

THE ORCHARD GOLF & COUNTRY CLUB, INC.

Minutes of the Annual Shareholders' Meeting and Election of Directors  
Held via Remote Communication through Videoconferencing and Live Streaming  
On 8 October 2022

<i>Total Number of Shares Present or Represented</i>	2,239
<i>Total Number of Shares Issued and Outstanding</i>	3,000
<i>Total Number of Shares Entitled to Vote</i>	<i>Shares in Figures</i>

I. INTRODUCTION

In light of the persisting threat of the COVID-19 pandemic, the Club has again decided to hold the 2022 Annual Shareholders' Meeting and Election of Directors via remote communication through videoconferencing and live streaming, pursuant to SEC Memorandum Circular No. 6, series of 2020.

The moderator informed all attendees that the Club's Remote Communication Guidelines, Election Guidelines, the Minutes of the 2021 Annual Shareholders' Meeting, and the reports for the preceding year, have all been posted on the Club's website and are all available for downloading.

Finally, the moderator reminded all attendees of the following matters:

- (a) By default, all participants shall be on mute;
- (b) The meeting shall be recorded for documentation purposes;
- (c) Participants may send their questions via Zoom chat box, which shall be answered later in the program; and
- (d) Due to time constraints, only ten (10) unique questions sent via email and another ten (10) questions sent via Zoom chat box will be answered. Questions received but cannot be read and answered during the meeting will be answered by the Club through email as soon as possible.

After a short invocation and the singing of the national anthem, the moderator introduced the incumbent Chairman, Mr. Vicente R. Santos.

II. CALL TO ORDER

Mr. Vicente R. Santos called the meeting to order at approximately ten o'clock in the morning. After introducing the members of the Board and the officers in attendance, Mr. Santos requested the Corporate Secretary, Mr. Exequiel D. Robles, to take the minutes of the meeting.

III. PROOF OF NOTICE

Mr. Robles certified that individual notices for the meeting were duly sent to all shareholders of record by electronic mail and special courier, in accordance with the requirements of the Club's By-laws and applicable regulations.

Mr. Robles likewise certified that the Definitive Information Statement for the year 2022 including its annexes, namely, the Audited Financial Statements for 2021, SEC Form 17-Q or the Quarterly Report as of 30 June 2022, Management Report, Summary of the 2021 Annual Shareholders'

Meeting, the duly signed Notice of the 2022 Annual Shareholders' Meeting, Proxy Form, Certificates of the Independent Directors, and the Internal Procedure for the Remote Communication Guidelines as approved by the Securities and Exchange Commission have been uploaded to the Club's website and made available for downloading by the Club's shareholders.

#### IV. PROOF OF QUORUM

When asked by Mr. Santos whether a quorum for the Annual Shareholders' Meeting has been met, Mr. Robles certified that a total of **nineteen (19)** accomplished and registered proxies have been received, and **two thousand two hundred twenty (2,220)** members have registered collectively by email, special courier, the Viber App, and Facebook Messenger App, for a total of **two thousand two hundred thirty-nine (2,239)** shares. Thus, considering that at least a majority of the outstanding capital stock of the Club were present or represented, there was a quorum to transact business, to elect new directors, and to amend the By-laws of the Club.

#### V. READING AND APPROVAL OF THE MINUTES OF THE 2021 ANNUAL SHAREHOLDERS' MEETING

As Mr. Santos proceeded to the next item on the agenda, a motion was made asking that the reading of the minutes of the Annual Shareholders' Meeting held on 9 October 2021 be dispensed with, considering that copies thereof have been distributed to all the Club's shareholders prior to the meeting.

With the motion having been duly seconded, and there being no objection thereto, the same was approved, and the reading of the minutes of the previous year's meeting was dispensed with.

On further motion, which was likewise duly seconded, the minutes of the Annual Shareholders' Meeting held on 9 October 2021 was approved as presented.

#### VI. VIDEO PRESENTATION

Mr. Santos then paused the proceeding to give way to a video presentation prepared by management which showed the year that was for the Club.

#### VII. REPORTS OF THE PRESIDENT AND THE GENERAL MANAGER

Thereafter, the President & CEO, Mr. Tomas Julio A. Benitez, warmly welcomed the Club's members, incumbent directors, shareholders, valued stakeholders, managers and employees to the 2022 Annual Shareholders' Meeting.

Mr. Benitez reported that the year had slowly restored the Club and the industry in general back to its feet. Due to the high levels of vaccination and herd immunity in the country, the national government has decided to relax restrictions which proved beneficial to the Club. He proudly reported that the Club had been implementing its safety measures and protocols which made its members and dependents confident to enjoy the Club's facilities. Thus, the Club's average rounds played and non-golf sports area usage had been higher than pre-pandemic levels.

Mr. Benitez also reported that, despite high inflation and other challenges experienced by the economy, the Club's share values have risen dramatically which almost doubled the share values in 2019. Due to the growth in population and more people are influenced by the popularity of the sport,

the demand for quality golf clubs have grown. In this connection, the demand in the Club's shares were indicative of the value that the members derive from the Club. Thus, as the Club continues in improving the total experience in terms of quality golf courses, facilities and service, the demand for the Club's shares will continue to be positive.

Mr. Benitez proudly reported that the Club has completed several projects and improvements this year, despite the continued adverse effects of the COVID-19 pandemic.

For golf course improvements, Mr. Benitez reported that, in partnership with GolForce, the Club has consistently improved and maintained the conditions of both golf courses. He noted that the Club has prioritized keeping its greens healthy through religious check-ups, preventive maintenance and pro-active actions to enable it to consistently stimp at 9 during peak days, weekends and holidays.

Mr. Benitez also reported that the Club has performed turf cultural practices on a more regular basis which resulted to less thatch, improvement in the absorption of water, fertilizers and safe chemicals beneficial to turf health. He continued to note that the Club performs regular identification and removal of contamination on its greens and fairways, identification and control of insects and diseases on both courses, continuous resodding of fairways, tee mounds and greens, improved cleaning and maintenance of the Club's water features and continuous detailing of the course perimeter and rough areas, and improvement and rehabilitation of priority bunkers.

Thus, Mr. Benitez noted that, as of 2022, the Club has achieved 6.7% completion on Palmer Greenside and 21.4% on Palmer Fairway. Likewise, 12 bunkers located at Palmer 10, 11 and 18 were renovated. He also added that the Club has established and maintained three (3) nurseries, namely, the Zoysia Nursery, TifEagle Nursery and Paspalum Nursery.

For facility improvements, Mr. Benitez reported that, for the LED Lamp Post Project, 27 lamp posts have been installed on the 3<sup>rd</sup>, 17<sup>th</sup> and 18<sup>th</sup> holes of both courses to increase prime tee time slots, with a total cost of PhP 6.6 Million. He also reported that the restrooms at the golfers lounge and five (5) tee houses have completed renovations with a total cost of PhP 4.5 Million.

Further to facility improvements, Mr. Benitez reported that, to increase security efficiency and safety measures, the Club has completed the installation of 21 CCTV units at the golf courses with a total cost of PhP 1 Million. In addition, the installation of the protective safety net between the practice range and Palmer Hole No. 18 was timely completed to prevent ball-hitting-related incidents, with a total cost of PhP 2.1 Million. Lastly, Mr. Benitez noted that the Club endeavored to enhance its lightning protection system by doing grounding enhancement and tower repainting for all tee houses and the swimming pool area, including the practice range, with a total cost of PhP 650 Thousand.

Thereafter, Mr. Benitez reported on the Club's efforts to improve irrigation. He said that the Club has replaced an old 25-year old pump in Palmer 10 with a cost of PhP 2.7 Million. In addition thereto, the Club has on-going projects towards achieving a centralized irrigation system, which includes upgrading of satellite controllers with a current completion rate of 24.6% and the sprinkler replacement project which was 34.5% completed.

Mr. Benitez also mentioned that, the Club has purchased six (6) units of brand new green mowers which costed PhP 3.6 Million, as replacement for the old equipment, and ten (10) units of brand new Gran Spotivo golf carts with a total cost of PhP 2.8 Million as part of the Club's regular re-fleeting program.

Finally, Mr. Benitez proudly reported that, the Club was recognized by the Inquirer Golf as one of the top 25 golf courses in the Philippines last 3 June 2022. In addition, the Club's Palmer course was also recognized by the Golf Digest as one of the best golf courses in the Philippines.

Mr. Benitez thereafter thanked the Board of Directors for their continued trust, confidence and guidance, and the untiring efforts of Management under the leadership of the General Manager. Mr. Benitez also thanked all the staff, employees and caddies for their dedication and hard work despite of all the challenges during the year. Finally, Mr. Benitez thanked all of the Club's members and shareholders, for their unwavering support and loyalty.

Despite the continuing presence of the pandemic, Mr. Benitez reported that the Club remains optimistic that the popularity of golf will increase and the Club will continue to find ways to improve the experience of its golfers. He assured that the Club will continue to soldier on and work hard for the Club's improvement, for the benefit of all its stakeholders.

The General Manager, Mr. Jose Ernilo P. Famy, then presented his report.

Mr. Famy noted that the year had been a better operating year for the Club with more relaxed operational restrictions that led to gradual economic reopening, with health and safety as its utmost priority. With the Club's pro-active approach, the Club could timely and safely reopen all its facilities and services to full capacity, contributing to the significant increase in the Club's numbers.

Mr. Famy reported that, as of 31 August 2022, the Club's total golf rounds surged to 66,464 from 50,013 in 2021, with 8,308 monthly average rounds Year-To-Date ("YTD"), a significantly higher number than pre-pandemic statistics. He explained that the Club's YTD increase resulted in a 33% growth, which is 1% higher than the industry's, based on a survey from 17 other golf clubs. Should the trend continue, Mr. Famy said that the Club is projecting to see around 99,000 golf rounds by the end of the year, a historic feat which the Club has not seen in years.

Mr. Famy noted that, with the relaxed operating restrictions, the Club has resumed staging various tournaments, such as the Members Monthly Tournament, the Intraclub Tournament, the Ladies Fellowship Tournament, and The Orchard Founders Cup Invitational Tournament, after a 2-year hiatus due to the pandemic.

Mr. Famy also reported that the increased appetite for golf and other operational demands came with challenges in communicating pertinent information to the Club's members, or listening to their comments and suggestions, and in providing them with a balance between demand and satisfaction. Thus, the Club introduced the following communication and golf-related initiatives to help address these issues:

- (a) The use of the Promotexter and social media platforms to effectively and efficiently communicate with members;
- (b) The use of digitized feedback system for timely acknowledgment and resolution of issues and concerns;
- (c) The use of the Viber messaging application as an additional tee time booking channel for an improved tee time booking experience;
- (d) The resumption of the double-barrel scheme from Wednesday to Sunday to maximize tee time efficiency; and

- (e) The installation of 53 lamp posts to accommodate early morning and late afternoon tee times.

Thereafter, Mr. Famy reported on the financial standing of the Club.

Mr. Famy noted that the Club delivered a solid performance in 2021. He reported that the Club achieved a 134% growth in net income of PhP 3.9 Million from a net loss of PhP 11.6 Million in 2020. The Club's financial position is also stable with a current ratio of 1.06 : 1, a debt to equity ratio of 0.32 : 1, and the Club's total assets are constant at PhP 7.8 Billion. The members' equity likewise grew by 7%, resulting in a significant increase in book value from PhP 2.1 Million in 2020 to PhP 2.25 Million in 2021.

By August 2022, Mr. Famy said that the Club's strong financial footing remains, evidenced by the PhP 236.8 Million total revenues, surpassing the PhP 172.8 Million by PhP 64 Million or 37% for the same period in 2021. He reported that the significant increase is attributable to the following sources:

- (a) Green fee revenues increased by PhP 16.7 Million or 49% due to decreased tee time intervals, reopening tournaments, and early morning and late afternoon tee times made possible by the Club's lamp post projects.
- (b) Membership revenues improved by PhP 12.5 Million or 11%, resulting from higher membership turnover.
- (c) Food & Beverage revenues contributed a notable PhP 20.4 Million or 100% growth mainly due to an increase in a la carte and banquet operations, including monthly buffet promotions and banquet events.
- (d) Miscellaneous and sports facility revenues increased by PhP 11.6 Million or 566% and PhP 2.8 Million or 701%, respectively.

Mr. Famy then reported that, with unaudited expenses amounting to PhP 183.4 Million, the Club records a gross operating profit of PhP 53.4 Million, which is PhP 33 Million or 161% higher than last year's YTD gross operating profit. He also said that the Club recorded a positive cash flow amounting to PhP 35.9 Million, which is significantly better than the previous year's negative cash flow of PhP 1.4 Million for the same period. Thus, for the full year of 2022, Mr. Famy noted that the Club is projecting a gross operating profit of approximately PhP 66.1 Million. With this positive outlook, Mr. Famy reported that the approved budget for capital expenditures also increased from PhP 40 Million to PhP 50 Million to accommodate more projects.

Thereafter, Mr. Famy proudly noted that the consolidated efforts and initiatives of the Club paved the way for significant improvements in membership-related numbers, especially market share values. Mr. Famy reported that the Club's Class "A" shares are valued at PhP 1.15 Million, Class "B" shares at PhP 1.35 Million, and Class "C" shares at PhP 1.8 Million.

Finally, Mr. Famy noted that, as of August 31, 2022, the Club's membership base is 2,371 and the delinquency rate is maintained at a very low rate of four percent (4%).

Mr. Famy then expressed his gratitude to the Club's shareholders, members, Board of Directors, the Chairman, Mr. Santos and the President, Mr. Benitez, and all the Club's Committees, for their support and confidence in Management toward achieving the Club's goals.

After the President's and General Manager's respective reports have concluded and while waiting for the canvassing of votes, Mr. Santos asked the shareholders whether there were any unfinished business that they would like to raise.

There being no matters raised by the shareholders, Mr. Santos reminded all shareholders that they were given an opportunity to send their questions in advance through email until 5:00 PM of 6 October 2022. He asked Mr. Alamis whether questions have been submitted via email, or through Zoom Chatbox.

Mr. Alamis informed the Chairman and the attendees that no questions were received via email but one (1) question was received via the Zoom Chatbox. He then read the question aloud, which read:

"I wish to thank the management and the Board for all the improvements they have done to improve our facilities – new grass, new drainage, new equipment purchases like tractors, irrigation pumps, pipes, sprinklers, etc. all of which gave increased enjoyment and, more importantly, increased value for our investment for our shares. My question is, where did the money from these investments come from? Surely, these are not considered maintenance because these are significant and substantial investments. Therefore, these should not be charged against maintenance dues."

Mr. Famy addressed and answered the question raised by the shareholder. Mr. Famy explained that most of the improvements introduced by the Club during the year, and the past years, were funded by the income-generating activities and operations of the Club. Mr. Famy likewise proudly shared that the Club has never assessed its members or shareholders in order to fund any of its capital expenditure projects.

There being no other questions raised by any other member or shareholder, Mr. Santos called for a recess to give the Election Committee more time to finish the canvassing of votes.

#### VIII. APPOINTMENT OF EXTERNAL AUDITOR

After the canvassing and tabulation of votes have finished, Mr. Santos resumed the meeting and requested the incumbent Chairman of the Election Committee, Mr. Elpidio C. Jamora, Jr., to present the results of the tabulation of votes.

Mr. Jamora then introduced Mr. Arnold Liganor, one of the members of the Election Committee, who will announce the results of the tabulation of votes for the appointment of the Club's external auditor for the ensuing year.

Mr. Liganor informed all the attendees that Isla Lipana & Co. (PWC) garnered 1,595 votes, Punongbayan & Araullo garnered (5) votes and Sycip Gorres Velayo & Co. garnered 30 votes.

Considering that Isla Lipana & Co. (PWC) garnered 1,595 votes, Mr. Santos declared Isla Lipana & Co. (PWC) as the Club's external auditor for the ensuing year.

## IX. ACTS OF MANAGEMENT AND RESOLUTIONS OF 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.

Thereafter, a motion was duly made and seconded to ratify all acts and resolutions passed by the Board of Directors from the last Annual Shareholders' Meeting held on 9 October 2021 until the present.

Mr. Santos asked Mr. Jamora to announce the results of the votes made by all qualified shareholders for the ratification of the acts and resolutions of the Board of Directors. Mr. Jamora then requested another member of the Election Committee, Mr. Zardi Melito D. Abellera, to reveal the results of the tabulation of votes. Thus, Mr. Abellera informed all the attendees that 1,637 shareholders, representing at least a majority of the outstanding capital stock voted in favor of the approval of all the acts and resolutions of the Board of Directors from 9 October 2021 to date.

## X. EXTENSION OF THE TERM OF MR. JOSE P. CRISOSTOMO, JR. AS INDEPENDENT DIRECTOR

Proceeding to the next item on the agenda, Mr. Santos informed all the attendees that the Club has informed the Securities and Exchange Commission of its intent to extend the term of one of its independent directors, Mr. Jose P. Crisostomo, Jr. Thus, Mr. Santos requested the Election Committee to announce the number of votes which approved and ratified the extension of the term of Mr. Crisostomo as an independent director of the Club.

Subsequently, Mr. Melvin V. Mendoza, a member of the Election Committee, announced that a majority of the outstanding capital stock of the Club, represented by 1,634 votes, voted in favor of the extension of Mr. Crisostomo's term.

Mr. Santos then congratulated Mr. Crisostomo and informed him that he will serve as an independent director for an additional one (1) year and until his successor has been duly elected and qualified.

## XI. ELECTION OF DIRECTORS

Thereafter, Mr. Santos gave the floor to the Chairman of the Election Committee, Mr. Jamora, to present the results of the election of directors.

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, Mr. Jamora, with the consent of the other members of the Election Committee, dispensed with the reading of the said guidelines.

Mr. Jamora proceeded to announce the results of the final canvass of votes garnered by each candidate, as follows:

(a)	Mr. Exequiel D. Robles	-	1,680 votes
(b)	Mr. Vicente R. Santos	-	1,603 votes
(c)	Ms. Mariza Santos-Tan	-	1,587 votes
(d)	Mr. Henry Cua Loping	-	1,571 votes
(e)	Mr. Tomas Julio A. Benitez	-	1,563 votes

(f)	Mr. Jose P. Crisostomo, Jr.	-	1,561 votes
(g)	Mr. Jose S. Gonzales	-	1,544 votes
(h)	Mr. Philip L. Go	-	1,449 votes
(i)	Mr. Jose Felino Manalo	-	402 votes

On behalf of the Election Committee, Mr. Jamora congratulated the winning candidates.

## XII. ADJOURNMENT

There being no other business to transact or matter to discuss, Mr. Santos, on motion duly made and seconded, thanked all the attendees for their participation, and declared the meeting adjourned.