

**MINUTES OF THE  
ANNUAL SHAREHOLDERS' MEETING  
OF IONICS, INC.**

Held on 20 August 2020  
Via Remote Communication (Microsoft Teams)

**STOCKHOLDERS PRESENT/REPRESENTED**

Please refer to Annex "A"

**I. CALL TO ORDER**

The Chairman, Mr. Lawrence C. Qua, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Manuel R. Roxas, recorded the minutes of the proceedings.

**II. PROOF OF NOTICE OF MEETING**

The Corporate Secretary certified that in accordance with Rule 20 of the Securities Regulation Code and SEC Memorandum Circular No. 3, series of 2020, notice of the meeting was published in online and printed format on July 29, 2020 to July 30, 2020 in the Philippine Daily Inquirer and Business World. Affidavits of Publication to this effect were executed by Ms. Adela Gersalia Mendoza and Ms. Emma V. Doroteo of the Philippine Daily Inquirer and Business World, respectively, the publishing companies utilized by the Corporation to publish the notice. The notice was also posted in the Corporation's website.

**III. CERTIFICATION OF QUORUM**

The Corporate Secretary certified that based on the attendance record and the proxies and powers of attorney on hand, present in person and represented by proxy were a total of Five Hundred Thirty Two Million Nine Hundred Eighteen Thousand One Hundred Fifty Two (532,918,152) shares or 63.66% of the Eight Hundred Thirty Seven Million One Hundred Thirty Thousand Nine Hundred Ninety Two (837,130,992) total outstanding shares.

He thus certified that a quorum existed for the valid transaction of business.

**IV. READING AND APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING HELD ON 21 JUNE 2019**

The Chairman proceeded to the next item in the agenda which was the reading and approval of the minutes of the previous meeting of the shareholders held on 21 June 2019.

Since the stockholders were fully apprised of the salient matters approved in the previous meeting, the reading of the minutes of the last annual stockholders' meeting was dispensed with. Based on the total votes received, a total of 532,865,551 shares voted in favor of approving the Minutes of the 2019 Annual Stockholders Meeting as appearing in the minutes book of the Corporate Secretary.

**V. REPORT OF MANAGEMENT AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2019**

The President and Chief Executive Officer, Mr. Lawrence C. Qua, delivered the Management Report for the year 2019.

He began by reporting that in 2019, Ionics, Inc. and its subsidiaries posted a gross revenue of \$58 million and a net income of \$3.817 million. He identified two subsidiaries which had a major impact in terms of operational, top-line attribution and bottom line contribution: Ionics EMS, Inc. ("EMS") and Ionics Properties, Inc. ("IPI").

EMS, an electronics manufacturing services provider, registered a revenue growth of 8% at \$56 million and a net income of \$2.6 million for 2019. Financing costs increased due to borrowings incurred to acquire more top of the line manufacturing equipment.

IPI, a subsidiary engaged in real estate leasing, saw its income dip to \$1.9 million relative to the prior year owing to the termination of the lease agreements of two major lessees who were impacted by market forces.

Iomni Precision, Inc. ("Iomni"), a high-engineering plastic fabrication facility which provides specialized plastic parts for automotive and medical customers and Ionics Circuits, Inc. ("ICI"), an offshore investment subsidiary which provides a glimpse of the technology landscape of the future, both ended with small deficits of \$39,000 and \$4,000, respectively, for 2019.

Looking ahead, he stated, EMS is surging forward with a confident growth strategy of an expanded factory footprint and the acquisition of leading technology and advanced equipment. Sales and marketing channels have also been added to enhance prospecting and improve matching of potential customers.

Mr. Qua also reported that the balance sheet of Ionics, Inc. is strong, as with its key financial ratios.

As the coronavirus pandemic has unprecedentedly collapsed businesses and decimated lives worldwide, Ionics, Inc.'s manufacturing similarly contracted in the first half of the year 2020. The government mandated deployment of a skeletal manpower forces and the unavailability of public transportation has hampered production but Management projects production moving forward in the second half of the year. Management is confident that backlog orders and the projects in the pipeline will enable Ionics, Inc. to catch up for the rest of the year.

Mr. Qua concluded his report by thanking the stockholders for their continued trust and support.

Thereafter, the Corporate Secretary presented the proposed resolution for the notation and approval of the Corporation's 2019 Annual Report, together with the Audited Financial Statements for the period ending December 31, 2019. A total of 532,865,551 shares voted in favor of approving the following resolution:

**“RESOLVED**, That the Management Report as reflected in the Annual Report, together with the financial statements for the period ending 31 December 2019, be, as it is hereby, noted and approved.”

## **VI. RATIFICATION OF ALL ACTS, RESOLUTIONS AND INVESTMENTS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE AND OFFICERS OF THE CORPORATION**

The Chairman proceeded to the next item on the agenda which was the ratification of all the acts, proceedings, and resolutions of the Board of Directors, Executive Committee and Officers of the Corporation from the date of the last annual stockholders' meeting up to the present as reflected in the minutes of the meetings of the Board of Directors.

A summary of significant transactions undertaken by the Board was provided in the Information Statement distributed to the stockholders and was likewise presented during the meeting.

The Corporate Secretary presented the proposed resolution for the ratification of all acts, resolutions and investments of the Board of Directors, Executive Committee and the officers of the Corporation. With 54,874,198 shares abstaining, and a total of 477,991,353 voting in favor of the proposed resolution, the following was approved:

**“RESOLVED**, That all acts, resolutions and investments approved by the Board of Directors, Executive Committee and the Officers of the Corporation for the year 2019 in so far as the same are reflected in the minutes book of the

Corporate Secretary, be as they are hereby, approved, confirmed and ratified.”

## **VII. ELECTION OF DIRECTORS**

The Chairman of the Nomination Committee, Mr. Alfredo R. de Borja, reported on the nominees approved by the Nomination Committee for directorship for the year 2020-2021, as follows:

Lawrence C. Qua  
Alfredo R. de Borja  
Amelia B. Cabal  
Bai Norhata M. Alonto  
Virginia Judy Q. Dy  
Guillermo D. Luchangco  
Meliton C. Qua  
Raymond C. Qua  
Lilia B. De Lima  
Cecilia Q. Chua  
Monica Siguion Reyna Villonco

Mr. Alfredo R. de Borja, Ms. Amelia B. Cabal and Ms. Lilia B. de Lima were nominated as independent directors.

Since there were only eleven (11) nominees to the Board of Directors and the nominees to the eleven (11) available seats all received votes in their names, it was proposed that the eleven (11) nominees be proclaimed as duly elected directors of the Corporation, to serve as such until the election and qualification of their successors.

The following resolution was approved:

**“RESOLVED**, to elect the following as Directors of the Corporation to serve as such until the election and qualification of their successors:

Lawrence C. Qua  
Alfredo R. de Borja  
Amelia B. Cabal  
Bai Norhata M. Alonto  
Virginia Judy Q. Dy  
Guillermo D. Luchangco  
Meliton C. Qua  
Raymond C. Qua  
Lilia B. De Lima  
Cecilia Q. Chua  
Monica Siguion Reyna Villonco

**VIII. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman of the Audit Committee, Ms. Amelia B. Cabal discussed the appointment of the Corporation's External Auditor for the ensuing year. Ms. Cabal reported that after careful deliberation, the Audit Committee endorsed to the Board the reappointment of Sycip Gorres Velayo & Co. (SGV and Co.) as External Auditor of the Corporation for the year 2020-2021.

The Corporate Secretary presented the proposed resolution on this matter. A total of 532,865,551 shares voted in favor of the following resolution:

**“RESOLVED**, that the Corporation be, as it is hereby, authorized to appoint Sycip Gorres Velayo & Co. (SGV & Co.) as the External Auditor for the year 2020-2021.”

**IX. ADJOURNMENT**

There being no further business to transact and inquiries to address, the meeting was adjourned.

**MANUEL R. ROXAS**  
Corporate Secretary

ATTEST:

**LAWRENCE C. QUA**  
Chairman of the Meeting