

**A. Minutes of the Annual Meeting of Shareholders held on 12 October 2019**

**I. Call to Order**

The Chairman, Vicente R. Santos, called the meeting to order at approximately 10 o'clock in the morning.

After welcoming the attendees, Mr. Santos asked the Corporate Secretary, Mr. Exquiel D. Robles, to take the minutes of the meeting.

**II. Proof of Notice**

Mr. Robles certified that individual notices for the meeting were duly sent to all shareholders of record pursuant to and in accordance with requirements of the By-Laws of the Club.

**III. Proof of Quorum**

Upon inquiry by Mr. Santos, Mr. Robles certified that shareholders representing more than two-thirds of the authorized capital stock of the Club were present or represented in the meeting, and that there was therefore a quorum to transact business, including the amendment of the Club's Articles of Incorporation and By-Laws, and the election of directors.

**IV. Reading and Approval of the Minutes of the 2018 Annual Meeting of Shareholders**

As the Chairman proceeded to the next item on the agenda, a motion was duly made and seconded, that the reading of the minutes of the Annual Meeting of Shareholders held on 13 October 2018 be dispensed with considering that copies thereof have been distributed to all of the Club's shareholders prior to the meeting. The motion was duly approved without any objection.

On further motion, which was likewise duly seconded, the minutes of the Annual Meeting of Shareholders held on 13 October 2018 was approved as presented.

**V. President's and Management's Reports**

The President, Mr. Conrado L. Benitez II, presented his report. He mentioned that the Supreme Court has ruled that dues contributed by members to a non-profit corporation, such as the Club, are not subject to VAT. Mr. Benitez said the ruling was a welcome development in the Club's ongoing tax protest against the imposition by the Bureau of Internal Revenue of VAT on monthly membership dues, which was then still pending with the Court of Tax Appeals. Thus, the Club has ceased to collect VAT from its members.

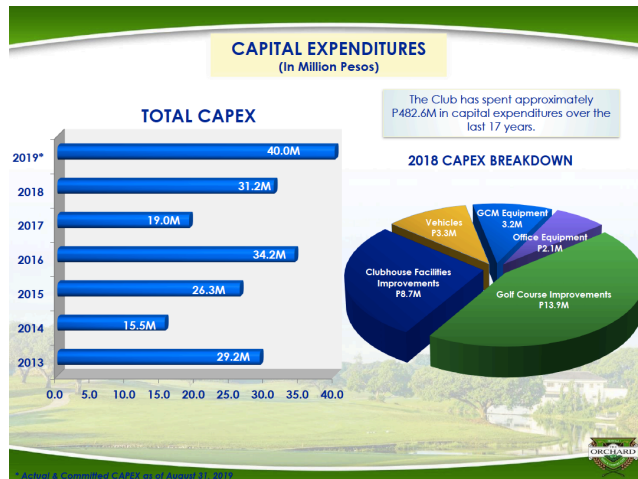
Mr. Benitez also expressed regret over the passing of Messrs. Josemarte Paras and Ignacio Vitalis, both of whom were cherished members of the Club.

Thereafter, the General Manager, Mr. Jose Ernilo P. Famy, delivered his report.

Mr. Famy first presented comparative summary of revenues, capital expenditures and balance sheet for 2018, 2017 and 2016, as follows:

**THE ORCHARD GOLF & COUNTRY CLUB**  
**INCOME STATEMENT**  
**COMPARATIVE SUMMARY FOR YEARS ENDED DECEMBER 31, 2018, 2017 AND 2016**

	2018	2017	2016
<b>REVENUES</b>			
Maintenance Dues	120,774,500	124,578,927	125,169,385
Transfer Fees	11,030,160	14,140,080	10,981,481
Playing Rights	2,718,943	3,825,000	1,725,000
Total	134,523,603	142,544,007	137,875,866
Golf Operations	82,989,697	81,516,084	77,251,926
Sports Facilities Fees	4,769,309	4,032,731	3,019,196
Facilities Rental	5,205,022	4,565,600	3,258,797
Other Income	10,688,261	11,130,662	10,966,534
Total	103,652,289	101,245,077	94,496,453
<b>TOTAL REVENUES</b>	<b>238,175,892</b>	<b>243,789,084</b>	<b>232,372,319</b>
<b>OPERATING EXPENSES</b>	<b>246,361,939</b>	<b>246,335,050</b>	<b>233,661,254</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>8,186,047</b>	<b>2,545,966</b>	<b>1,288,935</b>
PROVISION FOR CURRENT INCOME TAX	1,892,645	1,930,987	-
<b>NET LOSS</b>	<b>10,078,692</b>	<b>4,476,953</b>	<b>1,288,935</b>



**THE ORCHARD GOLF & COUNTRY CLUB**  
**STATEMENT OF FINANCIAL POSITION**  
**COMPARATIVE SUMMARY FOR YEARS ENDED DECEMBER 31, 2018, 2017 AND 2016**

	2018	2017	2016
<b>ASSETS</b>			
CURRENT	75,888,030	82,921,835	77,400,867
NON-CURRENT	6,704,118,088	5,170,096,752	5,187,613,857
<b>TOTAL</b>	<b>6,780,006,118</b>	<b>5,253,018,587</b>	<b>5,265,014,724</b>
<b>LIABILITIES</b>			
CURRENT	70,073,753	65,365,397	53,618,566
NON-CURRENT	1,842,306,684	1,386,530,714	1,408,632,717
<b>TOTAL</b>	<b>1,912,380,437</b>	<b>1,451,896,111</b>	<b>1,462,251,283</b>
<b>SHAREHOLDERS EQUITY</b>	<b>4,867,625,381</b>	<b>3,801,122,476</b>	<b>3,802,763,441</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS EQUITY</b>	<b>6,780,005,818</b>	<b>5,253,018,587</b>	<b>5,265,014,724</b>
<b>CURRENT RATIO</b>	<b>1.08</b>	<b>1.27</b>	<b>1.44</b>
<b>DEBT-TO-EQUITY RATIO</b>	<b>0.39</b>	<b>0.38</b>	<b>0.38</b>
<b>SHARE VALUE (in millions)</b>	<b>1.824</b>	<b>1.425</b>	<b>1.422</b>

Mr. Famy then presented the following summary of the Club's income statement for the period ended 31 August 2019 and 31 August 2018:

### THE ORCHARD GOLF & COUNTRY CLUB INCOME STATEMENT COMPARATIVE SUMMARY FOR PERIOD ENDED AUGUST 31

	2019 YTD ACTUAL	2019 YTD BUDGET	VARIANCE	2018 YTD ACTUAL	CHANGE
Revenues	217,975	219,132	(1,157)	206,730	11,245
Expenses	196,151	199,636	3,485	179,713	16,438
Gross Profit	21,824	19,496	2,328	27,017	(5,193)
Depreciation	28,925	27,187	(1,738)	24,135	4,790
Net Income (Loss)	(7,101)	(7,691)	590	2,882	(9,983)

\* Amounts are in thousands.

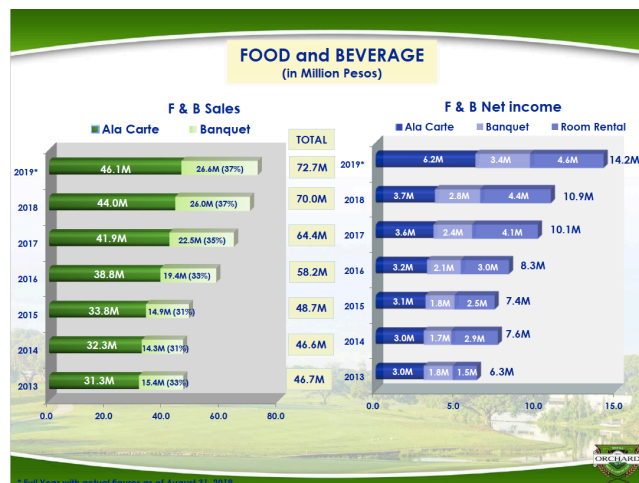
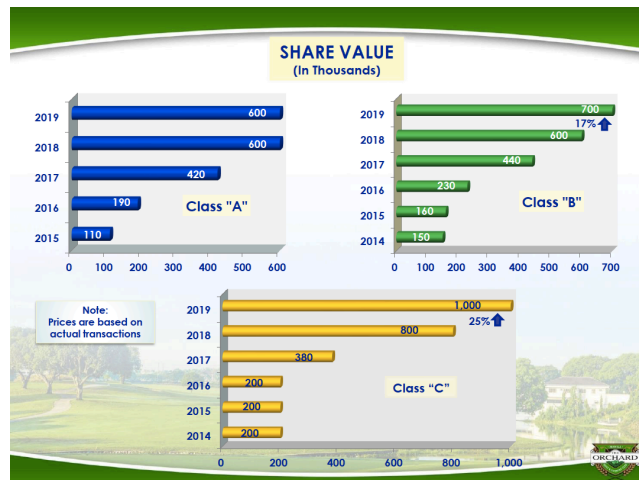
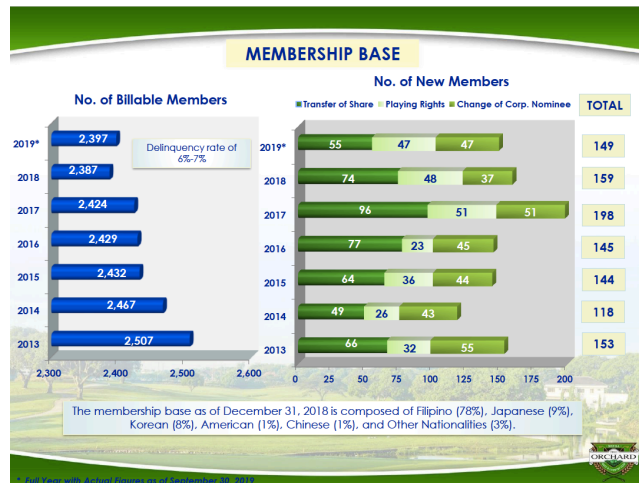
Thereafter, Mr. Famy presented the total number of golf rounds registered by the golf industry for the full year of 2019, compared to the figures recorded in 2018, as well as the number of tournaments held at the Club for the past seven (7) years:

### THE ORCHARD GOLF & COUNTRY CLUB GOLF ROUNDS SURVEY

FY RANK	CLUB	2018 FULL YEAR				YTD RANK	CLUB	2019 YTD (As of August 31, 2019)			
		ROUNDS	GUEST RATIO	MONTHLY AVE.	MO. AVE. PER COURSE			ROUNDS	GUEST RATIO	MONTHLY AVE.	MO. AVE. PER COURSE
1	Eagle Ridge	108,962	43%	9,080	2,270	1	Eagle Ridge	75,612	41%	9,452	2,363
2	The Orchard	90,095	30%	7,508	3,754	2	The Orchard	61,435	29%	7,679	3,840
3	Southwoods	78,952	30%	6,579	3,290	3	Southwoods	60,114	29%	7,514	3,757
4	Riviera	78,727	23%	6,561	3,280	4	Riviera	59,685	29%	7,461	3,730
5	Valley Golf	74,628	30%	6,219	3,110	5	Valley Golf	52,592	32%	6,574	3,287
6	Wack Wack	64,419	35%	5,368	2,684	6	Wack Wack	39,922	32%	4,990	2,495
7	Canlubang	53,360	57%	4,447	2,223	7	Canlubang	37,238	57%	4,655	2,327
8	Sta. Elena	49,801	31%	4,150	2,767	8	Sta. Elena	34,448	33%	4,306	2,871
9	T. Midlands	38,477	53%	3,206	2,138	9	Sherwood	26,644	77%	3,331	3,331
10	Sherwood	37,771	77%	3,148	3,148	10	Alabang	24,381	13%	3,048	3,048
11	Splendido	35,162	86%	2,930	1,465	11	Splendido	23,716	82%	2,965	2,965
12	Alabang	29,091	9%	2,424	2,424	12	T. Midlands	22,167	50%	2,771	1,847
13	T. Highlands	22,154	57%	1,846	1,846	13	T. Highlands	18,610	59%	2,326	2,326



Mr. Famy concluded his report by presenting the Club's membership base, share value, F&B sales, and manpower complement:



MANPOWER COMPLEMENT					
DEPARTMENT	2019*	2018	2017	2016	2015
Golf Operations	35	36	24	32	32
Finance	18	19	18	18	17
Agronomy	-	1	15	17	17
Engineering	12	10	5	8	8
Membership	4	4	1	3	3
Marketing	4	4	5	5	3
HR	6	6	6	5	4
Sports	4	3	3	6	6
QEC	4	3	-	-	-
Administration	6	3	3	6	6
Locker	5	4	2	3	4
MIS	4	5	4	3	4
Purchasing	4	3	3	3	3
Executive	3	3	2	2	2
Internal Audit	1	2	3	3	3
<b>TOTAL REGULAR EMPLOYEES</b>	<b>110</b>	<b>106</b>	<b>94</b>	<b>114</b>	<b>112</b>
<b>TOTAL PROBATIONARY EMPLOYEES</b>	<b>16</b>	<b>17</b>	<b>21</b>	<b>12</b>	<b>6</b>
<b>TOTAL OUTSOURCED STAFF</b>	<b>195</b>	<b>161</b>	<b>171</b>	<b>155</b>	<b>161</b>
<b>TOTAL</b>	<b>321</b>	<b>284</b>	<b>286</b>	<b>281</b>	<b>279</b>

OUTSOURCED STAFF					
DEPARTMENT	2019*	2018	2017	2016	2015
GolfForce **	114	57	54	49	49
Security	47	60	39	39	39
Office	-	-	34	25	31
Janitorial	34	35	30	29	29
Landscape	-	9	9	8	8
Driver	-	-	4	4	4
On-call Nurse	-	-	1	1	1
<b>TOTAL</b>	<b>195</b>	<b>161</b>	<b>171</b>	<b>155</b>	<b>161</b>

\*As of August 31, 2019  
\*\* Started August 01, 2018

After Mr. Famy concluded his report, Mr. Santos asked the attendees if there was any question about the reports.

#### VI. APPROVAL OF AMENDMENTS TO BY-LAWS

The proposed amendment to Section 1, Article XV of the By-Laws was explained by the Club's external counsel, Atty. Jon P. Alamis. He said the proposal seeks to modify the votes required for the Board of Directors to impose disciplinary action on a member found to have violated the rules and regulations of the Club. Mr. Benitez further said that, if the amendment is approved, disciplinary action may be imposed by at least a majority of the directors present at a meeting, instead of the unanimous vote of all directors present at such meeting.

After asking to be heard and being recognized by the Chairman, Mr. Julio Manalo opined that, while a unanimous vote may seem impractical, reducing the required vote to a majority of the directors in attendance could mean that disciplinary action may be imposed by only three (3) directors, which constitute a majority of the quorum of four (4) directors. Thus, he suggested that the proposed amendment be modified to require the vote of at least five (5) directors. The suggestion was seconded and was supported by other minority shareholders in attendance.

The incumbent directors then conferred and held a meeting, at which a quorum was present and acting throughout, and resolved to favorably act on the motion of Mr. Manalo. With the approval of shareholders holding at least two-thirds of the outstanding capital stock of the Club, the proposed amendment to Section 1, Article XV of the By-Laws was approved as modified.

#### VII. APPROVAL OF AMENDMENTS TO ARTICLES OF INCORPORATION

Mr. Santos then asked Atty. Alamis to briefly explain the proposed amendment to Article IV of the Club's Articles of Incorporation. Atty. Alamis said that, with the passage of the Revised Corporation Code, the fifty-year limit to the term of corporations has been lifted, and corporations may now exist in perpetuity. He added that, while corporations incorporated prior to the effectivity of the Revised Corporation Code are granted perpetual existence, the Board of Directors have resolved to make the Club's perpetual term explicit in its Articles of Incorporation.

On motion duly made and seconded, shareholders representing at least two-thirds of the outstanding capital stock of the Club approved the proposed amendment to Article IV of the Club's Articles of Incorporation.

VIII. APPOINTMENT OF EXTERNAL AUDITOR

On motion duly made and seconded, the auditing firm of Sycip Gorres Velayo & Co. ("SGV") was elected as the external auditor of the Club.

IX. RATIFICATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS

Mr. Santos proceeded to the next item on the agenda, which was the approval and/or ratification of the acts of the Board of Directors and Management. On motion duly made and seconded, and there being no objection, the acts and resolutions of the Board of Directors and Management from the Annual Meeting of Shareholders on 13 October 2018 until the present meeting were duly approved and ratified.

X. ELECTION OF DIRECTORS

Mr. Santos recognized and gave the floor to the Chairman of the Election Committee, Atty. Elpidio C. Jamora.

Since the guidelines for the conduct of the election of directors and for the appreciation of ballots have been distributed to all shareholders of record prior to the meeting, Atty. Jamora, with the consent of the other members of the Election Committee and the shareholders in attendance, dispensed with the reading of the said guidelines.

Atty. Jamora also said that the casting of votes has been closed, and that, assisted by the secretariat and SGV, the Election Committee has begun canvassing the votes. Thus, he requested Mr. Santos for a recess until the canvassing of votes is completed. Whereupon, Mr. Santos declared a recess and invited all the attendees to partake of the food prepared by the Club, and announced that the meeting will be reconvened as soon as all the votes have been canvassed.

After all the votes have been canvassed, Mr. Santos reconvened the meeting and requested the Election Committee to present the results of the election. After tabulating the votes, Atty. Jamora announced and declared the following candidates to have obtained the highest number of votes:

- (a) Mr. Exequiel D. Robles
- (b) Vicente R. Santos
- (c) Mr. Conrado L. Benitez II
- (d) Mr. Henry Cua Loping
- (e) Mr. Tomas Julio A. Benitez
- (f) Atty. Jose P. Crisostomo, Jr.
- (g) Mr. Jose S. Gonzales

After congratulating all the winning candidates, Mr. Santos declared that there were no other matters to be considered and taken up in the meeting.

XI. ADJOURNMENT

On motion duly made and seconded, Mr. Santos thanked the attendees for their participation, and adjourned the meeting.

**B. Summary of Resolutions of Board of Directors from 2019 Annual Meeting of Shareholders**

1. Organizational Meeting on 5 November 2019

(a) Election of Officers

Vicente R. Santos	-	Chairman
Conrado L. Benitez II	-	President & CEO
Henry Cua Loping	-	Treasurer
Exequiel D. Robles	-	Corporate Secretary
Mariza Santos-Tan	-	Compliance Officer & First Asst. Corp. Secretary
Jon P. Alamis	-	Asst. Compliance Officer & Second Asst. Corp. Secretary

(b) Election of Committee Chairmen

Membership Committee	-	Vicente R. Santos & Tomas Julio A. Benitez
House Committee	-	Jose P. Crisostomo, Jr. and Jose S. Gonzales
Maintenance Committee	-	Conrado L. Benitez II and Jose S. Gonzales
HR Committee	-	Conrado L. Benitez II
Sports & Games Committee	-	Tomas Julio A. Benitez
Legal & Legislative Committee	-	Jose P. Crisostomo, Jr.
Audit Committee	-	Jose P. Crisostomo, Jr.
Compensation Committee	-	Henry Cua Loping
Corp. Governance Committee	-	Jose P. Crisostomo, Jr.
Nomination Committee	-	Jose P. Crisostomo, Jr.

2. Regular Meeting on 5 November 2019

(a) Approval of Minutes of Regular Meeting on 4 September 2019

(b) Approval of Membership Applications

(c) Authority to Update BIR Registration as non-VAT taxpayer

(d) Authority for General Information Sheet

(e) Authority to offer one (1) each of class "A", "B" and "C" shares for sale at the minimum prices of PhP 750,000.00, PhP 850,000.00, and PhP 1,300,000.00, respectively.

(f) Management Reports

- Golf Operations (Golf Rounds and Trends, Golf Tournaments, Golf Round Survey, Golfing Industry Rounds, Guest Ratio Leaders, and Market Share)
- Food and Beverage
- Membership Relations (Membership Revenue, Membership Base, and Market Value Update)

- (g) Financial Reports
  - Operating Results (Golf Operations and Maintenance, Food and Beverage, Membership, and Net Operating Cash Flow)
  - Balance Sheet (Assets, Liabilities and Members' Equity)
- (h) Other Matters
  - Members without Stock Certificates
  - Update on 23<sup>rd</sup> Founders Cup and Grand Raffle
  - Membership Incidents and Concerns

### 3. Regular Meeting on 10 December 2019

- (a) Approval of Minutes of Organizational and Regular Meetings on 5 November 2019
- (b) Approval of Membership applications
- (c) Permanent Ban on Ed Favila
- (d) Allocation for performance bonuses to regular employees and cash gifts to selected performing contractual employees
- (e) Management Reports
  - Golf Operations (Golf Rounds and Trends, Golf Tournaments, Golf Round Survey, Golfing Industry Rounds, Guest Ratio Leaders, and Market Share)
  - Food and Beverage
  - Membership Relations (Membership Revenue, Membership Base)
- (f) Financial Reports
  - Operating Results (Golf Operations and Maintenance, Food and Beverage, Membership, and Net Operating Cash Flow)
  - Balance Sheet (Assets, Liabilities and Members' Equity)
- (g) Audit Committee Report
  - Internal Audit of Purchasing Department
- (h) Other Matters
  - House Committee Matters
  - 2020 to 2024 Operating Budget
  - Report on 23<sup>rd</sup> Founders Cup and Grand Raffle
  - Golf Course Conditions Survey
  - Transfer of Vehicle

### 4. Regular Meeting on 26 February 2020

- (a) Approval of Minutes of Regular Meeting on 10 December 2019
- (b) Approval of Membership Applications;
- (c) Management Reports



- Golf Operations (Golf Rounds and Trends, Golf Tournaments, Golf Round Survey, Golfing Industry Rounds, Guest Ratio Leaders, Market Share, and Survey of Impact of Taal Volcano Eruption)
- Food and Beverage
- Membership Relations (Membership Revenue, Membership Base, Membership Demographics)
- (d) Financial Reports
  - Operating Results (Golf Operations and Maintenance, Food and Beverage, Membership, and Net Operating Cash Flow)
  - Balance Sheet (Assets, Liabilities and Members' Equity)
- (e) Other Matters
  - Installation of Submeters
  - House Committee Matters (Franklin Sia, Ricardo Chan, Joseph Ferrer, Jose Esplana, Emerson Santos, Jose Cura)
  - US Golf Business Conference
  - Preliminary Financial Statements
  - NWRB Water Permit Application
  - Transfer of Shares
  - BIR and ANPC Case Updates
  - Request to SLRDI to Ban Ed Favila
  - General Purchasing Authority

5. Regular Meeting on 8 May 2020

- (a) Election of Replacement Director
- (b) Election of President & CEO
- (c) Extension of Payment for Membership Dues
- (d) Revised Safety Protocols
- (e) New Bank Signatories
- (f) Compromise Agreement with Bienvenido Cerbo

6. Regular Meeting on 23 June 2020

- (a) Approval of Minutes of Regular Meeting on 8 May 2020
- (b) Approval of Membership Applications
- (c) Management Reports
  - Golf Operations (Golf Rounds and Trends, Golf Tournaments, Golf Round Survey, Golfing Industry Rounds, Guest Ratio Leaders, Market Share, and Special Assessment during Pandemic)
  - Food and Beverage
  - Membership Relations (Membership Revenue and Membership Base)

- (d) Financial Reports
  - Operating Results (Golf Operations and Maintenance, Food and Beverage, Membership, and Net Operating Cash Flow)
  - Balance Sheet (Assets, Liabilities and Members' Equity)
- (e) Other Matters
  - Go, et. al. v. The Orchard Golf & Country Club, Inc., et. al.
  - House Committee Matters (Jose Maria Cajucom and Jose S. Gonzales)
  - 2020 Audited Financial Statements
  - 2020 Full-Year Adjusted Income Statement
  - Postponement of Annual Meeting of Shareholders
  - GCash Application
  - Transfer of Vehicle