

**MINUTES OF THE 2019 ANNUAL STOCKHOLDERS' MEETING  
OF BASIC ENERGY CORPORATION  
HELD AT THE DUSIT THANI HOTEL  
ARNAIZ AVE, MAKATI CITY, ON OCTOBER 23, 2019 AT 3:00 P.M.**

TOTAL NUMBER OF SHARES OUTSTANDING AND ENTITLED TO VOTE	4,660,267,714
TOTAL NUMBER OF SHARES REPRESENTED IN PERSON OR BY PROXY	2,966,168,881
PERCENTAGE OF ATTENDANCE	64%

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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, present at the meeting, the Chairman of the Board, Mr. Oscar C. de Venecia called the 2019 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. Corazon M. Bejasa, 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 notices for the 2019 Annual Stockholders' Meeting of the Corporation were sent to all stockholders of record as of October 1, 2019, by mail and personal delivery.

**III. DETERMINATION OF EXISTENCE OF QUORUM**

The Corporate Secretary further certified that out of the 4,660,267,714 outstanding subscribed and issued shares of stock of the Corporation entitled to attend and vote at the meeting, a total of 2,966,168,881 shares are represented in this meeting, either in person or by proxy, and these shares account for 64% of the total outstanding subscribed and issued shares of the Corporation. She 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**

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 2019 Annual Stockholders Meeting
- IV. Approval of Minutes of the Annual Stockholders Meeting Held on June 27, 2018
- V. Presentation of the 2018 Annual Report
- VI. Ratification of All Acts of the Board and Management for the term 2018-2019
- VII. Election of Directors for the term 2019-2020
- VIII. Approval of the Issuance of Tranche 3 shares to Meta Corporation consisting of 180,384,497 shares
- IX. Approval of the Appointment of SGV & Co. as External Auditors
- X. Other Matters
- XI. Adjournment

Upon motion, which was duly seconded, and there being no objections to said motion, the Chairman declared the Agenda for the 2019 Annual Stockholders Meeting approved.

**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 2018 Annual Stockholders' Meeting held last June 27, 2018. 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 in the 2018 Annual Stockholders Meeting as follows:

- a) The approval of the 2017 Annual Report of the Board and Management;
- b) The election of the directors for the term 2017-108;
- c) The amendment to the Amended Articles of Incorporation to include the creation of preferred shares, and
- d) The appointment of SGV & Co. as the external auditors for the 2018 financial statements of the Company.

Since the minutes of the said meeting have been previously given before the meeting to the stockholders present at the meeting, a motion was submitted for the approval of the Minutes of the 2018 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 2018 Annual Stockholders' Meeting, were deemed approved.

**VI. PRESENTATION OF THE 2019 ANNUAL REPORT AND HIGHLIGHTS OF THE 2018 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. After the presentation on the major

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shareholders of the Corporation, Mr. de Venecia presented the 2019 Annual Report of the Board of Directors and Management to the stockholders of the Corporation and the highlights of the 2018 Audited Financial Statements of the Corporation.

The presentation included an assessment on the performance of the Corporation, the status of its current projects and plans for the ensuing year. He proceeded to present the highlights of the 2018 audited financial statements of the Corporation, a discussion on the various risks involved in undertaking its projects, the Corporation's risk management processes and internal controls, the external audit fees paid to SGV & Co. He also discussed the Corporation's dividend policy and informed the body that there were no dividends declared for last year as the Corporation was still incurring losses on its projects.

After the presentation of the aforementioned reports, the table was opened for questions and clarifications from the stockholders. Since there were no questions asked on the reports presented, after the appropriate motion was made, which was duly seconded, and there being no objection thereto, the Chairman declared that the 2019 Annual Report to Stockholders and the highlights of the 2018 Audited Financial Statements, were considered approved.

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

The Chairman 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 June 27, 2018 to October 16, 2019 was enclosed in the stockholders' kits distributed to the stockholders prior to the meeting. A motion was submitted that with the approval of the 2019 Annual Report on the operations of the Corporation for the term 2018-2019, all acts done by the Board of Directors and Management for the term 2018-2019 be confirmed and ratified. Upon a 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 2018-2019 were considered confirmed and ratified.

### **VIII. ELECTION OF DIRECTORS**

Before the presentation of the nominees to the 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 experiences;
- b. the Board's and Board Committees' Appraisal and Performance Report for 2018, including the criteria used for the said performance assessments;
- c. the 2018 Attendance Report of the current members of the Board of Directors.
- d. the directors' compensation report for 2018; and
- e. Related Party Transactions entered into by the Board of Directors with Meta Corporation Public Company Limited of Thailand on the Share Purchase Agreement for the acquisition by the Company of 15% of the total equities of Vintage EPC Company Limited (VEPC) and Vintage International Construction Co. Limited (VINTER), which are wholly-owned companies of Meta Corporation;

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After the presentation of the Corporate Secretary on the profiles and the performance and attendance of the current Board of Directors, the Chairman proceeded with the election of the eleven (11) Directors for the ensuing year, 2019-2020. 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 2019-2020 and the Board of Directors approved the nominations, as follows:

1. Oscar C. de Venecia
2. Francis C. Chua
3. Ramon L. Mapa
4. Oscar L. De Venecia, Jr.
5. Ma. Florina M. Chan
6. Jaime J. Martinez
7. Srinarin Poudpongpaiboon
8. Isidoro O. Tan
9. Harvey L. N. Dychiao as Independent Director
10. Eduardo V. Manalac as Independent Director, and
11. Oscar S. Reyes 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, in favor of the election of the aforementioned 11 nominees as directors of the Corporation for the term 2019-2020. Thereafter, the Chairman declared all the aforementioned 11 nominees as elected Directors of the Corporation for the term 2019-2020.

### **IX. APPROVAL OF THE ISSUANCE OF TRANCHE 3 CONSISTING OF 180,384,497 SHARES TO META CORPORATION PUBLIC COMPANY LIMITED OF THAILAND**

The Corporate Secretary presented to the body the proposed approval for the issuance of Tranche 3 shares consisting of 180,384,497 shares to Meta Corporation Public Company Limited (META) of Thailand (formerly Vintage Engineering Public Company Limited or VTE).

The Corporate Secretary discussed the Subscription Agreement dated February 14, 2017 entered into between VTE (Meta Corporation) and the Company, to subscribe to a total of 435,658,699 shares in 3 tranches. She presented that VTE has subscribed and paid for Tranches 1 and 2 for a total of 255,274,202 shares. Tranche 3 shares consisting of 180,384,497 shares is expected to be paid by the first quarter of next year.

On motion, which was duly seconded and there being no objection thereto, the Chairman considered as approved the issuance of Tranche 3 shares consisting of 180,384,497 shares to Meta Corporation Public Company Limited (META) of Thailand and confirmed the issuance of a total of 435,658,699 shares to META, as follows:

“ Resolved, to confirm the issuance of Tranche 1 and Tranche 2 shares to Meta Corporation Public Company Limited consisting of a total of 255,275,202 shares; and

“Resolved, to approve the issuance of Tranche 3 shares consisting of 180,384,497 shares, pursuant to the Agreement for the Subscription of Shares dated February 14, 2017, subject to the payment of the subscription price as may be mutually agreed upon by the Company and Meta Corporation.”

**X. APPOINTMENT OF EXTERNAL AUDITORS**

The Chairman reported to the body that the Audit Committee and the Board of Directors of the Corporation re-nominated SGV & Company with Ms. Leovina Mae V. Chu as the engagement partner, as External Auditors of the Corporation for 2019. Upon motion, which was duly seconded, and there being no objection thereto, the Chairman considered as approved the appointment of SGV & Company as the External Auditors of the Corporation for the fiscal year ending December 31, 2019, as recommended by the Audit Committee and the Board of Directors of the Corporation.

**XI. 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 2019 Annual Stockholders’ Meeting.

**CERTIFIED CORRECT:**

**Corazon M. Bejasa**  
Corporate secretary

**ATTESTED BY:**

**Oscar C. de Venecia**  
Chairman