

# **- FOR STOCKHOLDERS' APPROVAL -**

## **MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF**

### **THE SPA AND LODGE AT TAGAYTAY HIGHLANDS, INC.**

18 October 2021 at 11:00 a.m.

Via Videoconference

Tagaytay Highlands Complex, Brgy. Calabuso, Tagaytay City

Before the start of the meeting, the following members of the Board of Directors present were introduced:

Hans T. Sy  
Willy N. Ocier  
Jerry C. Tiu  
Ma. Eleanor Mendoza  
Ruben C. Tan  
Joseph T. Chua

The presence of the Vice-President and Treasurer, Mr. Manuel A. Gana, General Manager, Ms. Clara T. Kramer, the Financial Controller, Mr. Frederick D. Deocariza, the Corporate Secretary, Mr. A. Bayani K. Tan and other officers of the Club were also acknowledged. The representatives of the auditing firm of Sycip Gorres Velayo & Co.. were likewise in attendance.

#### **CALL TO ORDER**

The Chairman of the Board, Mr. Willy N. Ocier, requested the Club President, Mr. Jerry C. Tiu, who attended the meeting from the Club's principal place of business, to be the Presiding Officer and Chairman for the meeting, in compliance with the requirements of the Securities and Exchange Commission.

Mr. Tiu then called the meeting to order and presided over the same. Ms. Anna Francesca C. Respicio was requested to act as Secretary and record the minutes of the proceedings.

#### **CERTIFICATE OF NOTICE AND QUORUM**

Upon the request of the Chairman, the Secretary certified that notices of the meeting were sent to all stockholders of record as of 18 September 2021 in accordance with the provisions of the By-Laws. Upon the instruction of the Chairman of the meeting, the certificate was appended to the original of the Minutes of this meeting.

The Secretary certified that out of 381 total shares in good standing, there were present, in person or by proxy, holders of 212 membership certificates representing an attendance of 55.64% of the total shares. Accordingly, she certified that a quorum existed for the transaction of business at hand.

#### **RULES OF CONDUCT AND VOTING PROCEDURES**

The rules of conduct and the voting procedures were briefly explained, to wit:

1. Stockholders who notified the Club of their intention to participate in this meeting by remote communication and are participating through the livestream may send their questions or comments through the chatbox available on the lower portion of your screen.
2. Some of the questions or comments received will be read out during the Open Forum period, after all matters in the agenda are concluded. As the time dedicated for the meeting is limited the questions and comments which will not be read out and responded to during the meeting will be answered by the concerned officers of the Club via email.

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3. Resolutions will be proposed for adoption by the stockholders for each of the items in the Agenda. Each proposed resolution will be shown on the screen as it is being taken up.

### **APPROVAL OF THE MINUTES OF THE LAST STOCKHOLDERS' MEETING**

As requested by the Chairman, the Secretary advised the Body that the minutes of the last stockholders' meeting held on 11 December 2020 was immediately made available for the stockholders to view soon after the last meeting when it was posted on the Corporation's website. The same was also made part of the documents that were recently made available to the stockholders in connection with the 2021 meeting.

The Minutes of the said meeting was thereafter approved as circulated, with the shareholders voting as follows:

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Approval of Minutes of the Previous Meeting of Stockholders	212	0	0

The following resolution was thereafter passed:

**“RESOLVED**, that the Minutes of the Annual Meeting of the Stockholders of **THE SPA AND LODGE AT TAGAYTAY HIGHLANDS, INC.** held on 11 December 2020 is hereby approved.”

### **MANAGEMENT REPORT ON 2020 OPERATIONS AND RESULTS**

Ms. Ma. Clara T. Kramer, the Club's General Manager, reported on the activities of the Club for the fiscal year ended 31 December 2020. She briefly discussed the highlights of Club's Balance Sheets and the Statements of Revenue and Expenses as well as the Statement of Cash Flows, which formed part of the SEC Form 20-IS previously sent to all shareholders.

#### RESULTS OF OPERATIONS

The Covid-19 pandemic has caused unprecedented impact to the company's operations due to mandatory quarantine periods, community lockdowns and restrictions on mobility of members. This caused the decrease in room occupancy, spa commission and food & beverage revenues resulting to net loss in 2020 of ₱8.34 Million compared to the net loss of ₱5.44 Million in 2019.

Total cost and operating expenses were lower by ₱7.27 Million or 39.56% from ₱27.31 Million in 2019 to ₱19.15 Million in 2020.

Currently, the company operates at capacity allowed by the local government unit of Cavite. With the execution of its plans and strategies to mitigate the impact of the pandemic, the company's net loss decreased as of August 2021 compared to previous year.

#### FINANCIAL POSITION

TSL showed a healthy financial position. As of 31 December 2020, the current ratio was registered at 1.05 : 1.00 compared to 1.87 : 1.00 as of 31 December 2019. The Company's cash flow decreased by ₱2.16 Million or 38.88% as a result of net cash used in operating activities. Total liabilities amounting to ₱9.74 Million were lower by ₱0.78 Million or 8.91% due to lower pension liability during the period. The Company's ratio of liabilities to equity continued to be conservative, at about 0.42 : 1.00 as of 31 December 2020.

At the conclusion of said report, the President's Report for the year ended 31 December 2020, together with the Audited Financial Statements for the Fiscal Year ended 31 December

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2020, upon motion duly made and seconded, was approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2020 Operations and Results and 2020 Audited Financial Statements	212	0	0

The following resolution was likewise approved:

“**RESOLVED**, that the 2020 Annual Report on the operations of **THE SPA AND LODGE AT TAGAYTAY HIGHLANDS, INC.**, together with the Audited Financial Statements and accompanying notes thereto for the year ended 31 December 2020, be approved.”

### **RATIFICATION OF CORPORATE ACTS**

The next item in the agenda was the ratification of the corporate acts from the date of the last stockholders' meeting up to the present.

At the request of the Chairman, the Secretary advised the Body that the acts of the Board of Directors and Officers of the Club being presented for ratification by the shareholders were those entered into in the ordinary course of business, with those of significance having been covered by appropriate disclosures. Ratification was also sought for all acts of Management performed in accordance with the resolutions of the Board and the By-Laws from 11 December 2020 to present.

The Secretary then presented the proposed resolution on the ratification of all acts of the Board, the different Board Committees and of the officers of the Corporation from the last stockholders' meeting up to the present, and based on the votes received, reported the approval by the stockholders.

The votes for the ratification of all the acts and resolutions of the Board of Directors, the different Board Committees and Officers of the Corporation are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of Corporate Acts	212	0	0

The following resolution was likewise unanimously approved:

“**RESOLVED**, that all acts of the Board of Directors, the Board Committees, and Officers of **THE SPA AND LODGE AT TAGAYTAY HIGHLANDS, INC.**, from the date of the last meeting of the shareholders on 11 December 2020 up to the date of this meeting, are hereby confirmed, ratified and approved.”

### **ELECTION OF DIRECTORS**

The Chairman announced that the next item in the agenda was the election of the members of the Board of Directors for the ensuing year. He noted that the profiles of those nominated for election as members of the Board were included in the Club's Information Statement. The information included their age, nationality, qualifications, dates of first appointment and other directorships. He then requested the Secretary to present the nominees.

The Secretary announced the names of those nominated for election as members of the Board, all of whom have been found to possess all the qualifications and none of the disqualifications for election as directors.

The Chairman then requested the Secretary to present the results of the election. The Corporate Secretary presented the votes received by each of the nominees which, she noted, were sufficient to elect them as Director. She then presented the proposed resolution on the election of

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the nominees to the Board, and based on the votes received, reported the approval of the following Resolution:

**“RESOLVED**, that the following nominees, having received the vote indicated opposite their names, have been elected as members of the Board of Directors of **THE SPA AND LODGE AT TAGAYTAY HIGHLANDS, INC.** for the year 2021-2022, to serve as such until their successors shall have been duly elected and qualified:

NOMINEE	VOTES IN FAVOR
Hans T. Sy	212
Jerry C. Tiu	212
Ma. Eleanor Mendoza	212
Ruben C. Tan	212
Johnip G. Cua	212

### **APPOINTMENT OF EXTERNAL AUDITOR**

As recommended by the Board of Directors, the stockholders voted for the appointment of the auditing firm Reyes Tacandong & Co. as the Club's external auditor. No questions or objections having been raised by the shareholders present despite opportunity having been given by the Chairman, the proposal to appoint Reyes Tacandong & Co. as the Corporation's external auditor for Year 2021 was approved by the shareholders as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Reyes Tacandong & Co. as External Auditor for 2021	212	0	0

The stockholders likewise unanimously approved the following resolution:

**“RESOLVED**, that the auditing firm of Reyes Tacandong & Co., be appointed as the **THE SPA AND LODGE AT TAGAYTAY HIGHLANDS, INC.**'s external auditor for the year 2021.”

### **OTHER MATTERS**

After confirming with the Secretary that there were no other remaining matters on the agenda, the Chairman opened the floor for some of the questions received from the shareholders to be addressed. Ms. Erika De Luna was requested to read the questions and comments received.

The first question asked was, since The Spa and Lodge has been closed since March 2020, is it going to extend the usage of room entitlements. According to Ms. Ma. Clara T. Kramer, General Manager of the Club, yes, unused room entitlements for 2020 and 2021 will be extended until 31 December 2022.

The next question asked was why is the Club not suspending or waiving membership due despite quarantine restrictions and closure of some facilities or for humanitarian considerations. Ms. Kramer responded that payment of monthly dues is required to meet the expenses for the general operations of the Club and the maintenance and improvements of its premises and facilities. Being a non-profit organization, monthly dues are the lifeblood of the Club without which the Club could not fulfill the purposes for which it is formed. Furthermore, monthly dues are payable notwithstanding non-enjoyment of the Club facilities under the Club By-Laws. As a matter of fact, the Club did not assess any member for the expenses incurred for the rehabilitation of facilities caused by the Taal volcanic ashfall which amounted to about ₱11.0 Million. The Club also did not assess for the renovation of Club facilities in 2019 and prior years with a cost of ₱76.0 Million. The Club allows extended payment options for outstanding dues. Members were requested to directly coordinate with Billing and Collection Department to discuss those options.

The Secretary then announced that due to limited time, other questions, if any, sent by the stockholders would be responded to via e-mail by the Corporation's officers.

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**ADJOURNMENT**

There being no other business to transact, upon motion duly made and seconded, the meeting was adjourned.

**ATTESTED BY:**

**JERRY C. TIU**  
*Chairman of the Meeting*

**ANNA FRANCESCA C. RESPICIO**  
*Secretary of the Meeting*

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