

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

Held on 15 June 2023
Via Remote Communication (Zoom)

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 Notice dated March 13, 2023, the notice of the meeting was published in online and printed format on May 23 and May 24, 2023 in The Philippine Daily Inquirer and in The Manila Bulletin. Affidavits of Publication to this effect were executed by the authorized representatives of the publishing companies utilized by the Corporation to publish the notice. The Notice of Meeting was also posted in the Corporation's website and in its PSE EDGE profile.

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 Four Hundred Eighty Five Million Ninety Seven Thousand Four Hundred Thirty Six (485,097,436) shares or 57.95% 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 17 JUNE 2022**

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 17 June 2022.

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 471,876,558 shares voted in favor of approving the Minutes of the 2022 Annual Stockholders' Meeting as appearing in the minutes book of the Corporate Secretary while 13,220,878 shares abstained from voting on the matter.

V. REPORT OF MANAGEMENT AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2022

The President and Chief Executive Officer, Mr. Lawrence C. Qua, delivered the Management Report for the year 2022.

He began by reporting on the significant developments for the year 2022, namely the declaration that Covid-19 was no longer a health emergency, the rebounding of the global economy and the easing of the shortage of select electronic chipsets and of supply chain woes. As a result, the Corporation and its subsidiaries did well and posted an increase of 25% in its consolidated gross revenue of \$75.26 million in 2022 from \$60.28 million in 2021. Consolidated net income increased by 69% from \$2.63 million in 2021 to \$4.45 million in 2022.

Driven by the increase in customer demand and more available parts, Ionics EMS, Inc. ("EMS") increased its sales by 27% to \$72.69 million in 2022 from \$57.46 million in 2021. Net income soared by 159% to \$2.15 million in 2022 vis-a-vis \$830,000 in 2021.

Ionics Properties, Inc. ("IPI"), the subsidiary engaged in real estate holdings, kept a consistent profitability record through its business rentals. It had a net income of \$2.28 million in 2022 with an additional lessee.

Iomni Precision, Inc. ("Iomni") reported total sales in the amount of \$3.57 million and had a net income of \$120,000 in 2022.

Ionics Circuits Ltd., the offshore investment subsidiary, incurred a net loss of \$20,000 in 2022 owing to the respective net losses of the investee firms.

Mr. Qua also reported that as of 31 December 2022, the consolidated assets of the Corporation and its subsidiaries amounted to \$120.66 million due to the positive variance in the increases in receivables, inventory, prepayments and other current and contract assets.

For the year 2023, EMS would focus on fostering further growth by optimizing its manufacturing processes to increase productivity, expand customer portfolio in new market segments and evolve customized solutions to meet the specific requirements of its customers. New manufacturing facilities in strategic locations were to be set up. Production footprints and capacity were to be increased to accommodate the growing

customer base and demands. More top-of-the-line equipment were to be added to enhance efficiency and throughput as advancements in technology were always the cornerstone of EMS's thrust.

In the Smart Industry Readiness Index Assessment developed by the World Economic Forum and conducted by TUV-SUD, a global testing inspection and certification company, a panel of industry and academic experts validated EMS to be the only manufacturing company in the Philippines as of date to be ahead of its peers in several key areas of Industry 4.0, commonly referred to as "smart factory" implementation. Management would continue investing in leading technologies for automation, artificial intelligence, machine learning and industrial Internet of Things.

Though EMS did not have the scale of its global competitors, its manufacturing technology and capabilities were at par with Tier 1 firms as attested to by its customers. They were further impressed with EMS's enterprise room set-up which allowed a real-time and total overview of the production floor and supply chain movements.

Iomni, with its positive financial outcome, was projected to continue its growth trajectory in 2023 with increasing current customer demand and new prospects in the pipeline. More machines were to be acquired to address the tight production capacity. The plastic molding injection industry was expected to be driven by the rising demand for plastic components from various end-user sectors such as packaging, automotives, telecommunications, household appliances, medical devices and electronics.

IPI acquired an approximately four-hectare property in an industrial park for internal manufacturing use and to build production or warehousing facilities for customers and external leases. Investments for land banking purposes would be undertaken.

The Corporation committed to its stakeholders, customers, investors, employees, suppliers and local community to sustain its mission of innovating virtual management processes and maintaining global quality products and services.

The Corporation and its subsidiaries were greatly appreciative of the unrelenting support of its shareholders throughout the years. In that regard, a 10% cash dividend was declared for 2022 and Management was looking forward to continue enhancing shareholder value.

After the report of Mr. Qua, the total compensation received by each of the members of the Board of Directors for the year 2022 was presented to the stockholders in compliance with Sections 29 and 49 of the Revised Corporation Code.

At this point, the Corporate Secretary reported that the Corporation did not receive any inquiry from the stockholders in relation to the Management Report. There being no questions from the stockholders, the Corporate Secretary presented the proposed resolution for the notation and approval of the Corporation's 2022 Annual Report, together with the Audited Financial Statements for the period ending December 31, 2022.

With 13,220,878 shares abstaining and a total of 471,876,558 shares voting in favor, the following resolution was approved:

“RESOLVED, That the Management Report as reflected in the Annual Report, together with the financial statements for the period ending December 31, 2022, be, as it is hereby, noted and approved.”

VI. RATIFICATION OF ALL ACTS, RESOLUTIONS AND INVESTMENTS OF THE BOARD OF DIRECTORS 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 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 presented during the meeting.

After confirming that the Corporation did not receive any queries from the stockholders with respect to the significant transactions undertaken by the Board of Directors and officers of the Corporation, the Corporate Secretary presented the proposed resolution for the ratification of all acts, resolutions and investments of the Board of Directors and the officers of the Corporation. With 13,220,878 shares abstaining and a total of 471,876,558 shares voting in favor of the proposed resolution, the following was approved:

“RESOLVED, That all acts, resolutions and investments approved by the Board of Directors and the Officers of the Corporation from the date of the last annual stockholders' meeting up to the present in so far as the same are reflected in the minutes book of the Corporate Secretary, be, as they are hereby, approved, ratified and confirmed.”

VII. ELECTION OF DIRECTORS

Ms. Lilia B. de Lima, Chairman of the Corporate Governance Committee, reported on the nominees to the Board of Directors for the year 2023-2024, as follows:

Lawrence C. Qua
Alfredo R. de Borja
Virginia Judy Q. Dy
Guillermo D. Luchangco
Meliton C. Qua
Raymond Ma. C. Qua

Lilia B. De Lima
Cecilia Q. Chua
Monica S. Villonco
Medel T. Nera
Robert Joseph M. de Claro

Mr. Alfredo R. de Borja, Mr. Medel T. Nera and Ms. Lilia B. de Lima were nominated as independent directors.

Ms. de Lima also reported that while Mr. Alfredo R. de Borja has served the allowed cumulative term of nine (9) years as independent director under the Code of Corporate Governance for Publicly-Listed Companies, he was re-nominated as independent director for the term 2023-2024 as his in-depth knowledge of the Corporation's business as well as that of its subsidiaries which he acquired during his tenure as an independent director were taken into account. The highly technical nature of the Corporation's operations and the industry to which it belongs required the specialized knowledge which Mr. de Borja possessed. The Corporate Governance Committee believed that retaining Mr. de Borja as an independent director would be instrumental in attaining the Corporation's goals and it would be to the best interest of the Corporation if Mr. de Borja was re-nominated and re-elected.

The nominees received the following votes:

Name of Nominee	For	Against	Abstain
Lawrence C. Qua	471,876,558	0	13,220,878
Alfredo R. de Borja	471,876,558	0	13,220,878
Medel T. Nera	471,876,558	0	13,220,878
Virginia Judy Q. Dy	471,876,408	150	13,220,878
Guillermo D. Luchangco	471,876,408	150	13,220,878
Meliton C. Qua	471,876,408	150	13,220,878
Raymond Ma. C Qua	471,876,408	150	13,220,878
Lilia B. de Lima	471,876,558	0	13,220,878
Cecilia Q. Chua	471,876,408	150	13,220,878
Monica S. Villonco	471,876,408	150	13,220,878
Raymond Joseph M. de Claro	471,876,408	150	13,220,878

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 Corporate Secretary reported that the Corporation did not receive any inquiry regarding the nominees.

The following resolution was approved:

“RESOLVED, That the following as be elected Directors of the Corporation to serve as such until the election and qualification of their successors:

Lawrence C. Qua
Alfredo R. de Borja
Virginia Judy Q. Dy
Guillermo D. Luchangco
Meliton C. Qua
Raymond Ma. C. Qua
Lilia B. De Lima
Cecilia Q. Chua
Monica S. Villonco
Medel T. Nera
Robert Joseph M. de Claro

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman of the Audit Committee, Mr. Medel T. Nera, discussed the appointment of the Corporation’s External Auditor for the ensuing year. Mr. Nera reported that after considering the quality of its audit work for the past fiscal years, the reasonableness of its fees and its reputation, the Audit Committee recommended the reappointment of Sycip Gorres Velayo & Co. (SGV and Co.) as External Auditor of the Corporation for the year 2023-2024.

The Corporate Secretary confirmed that the Corporation did not receive any questions as regards the appointment of the external auditor and thereafter presented the proposed resolution on this matter. With 13,220,878 shares abstaining and a total of 471,876,448 shares voting in favor of the proposed resolution, the following was approved:

“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 2023-2024.”

IX. ADJOURNMENT

Before the adjournment, the Chairman inquired whether the Corporation received questions in relation to the items in the Agenda to which the Corporate Secretary replied that the Corporation did not receive questions.

There being no inquiries from the stockholders present and no further business to transact, the meeting was adjourned.

Minutes prepared by:

MANUEL R. ROXAS
Corporate Secretary

ATTEST:

LAWRENCE C. QUA
Chairman of the Meeting

Annex "A"

Present in Person	49,187,988
Present by Proxy	<u>435,909,448</u>
TOTAL	485,097,436

Total Issued and Outstanding	837,130,992
Present	485,097,436
Percentage Present	0.57947614