

Minutes of the 1st Special Board Meeting of Glimmerforge Solutions

Date: April 12, 2025

Time: 9AM

Location: Crimson Spire, Aetherium Way, Silvermoon Citadel

I. Call to Order

- Chair Elara Moonwhisper called the meeting to order.
- Prayer led by Darius Ironhand

II. Roll Call & Quorum Determination

- Roll call conducted by Secretary Shadowmere
- **Directors Present (9):** Zephyr Swiftbow, Fenris Shadowmere, Corin Windrider, Kaelen Frostbeard, Darius Gony Ironhand, Lyra Starlight, Elara Alvin Moonwhisper, Elias Nathaniel Grimfang, Director Syllas.
- **Directors Absent (6):** Brennus Dave Thunderaxe, Orin Von Sunstrider, Rhys Fireforge, Doric Dave Stonefist, Galen Lorenzo Miguel Starfall, Aric Paolo Dragonheart.
- Secretary **Shadowmere** confirmed 9 directors present.
- Per Article IV, Section 8 of the bylaws, a quorum requires at least 8 directors. A quorum for the transaction of corporate business and for the election of officers requiring a majority of all members is present.

III. Agenda Approval

- Agenda presented, including Election of Officers, Review of Articles of Merger Effects, Financial Reporting, Organizational Matters, By-Laws and Articles of Incorporation Discussion, Other Business, and Adjournment.
- Motion to approve the agenda by Board of Director Orin, seconded by Board of Director Shadowmere. Agenda unanimously approved.

IV. Election of Officers

- Nomination process commenced for officer positions.
- President: Nominee: Mr. Darius Ironhand. Unanimously elected by directors present.
- Vice-President: Nominee: Elara Moonwhisper. Unanimously elected by directors present.

- Corporate Secretary: Nominee: Mr. Elias Grimfang. Unanimously elected by directors present.
- Treasurer: Nominee: Mr. Fenris Shadowmere. Unanimously elected by directors present.
- Compliance Officer: Nominee: Mr. Christian Rodriguez. Unanimously elected by directors present. Newly elected officers were congratulated.
- Note: The corporation shall notify **The High Council** within 30 days of the election of directors and officers.

V. Selection of General Manager

- Three candidates presented: Sirius Jord Ang, Aether Olajuwon Lim, Kaelen Bryan del Rosario.
- Voting conducted by virtual hand-raising.
- Votes: Sirius Jord Ang - 7 votes, Aether Olajuwon Lim - 5 votes, Kaelen Bryan del Rosario - 5 votes.
- Motion to accept results by Kaelen Frostbeard, seconded by Shadowmere. Unanimously approved. Sirius Jord Ang selected as General Manager for garnering a majority of the votes.

VI. Effects of the Merger; Plans for Operations and Committees Moving Forward

- Outgoing President Elara Moonwhisper reported on merger effects and plans.
- Effects of Merger:
- Glimmerforge, as the surviving corporation, succeeds to all rights, privileges, immunities, powers, duties, and liabilities of a corporation under the Corporation Code.
- Glimmerforge assumes all liabilities and obligations of Stonekeep Provisions.
- Rights of creditors and liens on property are not impaired by the merger.
- Stonekeep employees will be separated but eligible for hire by Glimmerforge as new employees, respecting labor rights.
- Restriction on stock transfer reducing Filipino ownership below the required percentage continues.

Operational Plans:

- Efficient Supply Chain Management through integration.
- Leveraging Distribution Network for expanded market reach.
- Creating Manufacturing Synergies for efficiency and cost reduction.
- Integrating Warehousing and Inventory Management.
- Managing Supplier Partnerships.
- Ensuring Regulatory Compliance.
- Integration of Accounts following GAAP.

- Achieving Synergies in distribution, manufacturing, supply chain.
- Technology Investment for inventory and order management.
- Lord Sylas asked if we would terminate people from employment, as a consequence of the merger.
- Ms. Moonwhisper answered: Glimmerforge will hire the employees of the absorbed corporation; if redundancy occurs, laborers are entitled to the Twin Notice Rule under the Labor Code.
- Lord Sylas asked what would happen to the company assets?
- Ms. Moonwhisper answered: The general effect of the merger is that Glimmerforge, the surviving corporation, will possess all the rights, privileges, immunities, and powers, implying that the assets of the merged entities transfer to Glimmerforge.

VII. Financial Report

- Outgoing treasurer Darius Ironhand reported.
- Number of Shares after Merger:
- Glimmerforge original shares: 9,100,000.
- Stonekeep original shares: 5,000,000.
- Share exchange ratio: 1 share of Glimmerforge for every 1 share of Stonekeep (1:1).
- Total outstanding shares of surviving Glimmerforge: 14,100,000 (9,100,000 + 5,000,000).
- Glimmerforge original shareholders' ownership: 64.54% (9,100,000 / 14,100,000).
- Stonekeep former shareholders' ownership: 35.46% (5,000,000 / 14,100,000). The 1:1 ratio was chosen to retain this proportion.

Equity Capital after Merger:

- Capital stock price: P1,000 per share.
- Stonekeep Equity Capital: P5,000,000,000.00.
- Glimmerforge Equity Capital: P9,100,000,000.00.
- Merged Entity Equity Capital: P14,100,000,000.00.

Debt Capital after Merger:

- Stonekeep Debt Capital: P3,000,000.00.
- Glimmerforge Debt Capital: P250,000.00.
- Merged Entity Debt Capital: P3,250,000.00.

Retained Earnings after Merger: Merged Entity Retained Earnings: P50,000,000.00.

Total Capital of Surviving Entity: P14,147,000,000 (Equity Capital + Retained Earnings - Debt Capital).

Lord Sylas asked how much the subscribed and paid-in capital are?

Darius Ironhand answered that the capital stock price is P1,000 per share, and the total equity capital after the merger is P14,100,000,000.00.

Accounting Method: Financial systems integration shall comply with GAAP, including Data Migration, Internal Controls, and Audit Trail.

VIII. Appointment of Committees

Board has power to create special committees. Terms, composition, compensation, powers, and responsibilities are determined by the Board.

Lord Sylas asked who made the appointments?

Ms. Moonwhisper: The Executive Committee.

Lord Sylas asked how it was voted on.

Ms. Moonwhisper: It will be voted upon after the presentation.

Integration Committee: Proposed Head - Atty. Kaelen Frostbeard.

Product Expansion: Proposed Head - Mr. Aric Paolo Dragonheart.

Finance and Audit Committee: Proposed Head - Mr. Darius Ironhand.

Human Resources Committee: Proposed Head - Atty. Corin Windrider.

Compliance Committee: Proposed Head - Atty. Lyra Starlight. Recommendations approved upon motion and second.

IX. Strategic Direction

Key strategies include Expanding Product Offerings and Streamlining Supply Chain.

X. Articles of Incorporation of the Surviving Corporation

Discussion on Articles of Incorporation led by Compliance Officer Lyra Starlight.

Lord Sylas asked why he had a different copy of the AOI. Mr. Kaelen Frostbeard clarified that the provision Compliance Officer Lyra Starlight discussed is in the bylaws, not the Articles of Incorporation.

Primary Purpose: Trading/distribution of food and beverage FMCGs, authorized to enter contracts, act as representative/agent, engage in distributorships with domestic/foreign entities.

XI. By-Laws Discussion

Discussion on By-Laws, led by Board Member Lyra Starlight.

Lord Sylas asked how many directors we have because his copy of the by-laws says 13. Mr. Kaelen Frostbeard clarified that the Articles state the company shall have 15 directors. The board admits that the inconsistency in the number of directors in the AOI and the bylaws is an oversight.

Powers of the Board of Directors: Manage business, exercise corporate powers, and ensure success. Powers include creating/amending rules, purchasing/selling/mortgaging property, delegating powers (except for key decisions like AOI changes or mergers), approving budgets, and overseeing legal matters.

Officers and Their Duties: Roles outlined for President, VP, Treasurer, Secretary, Asst. Secretary, Compliance Officer. President oversees operations, ensures objectives/policies developed, manages day-to-day affairs, appoints/removes employees. The President cannot hold the position of Treasurer and Secretary concurrently. Compliance Officer monitors legal compliance (including RCC), issues certification, reports deviations.

Filling Vacancies: If officer position vacant, Board appoints successor for unexpired term. Stockholders must fill vacancy if due to increase in directors or specific by-laws reasons via special meeting.

XII. Other Business

- Lord Sylas: What is the required vote for the stockholders to effect the merger?
- Mr. Swiftbow: Two-thirds of the outstanding capital stock.
- Lord Sylas: What are the options of the dissenting stockholders?
- Mr. Shadowmere: They may exercise their Right of Appraisal.
- Lord Sylas: What is competition?
- Mr. Grimfang: An opposing corporation with the same interest.
- Lord Sylas: Are you aware of the Philippine Competition Act?
- Mr. Grimfang: Yes, it's a law promoting fair competition by restricting anti-competitive agreements and preventing abuse of dominant positions.
- Lord Sylas: What is the per se rule and rule of reason?
- Ms. Moonwhisper: Restricting competition as to price and fixing price at an auction.

- Mr. Kaelen Frostbeard: Per se, illegal acts are those specifically mentioned in the Philippine Competition Act.
- Mr. Corin Windrider: Under the Rule of Reason, a court will only declare an act a violation of the PCA if it has the effect of substantially preventing or restricting competition in the market.
- Lord Syllas: When is PCC notification compulsory?
- Mr. Corin Windrider: Not all mergers require PCC notification. Current thresholds require notification if the Size of Party (SOP) exceeds Php7.8 billion and the Size of Transaction (SOT) exceeds Php3.2 billion (adjusted annually based on GDP).
- Lord Syllas: When is PCC notification voluntary?
- Mr. Corin Windrider: When a merger or transaction is below the aforesaid thresholds.

XIII. Announcements

Company Fun Run on April 13th announced.

XIV. Adjournment

Motion to adjourn made by Director Lyra Starlight, seconded by Director Shadowmere. Unanimously approved. Motion to adjourn was also made by Vice President Moonwhisper, seconded by Director Kaelen Frostbeard. The meeting was adjourned.

The Next Scheduled Meeting is April 26 for another Stockholders Meeting.