

**MINUTES OF THE 2022 ANNUAL STOCKHOLDERS' MEETING OF  
XURPAS INC.**

August 9, 2022 at 9:00 A.M.

*Via Zoom Teleconference Facility*

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The 2022 Annual Stockholders' Meeting (the "**Meeting**") of **Xurpas Inc.** (the "**Corporation**" or the "**Company**") was held on August 9, 2022, via Zoom Teleconference. The Chairman of the Meeting, Mr. Alexander D. Corpuz, presided the meeting and was present at Xurpas' principal office located at Unit 804 Antel 2000 Corporate Center, 121 Valero St., Salcedo Village, Makati City, 1227.

**Stockholders Present:**

Total No. of Shares of Stockholders Present/Represented by Proxy: **1,219,336,758**

Percentage of Shares Present & Represented by Proxy: **59%**

**Directors and Officers Present:**

Mr. Jonathan Gerard A. Gurango	Chairman
Mr. Alexander D. Corpuz	President, Chief Finance Officer and Chief Information Officer
Mr. Fernando Jude F. Garcia	Treasurer and Chief Technology Officer
Atty. Mercedita S. Nolleddo	Director
Mr. Wilfredo O. Racaza	Director
Ms. Imelda C. Tiongson	Independent Director
Mr. Bartolome S. Silayan, Jr.	Independent Director
Atty. Mark S. Gorriceta	Corporate Secretary, Chief Legal Officer and Chief Compliance Officer

**Others Present:**

The representatives from SyCip Gorres Velayo & Co., the Corporation's external auditor, were also present during the meeting.

**I. CALL TO ORDER**

After the Philippine National Anthem, Mr. Alexander D. Corpuz ("**Mr. Corpuz**"), the President of the Corporation and Chairman of the meeting pursuant to the Corporation's By-Laws, called the Meeting to order. He welcomed the stockholders, members of the board of directors (the "**Board**") and the officers of the Corporation to the 2022 Annual Stockholders' Meeting.

He informed the stockholders that the Meeting shall be recorded.

**II. CERTIFICATION OF NOTICE AND QUORUM**

The Corporate Secretary, Atty. Mark S. Gorriceta (“**Atty. Gorriceta**”), certified that the notice of the time, date, mode of conduct and agenda of the Meeting was sent through delivery by courier to stockholders of record, a disclosure via the PSE Edge Portal and was made available on the Corporation’s website. He stated that the stockholders were notified of the meeting in accordance with the By-Laws and applicable rules of the Securities and Exchange Commission. He likewise certified that stockholders owning Fifty-Nine Percent (59%) of the outstanding shares as of Record Date are present via remote communication or through proxy. Therefore, there is a quorum for the Meeting.

Upon certification by Atty. Gorriceta, Mr. Corpuz announced that the Meeting was duly convened and ready to proceed with its business.

### **III. PROCEDURE FOR DISCUSSION AND VOTING**

Mr. Corpuz requested Atty. Gorriceta to explain the rules of conduct and voting procedures to facilitate the orderly flow of the Meeting.

#### **Procedure for Discussion**

Atty. Gorriceta explained that stockholders were given the opportunity to email their questions and comments at [corpsec@xurpas.com](mailto:corpsec@xurpas.com). Questions and comments will be read aloud and addressed during the Question and Answer Period, which shall take place after all matters for approval have been discussed.

Atty. Gorriceta also mentioned that the Corporation will only read questions and comments that are relevant to the Agenda for the said Meeting. Management undertakes to reply by email to questions and comments not taken up during the Meeting.

#### **Procedure for Voting**

Atty. Gorriceta stated that each stockholder was given an opportunity to cast their votes by submitting their ballots via the online registration link circulated by the Corporation, and that stockholders may likewise participate in the voting by submitting a proxy.

He said that in accordance with the Definitive Information Statement of the Corporation, the deadline for the submission of the ballots and/or proxies was last August 1, 2022, 5:00 P.M. Consequently, the Corporation tabulated all votes on August 4, 2022.

Atty. Gorriceta also stated that it is assumed that all participants of the Meeting have already submitted their votes or proxies when they registered online. Atty. Gorriceta went on to explain that each outstanding share of stock entitles the registered stockholder to one vote. For the election of directors, stockholders are allowed to cumulate their votes and the candidates receiving the highest votes will be declared elected.

Atty. Gorriceta mentioned that the voting process was also explained in the Corporation’s By-Laws and the Definitive Information Statement circulated via PSE Edge Portal and the Corporation’s website.

### **IV. APPROVAL OF THE MINUTES OF THE 2021 ANNUAL STOCKHOLDERS’ MEETING**

Mr. Corpuz then proceeded with the first item on the agenda, which is the approval of the minutes of the Annual Stockholders' Meeting held on August 11, 2021.

Atty. Gorriceta presented to the stockholders the number of stockholders present, and the list of directors and officers who attended the previous stockholders' meeting. Atty. Gorriceta explained that procedure for discussion at the last stockholders' meeting. He stated that the stockholders had the opportunity to email their questions and comments at [corpsec@xurpas.com](mailto:corpsec@xurpas.com). Questions and comments were then read aloud and addressed during the Question and Answer Period, which took place after all matters for approval have been discussed.

Atty. Gorriceta then explained the procedure for voting at the last stockholders' meeting, wherein each stockholder was also given an opportunity to cast their votes by submitting their ballots or proxy via the online registration link circulated by the Corporation. In accordance with the filed Definitive Information Statement of the Corporation, the deadline for the submission of the ballots and/or proxies was last August 4, 2021. Consequently, the Corporation tabulated all votes last August 6, 2021. It is assumed that all participants of the Meeting have already submitted their votes or proxies when they registered online.

Atty. Gorriceta also stated that each outstanding share of stock entitles the registered stockholder to one vote. For the election of independent directors, stockholders are allowed to cumulate their votes and the candidates receiving the highest votes will be declared elected.

Further to this, Atty. Gorriceta stated that copies of the minutes of the Special Annual Stockholders' Meeting held last August 11, 2021 have been uploaded on the Corporation's website and was included in the Definitive Information Statement disclosed via the PSE Edge Portal.

The matters approved in the 2021 Annual Stockholders' Meeting are the following:

<b>Description</b>	<b># of Shares (For)</b>	<b>% of Total Outstanding Shares</b>
<b>Approval of Minutes of Special Stockholders' Meeting held on November 27, 2020.</b>	1,075,777,239	99.97%
<b>Approval of the 2020 Annual Report and Audited Financial Statements for the period ended December 31, 2020</b>	1,075,777,239	99.97%
<b>Election of Directors</b> (Mr. Nico Jose S. Nollo, Mr. Alexander D. Corpuz, Mr. Fernando Jude F. Garcia, Mr. Wilfredo O. Racaza, Atty Mercedita S. Nollo, Mr. Jonathan Gerard A. Gurango, Ms. Imelda C. Tiongson and Mr. Bartolome S. Silayan, Jr.)	1,075,777,239 - 1,075,878,239	99.97% - 99.98%
<b>Appointment of External Auditor – Sycip Gorres Velayo &amp; Co.</b>	1,075,878,239	99.98%
<b>Ratification of Previous Acts of Directors and Management</b> (2019 to October 29, 2020)	1,075,777,239	99.97%

Atty. Gorriceta then said that the stockholders present unanimously approved the minutes and adopted the following resolution:

“**RESOLVED**, that the stockholders of Xurpas Inc. approve the minutes of the Annual Stockholders’ Meeting held on August 11, 2021.”

**Voting Results:**

	<b>No. of Common Shares</b>	<b>% of Total Outstanding Shares</b>
<b>For</b>	<b>1,219,336,758</b>	59%

**V. MESSAGE OF THE CHAIRMAN**

Jonathan Gerard A. Gurango (“Mr. Gurango”), Chairman of the Board and Chief Executive Officer proceeded with his message.

Mr. Gurango shared that the outgoing Chairman, Mr. Nico Jose S. Nolloedo, declared that Xurpas is increasingly a B2B Company. Mr. Gurango confirmed that Xurpas intends to continue to be a B2B Software Company. Xurpas’ objective is to grow this business predictably and profitably. Xurpas intends to grow the business by curating a regional marketplace of B2B Software Services & Products.

The geographical boundaries of the regional marketplace will include the Philippines and hopefully extend outside of the Philippine borders. Xurpas will become a distributor, supporter, and partner for a wide range of software solutions that are needed by small, medium, and large businesses.

Mr. Gurango shared that his leadership is focused on building the kind of company that the stockholders and the Company can be proud of - a visionary company that is built on strong fundamentals. He said that he wants to grow Xurpas to be a company that can withstand the economic and technological upheavals of the global software industry, by practicing the “successful habits” that Jim Collins refers to in his book **Built to Last**.

He believes that Xurpas is well positioned to profit from the six key trends that are currently driving the software development industry: [1] low-code and no-code development: tools that allow developers to achieve professional results. [2] cloud computing: developing, deploying, and supporting software that is cloud native. [3] cybersecurity: protecting the customers from malicious software produced by bad actors who have infinitely more resources than the good actors like Xurpas will ever have at their disposal. [4] artificial intelligence: automating business processes, management activities and human interactions without necessarily losing our humanity. [5] web 3.0: blockchain technologies, distributed applications or dapps, and building the galaxy of metaverses. [6] and finally, the internet of things: integrating software and hardware technologies over the world wide web to enable what Mr. Gurango’s younger self considered as science fiction --- self-driving vehicles, remote surgery, and intelligent sensing devices, the size of a literal bug.

He shared that even before the global pandemic and the resulting lockdown of March 2020, Xurpas was already actively involved in each of these trends. As a matter of fact, Xurpas was already working on the leading edge in four of the six of these trends.

Xurpas’ official intelligence in business automating business processes, management activities and human interactions without necessarily losing our humanity. Web 3.0, blockchain technologies, distributed applications or dapps, and building the galaxy of metaverses, and finally, internet of things. Integrating software and hardware technologies over the world wide web to enable what

Mr. Gurango's younger self considered as science fiction. Self-driving vehicles, remote surgery and intelligent sensing devices, the size of a literal bug. He shared that even before the global pandemic and the resulting the lockdown of March 2020, Xurpas was already actively involved in each of these trends. As a matter of fact, Xurpas was already working on the leading edge, some might even say the bleeding edge of six of these trends.

Mr. Gurango assured that Xurpas is riding the right technological wave into a bright future. With that, he thanked the Xurpas Board of Directors, co-executives, management team, and all the employees with the confidence and support that they have shown him during first 2 months as CEO. Mr. Gurango thanked the shareholders of Xurpas who continued to believe in the ability of Xurpas to fulfill the Filipino's aspiration for the global software industry.

## **VI. ANNUAL REPORT OF THE PRESIDENT AND APPROVAL OF THE 2021 AUDITED FINANCIAL STATEMENTS**

Mr. Corpuz then informed the stockholders that the next item in the agenda is the Annual Report of the President.

Mr. Corpuz discussed the Annual report. Xurpas ended with a PHP210 million in 2021, a 21% increase from PHP174M revenue in 2020. Analyzing further the total revenue for 2021, the enterprise business increased by 33% from PHP88M in 2020 to a PHP118M in 2021 spearheaded by a steady growth of the staff augmentation business. Mobile consumer revenue increased by 84% from PHP22M in 2020 to PHP41M in 2021, digital rewards was the main contributor to this segment. On the other hand, revenues from other services which refers to the store business, decreased by 19% from PHP64M in 2020 to PHP52M in 2021. The decreased in the benefit/marketplace business was offset by the continuing increase in AllCare revenues. The net loss of PHP26M in 2021 is a 62% improvement from previous year level of PHP69M pesos.

At this point, Mr. Corpuz discussed the Company's financial performance for the first quarter of 2022. Xurpas ended with a PHP48M Revenue in the first quarter of 2022, a 20% increase from the PHP40M in Q1 of 2021. Analyzing further the 20% increase in revenue, this is mainly due to the continuous expansion of the staff augmentation business under the enterprise segment. This largely contributed to the 133% revenue increase of the segment from the first quarter of last year at PHP13M, versus the PHP31M revenue of the first quarter of 2022. Augmenting the overall revenue increase is the mobile consumer business with the 42% increase from PHP5M to PHP7M over the same period. However, in the foregoing segment, revenue increases were partially offset by the 54% decrease of other services revenues in the first quarter of 2022 compared to the same period in 2021, due to the challenges in the marketplace business even as AllCare sustained its growth.

The net loss of PHP5M pesos in the first quarter in 2022 is a 70% improvement from the PHP17M loss of the same period of the previous year.

Moving forward, Xurpas will continue to strengthen its enterprise services business, focusing on the following: IT staff augmentation, growing its services under business solutions, seizing the opportunities brought about by Web 3.0.

### **Sustainability Report**

Given the need to operate in a sustainable manner, the Company has become conscious of activities within the organization that have economic, environmental, and social impacts. The

material topics included in the Sustainability Report are limited to the operational matters that have a direct and significant effect to the Company's sustainability and the interest of its identified stakeholders (i.e., shareholders, employees, customers and suppliers).

As an Information Technology (IT) company, the main contribution of Xurpas to sustainability is the provision of digital transformation through its technical capabilities. As an IT company, the effects of its operations mainly affect the economic and social aspects of sustainability.

The Company's Sustainability Report for the reporting period ended December 31, 2021 was attached to the Company's Annual Report and can be accessed through the PSE Edge or the Company website.

The Board is responsible for the Company's Risk Management and Internal Control System and for reviewing its adequacy and integrity.

In establishment and reviewing the risk management and internal control system, the Directors consider the materiality of relevant risks, the likelihood of losses to be incurred and the cost of control. The purpose of this risk management and internal control system is to manage and minimize rather than eliminate the risk of failure to achieve the company's objectives. There is no assurance against risk of material losses.

The Board conducts a periodic review of the effectiveness of risk management and internal control processes. The Board views that there is adequate risk management and internal control system in place.

Thereafter, the stockholders of the Corporation approved the 2021 Audited Financial Statements and adopted the following resolution:

**“RESOLVED**, that the stockholders of Xurpas Inc. (the “Corporation”) note the Corporation's Annual Report and approve the Consolidated Audited Financial Statements of the Corporation as of December 31, 2021, as audited by Sycip Gorres Velayo & Co.”

**Voting Results:**

	<b>No. of Common Shares</b>	<b>% of Total Outstanding Shares</b>
<b>For</b>	<b>1,219,336,758</b>	<b>59%</b>

**VII. AMENDMENT OF BY-LAWS**

Mr. Corpuz presented the Amendment of By-Laws of the Corporation and garnered no objections on the part of the stockholders, who unanimously signified their approval thereto.

The following proposed amendments to the By-Laws were approved in the previous stockholders meeting:

1. Notice of meeting to be distributed to stockholders via electronic mail and such other alternative modes as may be allowed by the SEC;
2. Participation of stockholders in a meeting through remote communication or in absentia; and

3. Voting through remote communication or in absentia.

The Corporation has not secured the approval of the SEC in relation to the foregoing as of date.

The additional proposed amendments to the By-Laws of the Corporation are as follows:

1. Change of Annual Meeting to every 2nd Wednesday of August (Article II, Section 1); and
2. Allowing the Chairman of the Board of Directors to preside in all meetings of the stockholders Article II, Section 6).

In this regard, the following resolution was passed and duly seconded:

“**RESOLVED**, that the stockholders of Xurpas Inc. (the “Corporation”) approve the following amendments to the By-Laws: Article II, Sections 1, 4, 5, 6 and 7.”

**Voting Results:**

	<b>No. of Common Shares</b>	<b>% of Total Outstanding Shares</b>
For	1,219,336,758	59%

**VIII. ELECTION OF DIRECTORS AND INDEPENDENT DIRECTORS**

Mr. Corpuz stated that the next item in the agenda is the election of the members of the Board for the ensuing year. He called on Atty. Gorriceta to explain the nomination process.

Atty. Gorriceta enumerated the names of the following nominees to the Board which have been accepted by the Corporation’s Nomination Committee:

1. Jonathan Gerard A. Gurango
2. Alexander D. Corpuz;
3. Fernando Jude F. Garcia;
4. Mercedita S. Nollado;
5. Wilfredo O. Racaza;
6. Imelda C. Tiongson, *Independent Director*; and
7. Bartolome S. Silayan, Jr., *Independent Director*.

Atty. Gorriceta mentioned that all nominees possessed all the qualifications and none of the disqualifications under the Corporation’s By-Laws and Manual on Corporate Governance and are eligible to be nominated and elected as directors of the Corporation. The qualifications of the directors were flashed on the screen and were included in the Information Statement which was sent to the stockholders as of record date and disclosed through the PSE Edge portal. For directors’ compensation, directors receive a standard per diem of Php20,000.00 for every meeting attended while the Chairman is entitled to a per diem of Php25,000.00 for every meeting. Non-executive directors have no compensation aside from their per diem, while directors who hold executive positions receive compensation in addition to their per diem. The total compensation received by the directors and key officers were also flashed on the screen.

Atty. Gorriceta also presented the attendance in meetings of the Board for calendar year 2021. Atty. Gorriceta stated that based on the tabulation of votes, each of the eight (8) nominees

has garnered at least 100% votes from those present in the meeting. Given this, he certified that each nominee has received enough votes for election to the Board.

Atty. Gorriceta then said that stockholders holding at least 59% of those present in the meeting approved the following resolution:

**“RESOLVED**, the stockholders of Xurpas Inc. (the “Corporation”) elect the following as directors of the Corporation to serve as such beginning today until their successors are elected and qualified:

Jonathan Gerard A. Gurango  
Alexander D. Corpuz  
Fernando Jude F. Garcia  
Wilfredo O. Racaza  
Atty. Mercedita S. Nollo  
Imelda C. Tiongson (Independent Director)  
Bartolome S. Silayan, Jr. (Independent Director)”

**Voting Results:**

<b>Name</b>	<b>Number of Votes</b>	<b>%</b>
Jonathan Gerard A. Gurango	<b>1,219,336,758</b>	100%
Alexander D. Corpuz	<b>1,219,336,758</b>	100%
Fernando Jude F. Garcia	<b>1,219,336,758</b>	100%
Wilfredo O. Racaza	<b>1,219,336,758</b>	100%
Atty. Mercedita S. Nollo	<b>1,219,336,758</b>	100%
Imelda C. Tiongson	<b>1,219,336,758</b>	100%
Bartolome S. Silayan, Jr.	<b>1,219,336,758</b>	100%

On behalf of the elected directors, Mr. Corpuz thanked the stockholders for their continued trust and support.

**IX. APPOINTMENT OF EXTERNAL AUDITOR**

Mr. Corpuz informed the stockholders that the next item in the agenda is the appointment of the Corporation’s External Auditor. He also stated that the Audit Committee has evaluated the performance of the Corporation’s current External Auditor, SyCip Gorres Velayo & Co. (“**SGV**”), which has been the Corporation’s External Auditor since 2008.

Atty. Gorriceta certified that stockholders holding at least 100% of the total outstanding shares of the Corporation approved the re-election of SGV as the external auditor of the Corporation for 2022 and approved SGV’s audit fee, and adopted the following resolution:

**“RESOLVED**, that Xurpas Inc. approves the appointment of Sycip Gorres Velayo & Co. as the Corporation’s External Auditor for the year 2022.”

**Voting Results:**



	No. of Common Shares	% of Total Outstanding Shares
For	1,219,336,758	59%

## X. RATIFICATION OF PREVIOUS ACTS AND MANAGEMENT

Mr. Corpuz then proceeded to the last item on the agenda, which is the ratification of previous acts of the Directors and Management from January 1, 2021 to June 20, 2022. He stated that copies of the matters approved have been uploaded on the Corporation's website and was included in the Definitive Information Statement disclosed via the PSE Edge Portal.

Atty. Gorriceta certified that stockholders holding at least 100% of the total outstanding shares of the Corporation ratified all previous acts of the Board and Management from January 1, 2021 to June 20, 2022.

The stockholders present unanimously approved the ratification of previous actions of the Directors and Management, and adopted the following resolution:

**“RESOLVED**, that the stockholders of Xurpas Inc. ratify all actions of the Directors and Management from January 1, 2021 to June 20, 2022.”

### Voting Results:

	No. of Common Shares	% of Total Outstanding Shares
For	1,219,336,758	59%

## XI. QUESTION AND ANSWER

Mr. Corpuz then announced that the Board will proceed to answer the questions raised by the stockholders.

### (a) What initiatives will you be pursuing to grow the Company? What technologies will you focus on?

Mr. Gurango said that there are ongoing plans and projects that are in place to continue to strengthen and improve the operations of Xurpas. Xurpas will be focusing on 1) increasing the capacity for IT Staff Augmentation; 2) Growing the Services and Products under Business Solutions; and 3) Seizing the emerging opportunities brought by Web 3.0. Moving forward, the technologies that Xurpas will focus on include low code and no code development, cloud computing, cybersecurity, AI in business, Web 3.0 and the internet of things. Xurpas is already working on the leading edge of most of these software technology prints. Mr. Gurango assures that Xurpas is riding the right technological waves into a very bright future.

### (b) What is your message to the long-time stockholders who have held on to the stock thru good times and bad?

Mr. Gurango said that he appreciates the long-time stockholders who have attended the Annual Stockholder's Meeting, and those who have held their stocks in good times and bad. They

genuinely appreciate investors who continue to believe and trust in the Company. He assured the stockholders that Xurpas Management and its employees are exerting all efforts to ensure the Company's recovery, and progress and continues towards predictable growth and profitability. Xurpas is well-positioned in terms of profiting from six of the key trends that are currently driving the software development industry, and the Company expects to take full advantage of its competitive advantage for as long as Xurpas can. The future is bright. He reiterated his appreciation to those stockholders who have stood by Xurpas in good times and bad.

## **XII. ADJOURNMENT**

There being no further business to discuss, the 2022 Annual Stockholders' Meeting is hereby adjourned.

Prepared by:

**ATTY. MARK S. GORRICETA**  
*Corporate Secretary*

Attested by:

**JONATHAN GERARD A. GURANGO**  
*Chairman of the Meeting*