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## Basic Energy Corporation BSC

### PSE Disclosure Form 17-18 - Other SEC Forms/Reports/Requirements

<b>Form/Report Type</b>	Draft Minutes of the 2022 Annual Stockholders Meeting
<b>Report Period/Report Date</b>	Oct 4, 2022

#### Description of the Disclosure

Attached is the draft Minutes of the 2022 Annual Stockholders Meeting of Basic Energy Corporation held last August 31, 2022.

#### Filed on behalf by:

<b>Name</b>	Angel Gahol
<b>Designation</b>	Corporate Secretary

**MINUTES OF THE 2022 ANNUAL STOCKHOLDERS' MEETING  
OF BASIC ENERGY CORPORATION  
HELD AT THE PRINCIPAL OFFICE VIA REMOTE COMMUNICATION  
ON AUGUST 31, 2022 AT 3:00 P.M.**

**Stockholders Present/Represented by Proxy:**

TOTAL NUMBER OF SHARES OUTSTANDING AND ENTITLED TO VOTE	14,218,643,064
TOTAL NUMBER OF SHARES REPRESENTED IN PERSON OR BY PROXY	10,663,058,333
PERCENTAGE OF ATTENDANCE	74.99%

(The stockholders who were represented in the meeting by their respective proxies are in the list certified by the Company's stock transfer agent, Professional Stock Transfer, Inc., dated August 24, 2022 on file with the Corporate Secretary.)

**Directors Present:**

Ramon F. Villavicencio  
Manuel Z. Gonzalez- Acting Chairman  
Oscar L. de Venecia, Jr.  
Beatriz Jane L. Ang  
Ramon L. Mapa  
Jaime J. Martinez  
Ma. Rosette Geraldine L. Oquias  
Supasit Pokinjaruras, and

**Independent Directors:**

Kim S. Jacinto-Henares  
Reynaldo D. Gamboa  
Andres B. Reyes, Jr.

**Others Present:**

**Advisory Board:**

Jose C. de Venecia, Jr.	Chairman
Jose P. de Venecia, III	Member
Reynaldo T. Casas	Member
Oscar S. Reyes	Member

**Other Stockholders:**

Donna S. Sansano  
Corazon M. Bejasa  
Emelinda I. Dizon  
Anthony Gilbert Lastico-Antiquera

Jayvee de Juan Menil  
Francisco Ken Rodriguez Cortez  
Jan Paolo Perez Tiburcio  
Axl Rey Labe Sanopao  
Myrna Felinda Angeles  
Mark Louie Ablaza

**Guests:**

**Reyes Tacandong & Co.**

Ramon Felipe Reyes  
Protacio Tacandong  
Belinda Fernando  
Manuel Buensuceso  
Joseph Bilangbilin  
Angeli Kaye de Leon  
Krizza Tompong  
Elisse Dren Lopez

**Special Guests:**

Camilo S. Bitong, Jr.  
Alberto Emilio V. Ramos

**Officers:**

Luisito V. Poblete  
Alain S. Pangan  
Alberto P. Morillo  
Angel P. Gahol  
Darius A. Marasigan  
Dominique P. Pascua

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**PROCEEDINGS**

**I. CALL TO ORDER**

After the introduction of the members of the Board of Directors and the Advisory Board and key officers of the Corporation, guests and stockholders who registered to participate, and present at the meeting, the Chairman call the 2022 Annual Stockholder's Meeting of Basic Energy Corporation to order.

**II. PROOF OF THE REQUIRED NOTICE OF MEETING**

The Chairman then requested the Corporate Secretary, Atty. Angel P. Gahol, to certify as to the due notice to all the stockholders of the Annual Stockholders' Meeting and as to the existence of a quorum. The Corporate Secretary certified that pursuant to the SEC Notice dated February 16, 2022, notices for the 2022 Annual Stockholders' Meeting of the Corporation were

published in two newspapers of general circulation namely, Manila Bulletin and Philippine Star for two consecutive days on August 9, 2022 and August 10, 2022, and was posted in the company website and at the PSE EDGE.

### **III. DETERMINATION OF EXISTENCE OF QUORUM**

The Corporate Secretary further certified that, based on the Certification issued by its Stock Transfer Agent, Philippine Stock Transfer Inc., out of the outstanding subscribed and issued shares of stock of the Corporation entitled to attend and vote at the meeting, a total of 10,663,058,333 shares are represented in this meeting, either in person or by proxy, and these shares account for 74.99% of the total outstanding subscribed and issued shares of the Corporation. He then certified that there is a quorum for the transaction of business in the Annual Stockholders' Meeting.

### **IV. APPROVAL OF THE AGENDA FOR THE STOCKHOLDERS' MEETING**

Before proceeding to the agenda items, the Chairman requested the Corporate Secretary to remind the body of the voting and tabulation procedures to be followed in the approval of the matters in the agenda. The Corporate Secretary stated: All matters shall be considered voted upon by the affirmative vote of all the stockholders present and represented in the meeting, when duly moved and seconded, without any objections. Should there be any objection on any matter in the agenda submitted for approval of the stockholders, the Chairman shall request the President to clarify and address the objections raised. Once the clarification is accepted by the stockholder concerned, the Chairman shall entertain again a motion for its approval and if duly seconded and no further objections are raised, the matter involved shall be deemed approved by the affirmative vote of all stockholders present and represented in the meeting. If the clarification or response is not accepted, the Chairman shall submit the matter for voting of the stockholders and the Corporate Secretary shall record the affirmative votes garnered and if constituting the required number of votes, the matter involved shall be considered as approved by the stockholders.

The Corporate Secretary reminded the body that any stockholder present or represented in the meeting shall have the opportunity to ask questions after the presentation of each matter in the agenda, by typing his questions at the Q & A Box. The Chairman added that before declaring any matter as approved, the Chairman shall ask the body if there are any objections to or questions on the matter involved, and only after hearing no objection shall the matter be considered or declared approved by the stockholders. He instructed the Corporate Secretary to record all questions or objections raised and the answers given to address such questions or objections.

Thereafter, the Chairman requested the Corporate Secretary to present the agenda for the Annual Stockholders' Meeting as follows:

- I. Call to Order
- II. Certification of Due Notice of Meeting and Existence of Quorum'
- III. Approval of the Agenda for the 2022 Annual Stockholders Meeting
- IV. Approval of Minutes of the Annual Stockholders Meeting Held on November 24, 2021
- V. Presentation of the President's Report
- VI. Ratification of All Acts of the Board and Management for the term 2021-2022
- VII. Election of Directors for the term 2022-2023

- VIII. Proposed Amendments to the Amended Articles of Incorporation and Amended By-Laws
- IX. Ratification of Issuance of Shares
- X. Appointment of External Auditors
- XI. Other Matters
- XII. Adjournment

As required under the Revised Corporation Code, the Corporate Secretary present the actions taken by Management and the Board of Directors from November 2021 to July 2022.

Upon motion, which was duly seconded, and there being no objections to said motion, the Chairman declared the Agenda for the 2022 Annual Stockholders Meeting approved by the affirmative vote of all the stockholders represented or present in the meeting owning a total of 10,663,058,333 shares, representing 74.99% of the total issued and outstanding capital stock of the Company.

#### **V. APPROVAL OF THE MINUTES OF PREVIOUS MEETING**

The Chairman proceeded with the next item in the agenda which is the presentation and approval of the Minutes of the 2021 Annual Stockholders' Meeting held last November 24, 2021. The Chairman requested the Corporate Secretary to summarize the items taken up in the last stockholders meeting. The Corporate Secretary presented the following as taken up in the 2020 Annual Stockholders Meeting as follows:

- (a) the approval of the 2021 annual report of the Board and Management, which described in detail the financial performance of the Corporation in 2021 and the plan for operations for 2021-2022;
- (b) the ratification of all acts of Management and the Board for the term 2020-21;
- (c) the election of ten (10) directors for the term 2021-2022 which was preceded by a summary of the director's profiles, their length of service in the Company, their trainings and seminars and their board representation in other companies. The Board's attendance, compensation, and performance appraisal reports were also presented before the election of the directors was conducted;
- (d) lastly, the appointment of Reyes Tacandong & Co. as the external auditors for the 2021 financial statements of the Company.

A copy of the minutes was posted in the Company's website. Likewise, the Company's 2022 Definitive Information Statement, which pertains a summary of these minutes, was posted in the PSE EDGE on July 21, 2022.

Since a copy of the minutes of the said meeting have been posted in the website of the Company prior to the scheduled annual stockholders meeting, a motion was submitted to dispense with the reading of the said minutes and for the approval of the Minutes of the 2021 Annual Stockholders Meeting. Upon motion, which was duly seconded, and there being no objections to said motion, the Chairman declared that the Minutes of the 2021 Annual Stockholders' Meeting, were deemed approved by the affirmative vote of all the stockholders represented or present in the meeting owning a total of 10,663,058,333 shares, representing 74.99% of the total issued and outstanding capital stock of the Company.

## **VI. PRESENTATION OF THE 2021 ANNUAL REPORT AND HIGHLIGHTS OF THE 2021 AUDITED FINANCIAL STATEMENTS**

The President and CEO, Mr. Oscar L. de Venecia, Jr., requested the Corporate Secretary to present the material information on major shareholders of the Company and their voting rights as required by the Revised Corporation Code. There being more than 6,565 stockholders of the Corporation, the Corporate Secretary presented the list of the Top 20 stockholders of the Corporation, and the nature of their businesses and the major stockholders and key officers of those in the Top 20 stockholders of the Corporation and the Top five (5) PDTC participants holding shares for the account of their respective clients. Thereafter, he discussed the voting rights of stockholders as provided under the Revised Corporation Code and the by-laws of the Company.

After the presentation on the major shareholders of the Corporation, the President and CEO presented the 2021 Annual Report of the Board of Directors and Management to the stockholders of the Corporation and the highlights of the 2021 Audited Financial Statements of the Corporation, a summary of which follows:

The President & CEO presented the Financial Report and the Operations Report for 2021, with an opening statement that the Company has once again proven its drive to achieve stability and strength in the midst of the pandemic in the country that began in 2020 and continued to prevail.

He first discussed the key financial performance indicators of the Company, which continued to remain positive, among others: the Company is extremely liquid, with a current ratio of 1.29:1, and it maintains sound solvency ratios, with a debt-to-equity ratio of 189.11% and an asset-to-equity ratio of 289.11%.

On the 2020 Audited Consolidated Financial Statements, he reported that as of end-2021, total consolidated assets stood at Php 19.36 billion, Php 18.87 billion higher than the Php 482.86 million balance at the close of 2020. This increase in the 2021 balance was primarily due to the increases in the cash and cash equivalents of Php 1.68 billion, receivables of Php 8.9 billion, other current assets of Php 906.77 million, and property and equipment of Php 4.66 billion. There were also recognition of inventories and non-current assets held for sale in 2021 amounting to Php 1.17 billion and Php 1.16 billion respectively. The increases in the balances of the company consolidated assets as of the end of 2021 is primarily attributable to the consolidation of the financial results of Filoil Energy Company Inc. ("FECI") into the company's financial condition as a result of the company's acquisition of 60% ownership in FECI in December 2021.

Total liabilities stood at Php 12.66 billion as of end-2021, an increase of Php 12.64 billion from the balance of Php 25.24 million at the close of 2020, due to the consolidation of FECI's financial result in the company's financial condition resulting in increase in payables of Php 9.48 billion and recognition of loans payable of Php 2.21 billion, lease liability of Php 86.31 million and deferred tax liability of Php 847.02 million. Total equity settled at Php 6.7 billion in 2021 with equity attributable to equity holders of the parent company at Php 3.7 billion. Total equity as of the end of 2020. The increase in 2021 is due to the increases in capital stock of around Php 2.82 billion, additional paid-in capital of Php 310.92 million, retained earnings of Php 81.38 million

and equity attributable to non-controlling interest of Php 3 billion. The increase in capital stock and additional paid-in capital is primarily attributable to the investment of MAP 2000 Development Corporation (“M2DC”) into the Company for a 67% ownership interest.

Total revenues for the year 2021 amounted to Php 3.75 billion with cost of sales at Php 3.65 billion, resulting in a gross profit for the year of Php 90.7 million. Other income recognized for the year amounted to Php 185.46 million was composed primarily of gain on bargain purchase of Php 137.22 million, fair value adjustment on investment properties of Php 23.97 million, income from penalty on delayed payment of receivables of Php 9.91 million and interest income of Php 7.11 million. Total expenses amounted to Php 159.11 million, an increase of Php 78.83 million from the year-ago balance of Php 80.29 million. For the year ended 2021, the Company recorded a net operating income of Php 109.79 million, a turn-around of Php 173.14 million from the Php 63.45 million net operating loss recorded in 2020. The significant turn-around in the performance of the Company for the year ended 2021 is similarly attributable to the acquisition of the Company of 60% ownership in FECL.

At the end of 2021, the company’s stock, with a par value of Php 0.25, carried a book value of Php 0.25 per share. With the stock market’s affected in 2021 by the COVID-19 pandemic, the highest trading price for the Company’s shares for 2021 was reported at Php 2.15 per share.

At the end of the 2nd quarter of 2022, the Company had total consolidated assets of around Php28.07 billion, liabilities of Php21.12 billion, stockholder equity of around Php6.95 billion and current ratio of 1.16:1. Total revenues recognized for the 1st half of 2022 was around Php36.73 billion with cost of sales at around Php35.88 billion resulting in a gross profit of around Php851.21 million. Total net income for the 1st half of 2022 was around Php305.04 million and total comprehensive income was around Php253.2 million. At the end of the 2nd quarter of 2022, deficit decreased to Php32.07 million from Php132.41 million as of the end of 2021.

The Company for the first half of this year, had over 937.13 million shares traded, a highest trading price at Php0.62 per share and a lowest trading price at Php0.345 per share.

For the year 2021, no dividends were declared because your Company had been reporting net operating losses in previous years. Measures have, however, been in place, aimed at maintaining a consistent net operating income, so that the accumulated negative retained earnings of the Company can be addressed and eventually eliminated, and thereby allow the possibility of a declaration of dividends for shareholders in the foreseeable future.

Proceeding with the Operations Report, in 2020, the Company continued its venture for sound investments into the renewable energy sector and undertook measures to minimize its expenditures on its various geothermal, hydroelectric and natural gas service contracts.

The Company through its subsidiary Mabini Energy Corporation , was awarded by the Department of Energy last March 17, 2021, a service contract for its planned 50 megawatts wind project in Mabini, Batangas. The wind energy service contract provides a non-extensible 5-year pre-development stage and a 25 year development stage counted from contract signing.

Currently, the company is in the process of procuring services to conduct a Wind Resource Assessment (WRA) to determine the annual energy production that will dictate the total MV capacity of the wind power plant and location of the wind turbines. The services required to proceed with the WRA includes the permitting works, meteorological mast installation and data gathering, as well as a third-party project management. Optimistic for a positive outcome of the WRA, the Company is preparing to pursue investment-grade studies leading to the declaration of commerciality and financial close of the project.

The President proceeded to discuss the geothermal business of the Company. He mentioned that the Company has a retaining 20% participating interest in Iriga Geothermal Project located in Iriga, Camarines Sur, with DESCO as the partner. It is expected to drill the first exploratory well by the 4<sup>th</sup> quarter of this year, after the local and national permitting works have been obtained. With this first exploratory well, the geothermal reserve of the project will be assessed which will support the development of a geothermal field for a geothermal plant operation.

The Company is also into the development of a Green Energy E-Transport Program (GEEP), as an end-to-end renewable energy program to support the country's thrust to reduce dependence on foreign energy supply and respond to the requirements of Republic Act 11697, otherwise known as the Electric Vehicle Industry Development Act of the Philippines. The retail station's solarization program and the installation of e-charging facilities therein are designed as an integrated ecosystem supported by the synergy of the retail stations and E-transport operators. The energy resource for the e-charging facilities in the retail stations shall come from the retail stations' solar-powered installations backed by power wall batteries. Currently, pilot retail stations have already been identified. Basic Renewable Inc., a wholly owned subsidiary of the Company, is being positioned as the project company for this project.

Very recently, the Company consummated the assignment of the Company's 15% equity investments in Vintage EPC Co., Ltd. or VEPC and VTE International Construction Co., Ltd. or VINTER, to Meta Corporation. The assignment will cut the potential losses of the Company in these equity investments, and with other revenue earning investments and measures planned by the Company, the Company is poised to reflect a positive financial performance in the near term.

In exchange for the assignment of the Company's equity investments in VEPC and VINTER, the Company has acquired ownership of certain solar panels and PV connectors from a subsidiary of Meta Corporation. These solar equipment are intended to be used in the solarization and solar power projects of the Company that are in the pipeline, and as these solar equipment are already in the country, the acquisition will cut the importation process and thus will jumpstart the development of these solarization and solar power projects. With the current market value of the solar panels and PV connectors estimated at around Php210.4 million, your Company expects to fully recover its investment in VEPC and VINTER of around USD3.13 million.

The entry of MAP 2000 Development Corporation ("M2DC") into the Company as its new major shareholder resulted in a fresh capital infusion, that allowed the Company to continue with its current energy projects portfolio, but more so, it revived the Company's interest in the downstream oil and gas industry. The Company is cognizant of the need to address losses of past years and the importance of developing a rounded portfolio that is less skewed towards



projects with long gestation periods, and with M2DC at the helm, your Company acquired the capability and the resources, not only to grow its current renewable energy projects, but pursue as well investment opportunities, in the downstream oil and gas business and related logistic services.

At the end of 2021, the Company has invested in Filoil Energy Company Inc. ("FECl") for 60% ownership interest. FECl is the joint venture partner of Total Marketing Services ("TMS"), the Philippine subsidiary of Total France. This investment will give the Company an indirect ownership in the joint venture companies of FECl and TMS, namely (i) Filoil Logistics Company; (ii) Total Philippines; and, (iii) La Defense Filipinas Holdings Incorporated. With this investment in FECl, the Company has come full circle from its involvement in the downstream oil and gas sector during the 1980's, and will now be again involved in the downstream oil and gas sector as well as in the midstream oil and gas sector.

The actions taken by the Company, particularly with the measures taken to minimize the exposures in its geothermal service contracts and natural gas service contract, and the investment in the midstream and downstream oil and gas sector is in line with the strategies identified to bring the Company to profitability in the near future.

The President's report ended with optimism that Company will strive to remain sound even as it aggressively pursues further development of its projects.

The President & CEO reminded the body that a copy of the 2021 audited consolidated financial statements of the Corporation was attached to the 2022 SEC Form IS 20- Definitive Information Statement, which was posted in the Corporation's website and which also furnished to the Philippine Stock Exchange, and a copy can also requested from the Corporate Secretary, without any extra charge.

After the presentation of the aforementioned reports, the table was opened for questions and clarifications from the stockholders. There were eight (8) questions asked by stockholders on the reports presented, which are: a) Will the company be involved in the manufacturing and distribution of public utility EV's?; b) Will the commission charging station to serve the retail network charging points for the public EV market?; c) Has the company considered collaborating up with Elon Musk for EV venture?; d) Are there any institutional buyers for your shares?; e) Will the Company eventually institutionalize the shares?; f) Has the company forged partnerships already with the Big 3 for BSC solarization initiative?; g) Is it possible at year's end, BSC's retained earnings will become positive?. As to the first question, the President and CEO responded that the Company is not contemplating manufacturing and distribution of public utility EV's but as a follow up, the Mr. Poblete, Chief Operating Officer said that the Company is approached for possible dealership and at present the Company is in partnership with retail station for its solarization. On the last questions, the President & CEO advised that all business opportunities were looked into and none was ignored, and the minority shareholders will eventually benefit from the revenues that will be derived from the investments and projects of the Company.

There being no other questions raised, the appropriate motion was made, recognized and was duly seconded, and there being no objection thereto, the Chairman declared that the 2021 Annual Report to Stockholders, which was considered also as the report of the Board of Directors and Management, and the highlights of the 2021 Audited Financial Statements, were considered approved by the affirmative vote of all the stockholders represented or present in the

meeting owning a total of 10,663,058,333 shares, representing 74.99% of the total issued and outstanding capital stock of the Company.

## **VII. RATIFICATION OF ALL ACTS OF THE BOARD AND MANAGEMENT**

The Corporate Secretary advised the body that the list of resolutions and actions approved and adopted by the Board of Directors from the last stockholders meeting held in November 24, 2021 to July 28, 2022 were published in two newspapers of general circulation namely Manila Bulletin and Philippine Star for two consecutive days on August 9, 2022 and August 10, 2022.

A motion was submitted that with the approval of the 2021 Annual Report on the operations of the Corporation for the term 2021-2022, all acts done by the Board of Directors and Management for the term 2021-2022 be confirmed and ratified. Upon said motion, which was duly seconded and there being no objection thereto, the Chairman declared that all acts done by the Board of Directors and Management for the term 2021-2022 were considered confirmed and ratified by the affirmative vote of all the stockholders represented or present in the meeting owning a total of 10,663,058,333 shares, representing 74.99% of the total issued and outstanding capital stock of the Company.

## **VIII. ELECTION OF DIRECTORS**

Before the presentation of the nominees for election as members of the Board Directors, the Corporate Secretary, upon request of the Chairman, presented the following:

- a. The individual profiles of the nominees, which included their qualifications and relevant work and/or professional experiences, the length of service in the Company, the training and seminars and continuing education programs attended and their Board representations in other companies.

(In this regard, the Corporate Secretary reminded the body that the individual profiles of the nominees including the length of service in the Company, the training and seminars and continuing education programs attended and their Board representations in other companies can also be found in the 2022 SEC Form IS 20-Definitive Information Statement which was posted in the Company's website.)

- b. The 2022 Attendance Report of the current members of the Board of Directors covering attendance in Board and Committee meetings and the annual stockholders meeting during said periods, as follows:

1. Attendance in Board meetings: (Out of 8 meetings in November 2021-July 2022)

Ramon F. Villavicencio- 7 meetings  
Manuel Z. Gonzalez -7 meetings  
Oscar L. de Venecia, Jr.-8 meetings  
Beatrice Jane L. Ang- 8 meetings  
Ramon J. Mapa-8 meetings  
Jaime J. Martirez-8 meetings  
Supasit Pokinjaruras-5 meetings  
Andres B. Reyes-8 meetings  
Kim S.Jacinto-Henares-8  
Maria Geraldine L. Oquias-8 meetings

Reynaldo D. Gamboa -8 meetings

- 2. Attendance in Committee Meetings- all members of the different Committees attended their respective Committee meetings in 2021.
- 3. Attendance in the 2021 Stockholders Meeting – all directors attended the meeting.
- c. The Corporate Governance Committee has adopted a Performance Evaluation Self Rating Form to evaluate the level of compliance by the Board, the Board Committees and the individual members of the Board, in compliance with the Company’s Manual on Corporate Governance and the Code of Corporate Governance for Publicly Listed Companies. The criteria adopted covers performance in the following areas: For the Board of Directors:1) the Board structure; 2) the duties and responsibilities of the Board, and 3) Board Meetings; the performance of the Board Committees and the performance of the duties and responsibilities of the individual directors. The performance evaluation for 2021-2022 was conducted by the members of the Board last July 26, 2022, with an over-all rating of “Mostly Satisfactory.”.
- d. On the directors’ compensation report for 2022, the Corporate Secretary reported that directors do not receive compensation from the Company and that the directors receive per diems for attendance at Board meetings and Board Committee meetings. The compensation report was presented in the format prescribed by SEC, and since directors do not receive compensation, only the compensation of officers were presented, as follows:

NAME/POSITION	FISCAL YEAR	SALARIES	BONUSES	OTHER COMPENSATION
<b>Oscar L. de Venecia, Jr.</b> President & COO <b>Corazon M. Bejasa</b> VP & Corporate Secretary <b>Alberto P. Morillo</b> VP-Operations <b>Alain S. Pangan</b> VP-Finance				
<b>Total</b>	2022	11,853,306 (estimated)	987,775 (estimated)	None
	2021	9,693,940	1,641,696	none
	2020	10,271,666	1,603,173	none
<b>All Other Officers as a Group Unnamed</b>	2022	708,435 (estimated)	59,036 (estimated)	none
	2021	677,927	106,489	none
	2022	663,761	107,608	none

- e. The related party transaction with Filoil Energy Corporation was presented and with META on the assignment of BSC 15% equity investments in Vintage EPC Company Limited (VEPC) and VTE International Construction Company, in exchange for the acquisition of 63, 450 units of PV modules (solar panels) and 4,250 sets of PV connectors.

It was also reported that there were no self-dealing transactions reported for 2021- 2022 and up to the present.

After the above presentations of the Corporate Secretary, he reported that there are (11) directors will be elected. The Chairman proceeded with the election of the eleven (11) Directors for the ensuing year, 2022-2023. He reported to the body that in compliance with the Corporation's Manual on Corporate Governance, the Nominating Committee endorsed to the Board the nomination of the following nominees as members of the Board of Directors of the Corporation for the term 2022-2023, and the Board of Directors approved the nominations, as follows:

1. Ramon F. Villavicencio
2. Manuel Z. Gonzalez.
3. Oscar L. de Venecia, Jr.
4. Beatrice Jane L. Ang
5. Ramon L. Mapa
6. Jaime J. Martinez
7. Maria Rosette Geraldine L. Oquias
8. Supasit Pokinjaruras
9. Reynaldo D. Gamboa as Independent Director
10. Kim S. Jacinto-Henares as Independent Director, and
11. Andres B. Reyes, Jr as Independent Director.

Upon motion, which was duly seconded, and there being no objection thereto, the Chairman dispensed with the balloting of votes for the election of the Directors of the Corporation considering that there were only 11 nominees for the 11 seats in the Board. As directed by the Chairman, the Corporate Secretary cast all the votes of the stockholders present or represented in this meeting owning a total of 10,633,058,333 shares, representing 74.99% of the total issued and outstanding capital stock of the Company, in favor of the election of the aforementioned 11 nominees as directors of the Corporation for the term 2022-2023. Thereafter, the Chairman declared all the aforementioned 10 nominees as elected Directors of the Corporation for the term 2022-2023.

#### **IX. AMENDMENTS TO THE AMENDED ARTICLES OF INCORPORATION AND AMENDED BY-LAWS**

The Corporate Secretary presented the proposed amendments to the Amended Articles of Incorporation as follows:

Proposed Amendments to Article Third of the Amended Articles to change the principal office address of the Corporation from Makati City to Mandaluyong City

Present Article Third - "That the place where the principal office of the Corporation is to be established or located is at 104 Carlos Palanca , Jr. St., Legaspi Village, Makati City."

Proposed Article Third- "That the place where the principal office of the Corporation is to be located is at the GM Building, Florida St., Greenhills East, Barangay Wack Wack, Mandaluyong City"

Thereafter the Corporate Secretary presented the proposed amendments to the Amended By-Laws of the company as follows:

Proposed Amendments to Article I of the Amended By-Laws 1.

1. A new paragraph is proposed to be added to Section 3 of Article 1 of the Amended By-laws on Notice of Meetings, to read as follows:

“A stockholder who cannot physically attend any meeting of stockholders may participate in such meeting through remote communications or other alternative mode of communication. The stockholder concerned shall notify the Corporate Secretary of his intention to participate in the meeting via remote communication, within three (3) business days prior to the meeting and the Corporate Secretary shall note such fact in the minutes of the meeting.”

2. A new paragraph is proposed to be added to Section 5 of Article 1 of the Amended By-laws, on Voting at Stockholders Meetings, to read as follows:

“In the election of directors of the Corporation, the stockholders may vote through remote communication.”

3. A new paragraph is proposed to be added to Section 6 of Article 1 of the Amended By-laws, on Quorum at Stockholders Meetings, to read as follows:

“A stockholder who participate in the meetings of the stockholders through remote communication shall be deemed present for purposes of quorum at said meetings.”

4. Proposed Amendment to Article VIII of the Amended By-Laws on the Corporate Seal:

“Resolved, that upon approval of the change in the principal office address of the Corporation by the Stockholders, Article VIII on the Corporate Seal of the Corporation shall be changed to to read as follows: “BASIC ENERGY CORPORATION; SEC Reg. No. 36359; 1968; MANDALUYONG CITY

A motion was submitted for the approval of the proposed amendments to Article III moving the principal office address of the Company to GM Building, Wack Wack, Mandaluyong City and to Article 1 of the Amended By-Laws of the Company on the participation, voting and attendance of stockholders in stockholders meeting via remote communication and to Article VIII of the Amended By-Laws as to the update the principal address of the Company in the Company’s corporate seal. Upon said motion, which was duly seconded and there being no objection thereto, the Chairman declared that proposed amendments to Article III of the Articles of Incorporation and Article 1 and Article VIII of the Amended By-Laws approved by the affirmative vote of 2/3 of all the stockholders represented or present in the meeting owning a total of 10,663,058,333 shares, representing 74.99% of the total issued and outstanding capital stock of the Company.

## **X. RATIFICATION OF ISSUANCE OF SHARES**

The Chairman requested the Corporate Secretary to present the ratification of the issuance of the private placements shares in 2007 and the shares of M2DC in 2021.

The Corporate Secretary as a way of background, presented to the stockholders the Philippine Stock Exchange listing rules which require the approval of stockholders of issuance of shares consisting of more than 10% of the issued and outstanding shares of a listed company. He then presented the following shares which represented more than 10% of the issued and outstanding shares at the time of shares were issued which are submitted for ratification, as follows:

- a. The 990,000,000 shares which were issued as part of the increase of the Company in 2007 from Php 500 Million to Php 2.5 Billion; and
- b. The 9,827,990,853 shares of MAP 2000 Development Corporation or M2DC which were issued in connection with the capital increase of the Company in 2021 from Php 2.5 Billion to Php 5.0 Billion.

A motion was submitted for the ratification of the issuance of the private placement shares in 2007 and the shares of M2DC in 2021 be confirmed and ratified. Upon said motion, which was duly seconded and there being no objection thereto, the issuance of the private placement shares in 2007 and the shares of M2DC in 2021 were considered confirmed and ratified by the affirmative vote of all the stockholders represented or present in the meeting owning a total of 10,663,058,333 shares, representing 74.99% of the total issued and outstanding capital stock of the Company.

## **XI. APPOINTMENT OF EXTERNAL AUDITORS**

The Vice President for Finance, Mr. Alain S. Pangan, presented a brief background and the credentials of Reyes Tacandong & Co., its management and the auditors who will be designated as the engagement partners for the Company. He also reported on the audit fees paid to Reyes Tacandong & Co. for the external audit of the financial statements of the Corporation for the year ended 2022. He also reported that no non-audit work was requested from Reyes Tacandong & Co. for 2022, hence, no fees for non-audit work was paid to Reyes Tacandong & Co.

The Chairman mentioned that the Board of Directors of the Corporation, upon recommendation of the Audit Committee, nominated Reyes Tacandong & Co. with Mr. Joseph C. Bilangilin and Mr. Manuel P. Buensuceso as the engagement partners, as External Auditors for the 2021 financial statements of the Company.

Upon motion for the said nomination of Reyes Tacandong & Co., which was duly seconded, and there being no objection thereto, the Chairman considered the appointment of Reyes Tacandong & Co. as the External Auditors of the Company for the financial statements for the fiscal year ending December 31, 2022, as recommended by the Audit Committee and the Board of Directors, as approved by the affirmative vote of the stockholders present or represented in this meeting owning a total of 10,663,058,333 shares, which represent 74.99% of the total issued and outstanding capital stock of the Company.

## **X. ADJOURNMENT**

Before the adjournment of the meeting, the Chairman then expressed his gratitude to all the stockholders present and represented in the meeting for their time and effort in attending the annual stockholders' meeting.

There being no other matters in the agenda, upon motion to adjourn, which was duly seconded, the Chairman adjourned the Corporation's 2022 Annual Stockholders' Meeting.

**CERTIFIED CORRECT:**

**Angel P. Gahol**  
Corporate secretary

**ATTESTED BY:**

**RAMON F. VILLAVICENCIO**  
Chairman of the Annual Stockholders Meeting

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