



**PHILIPPINE NATIONAL
CONSTRUCTION CORPORATION**

[Minutes of PNCC Joint Committee Meeting] | 1 / 5
[December 06, 2023]

**MINUTES OF THE JOINT COMMITTEE MEETING
OF THE AUDIT AND FINANCE COMMITTEES OF
PHILIPPINE NATIONAL CONSTRUCTION CORPORATION (PNCC)
HELD AT THE PNCC BOARD ROOM
PNCC Complex, KM 15, East Service Road
Bicutan, Parañaque City
06 December 2023, 10:14 A.M.**

PRESENT:

Herculano C. Co Jr.	Vice-Chairman, Finance Committee
Alan R. Luga	Vice-Chairman, Audit Committee
Lamberto B. Mercado Jr.	Chairman, Finance Committee
Danilo S. Constantino	Chairman, Audit Committee
Evelina G. Escudero	Member, Finance Committee
Mariano Jesus S. Averia	Member, Finance Committee
Alex L. Sembrano	Member, Audit Committee
Jonathan S. Avanceña	Member, Audit Committee

ALSO PRESENT:

Kevin Jordan DL. Mendoza	Corporate Secretary
John Benedick R. Dela Cruz	Assistant Corporate Secretary
Rosalyn S. Delivios	Assistant Compliance Officer
Ariel B. Caraecle	COA, OIC – Supervising Auditor of PNCC
Marbile Q. Calapardo	COA, OIC – Audit Team Leader
Juland Andrada	COA – Member of the Audit Team
Kenneth Cidro	COA – Member of the Audit Team

APOLOGIES:

Miguel E. Umali	President & CEO
Atty. Maan Vanessa L. Doctor	Member, Finance Committee
Atty. Juan Carlo O. Pielago	Chief Privatization Officer (PMO)
	Deputy Privatization Officer (PMO)

I. CALL TO ORDER

During the Joint Committee meeting, the following members of Finance Committee were physically present, namely: (1) Chairman Alan R. Luga, (2) Vice-Chairman Herculano C. Co, Jr., (3) Dir. Danilo S. Constantino, and (4) Dir. Evelina G. Escudero. For Audit Committee, the following members were also physically present, namely: (1) Chairman Lamberto B. Mercado, Jr., (2) Vice-Chairman Herculano C. Co, Jr., (3) Dir. Mariano Jesus S. Averia, (4) Dir. Alex L. Sembrano, and (5) Dir. Jonathan S. Avanceña.

There being a quorum for both committees, and the Audit Committee being designated as the lead Committee for this joint meeting, Chairman Lamberto B. Mercado Jr. called the meeting to order at 10:14 A.M. and presided over the same, with Finance Committee Chairman Alan R. Luga as co-Chairman.

II. APPROVAL OF AGENDA

On motion duly made and seconded, the Joint Committees approved the Agenda for today's meeting.

III. APPROVAL OF THE MINUTES OF THE JOINT MEETING OF AUDIT AND FINANCE COMMITTEES HELD LAST 29 NOVEMBER 2023

On motion duly made and seconded, the Joint Committees approved the Minutes of Audit and Finance Joint Committee meeting dated 29 November 2023.

IV. MEETING WITH THE EXTERNAL AUDIT TEAM (COA) IN COMPLIANCE WITH INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT (IACGR)

Chairman Co suggested to his fellow Directors to introduce themselves, especially the new Directors to the members of the external audit team or the Commission on Audit (COA) for PNCC. Thereafter, Mr. Ariel Caraecle, the COA

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Luga
Co
Constantino
Escudero
Mercado
Averia
Sembrano
Avanceña

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Supervising Auditor of PNCC introduced the Audit Team Leader, Mr. Marbile Calapardo and the other members of the Audit Team, Mr. Kenneth Cidro and Juland Andrada.

Committee Chairman Mercado recognized the presence of Ms. Delivios, the Assistant Compliance Officer, who discussed the purpose of this meeting. Ms. Delivios informed the members of the Joint Committees that under the Supplement to Recommendation 3.2 of the SEC Form - I - ACGR, it provides that the Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present. Thus, this joint committee meeting with the COA and the absence of the President & CEO as well as the members of the PNCC management is in compliance with the Integrated Annual Corporate Governance Report (IACGR), which is being required by the Securities and Exchange Commission (SEC).

The members of the Joint Committee, the Assistant Compliance Officer, Ms. Delivios, and the COA Audit Team then discussed the audited financial report of PNCC as required by the SEC and PSE. After discussion, it was agreed by the Joint Committees to recommend to the Board to remind the management and the controllership division to submit the company's financial statement to the COA within the deadline.

V. OTHER MATTERS

For other matters, Mr. Caraele stated that PNCC is already in possession of the FCA Dampa Property and he inquired on the status of the proposed Terms of Reference (TOR) submitted to the Office of the President (OP). Chairman Co answered that in view of the planned lease and development of the 9.9-hectare portion of the FCA property, the company wrote a letter to the OP in 2019 submitting the TOR. As of this date, PNCC has yet to receive an update from the OP regarding the aforesaid TOR. Chairman Co added that during the previous years, PNCC's FCA Property remained unutilized to its maximum potential because of the pending cases filed by PNCC against the Sps. Sedano and Ley Construction Development Corporation (LCDC).

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Andrada
Mary
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Now, PNCC is collecting income from the FCA Dampa Property. As to the ejectment case filed by PNCC against LCDC, Chairman Co said that it is already submitted for Decision and hopefully, PNCC will also take possession of the subject property of the said case. He also informed the COA that the Board of Directors directed the OGCC to file its third Motion for Early Resolution and should copy furnish the Office of the Court Administrator of the Supreme Court.

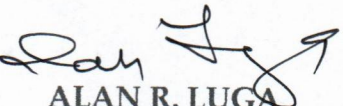
VI. ADJOURNMENT

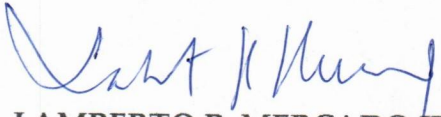
There being no further business to transact, on motion duly made and seconded, the Joint Committee meeting was adjourned at 10:51 A.M.

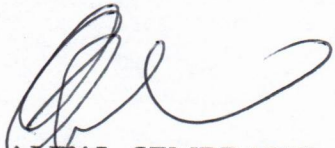
ATTESTED BY:



HERCULANO C. CO JR.
Vice-Chairman, Finance Committee
Vice-Chairman, Audit Committee


(ABSENT)
MIGUEL E. UMALI
Member, Finance Committee


ALAN R. LUGA
Chairman, Finance Committee


LAMBERTO B. MERCADO JR.
Chairman, Audit Committee


ALEX L. SEMBRANO
Member, Audit Committee


MARIANO JESUS S. AVERIA
Member, Audit Committee


JONATHAN S. AVANCENA
Member, Audit Committee

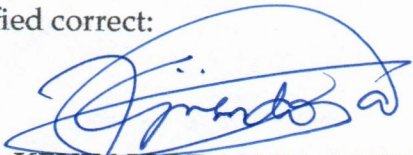
DANILO S. CONSTANTINO
Member, Finance Committee



EVELINA G. ESCUDERO

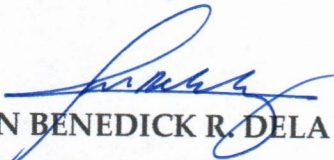
Member, Finance Committee

Certified correct:



KEVIN JORDAN DL. MENDOZA

Corporate Secretary



JOHN BENEDICK R. DELA CRUZ

Assistant Corporate Secretary