY Grid & Development Phils., Inc.</p>	SYNERGY GRID & DEVELOPMENT PHILS., INC. AND SUBSIDIARIES	
	CY 2021	
	NET INCOME	P22.9B ↓ 2%
	REVENUE	P48.6B
	CY 2020	
	NET INCOME	P23.4B
REVENUE	P48.6B	

The Chairman of the Committee noted that the annual financial reports are still for review and not yet final. Thus, the approval of the audited financial statements was postponed to be scheduled on a later date. After some discussion and upon motion duly made and seconded, the following resolutions were approved:

“RESOLVED, that the approval of the annual financial reports as of 31 December 2021 as presented by the Corporation’s Comptroller be postponed;

“RESOLVED, FURTHER, that the Committee recommends to the Board of Directors of the Corporation to approve the postponement of approval of the annual financial reports as of 31 December 2021 to a later date to be scheduled by the Board.”

5. YEAR-END PRESENTATION OF THE EXTERNAL AUDITOR

The Corporation’s external auditor, R.G. Manabat & Co., headed by Mr. Vernilo G. Yu, presented to the Committee the results of their audit, the significant findings, the required communications to the Committee, and other highlights of their audit.

For the years ended December 31, 2021 and 2020, an unqualified opinion will be rendered relative to the consolidated financial statements of the Corporation and Subsidiaries.

Mr. Yu proceeded to discuss the Key Audit Matters, which, based on PSA 701, refer to those matters that, in the auditor’s professional judgment, were of most significance in the audit of the financial statements of the period covered. The auditor confirmed that they have not noted any significant issues that would warrant the attention of the Committee.

The auditor identified only two matters which should be monitored:

- SIAC Arbitration No. 044 (Case No. ARB044/18/CHB)
- High Street Case

The auditor also discussed the required communications to the Audit Committee under the Philippine Standards of Auditing.

After some discussions on the audit report and upon motion duly made and seconded, the following resolution was passed and approved:

“RESOLVED, that the Audit Results presentation of the auditor and the discussion of the Committee is hereby noted.”

6. ADJOURNMENT

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

Certified Correct:



CHERYL S. SALDAÑA-DE LEON
Corporate Secretary

Attested:


LUIS JOSÉ P. FERRER
Chairman of the Audit and Risk Committee

Minutes Read and Approved:


FRANCIS SATURNINO C. JUAN
Member of the Audit and Risk Committee


VICENTE GEROCHI D. IV
Member of the Audit and Risk Committee