

**SBS PHILIPPINES CORPORATION**  
Minutes of the Annual Stockholders' Meeting

(Subject to ratification in the next Shareholders' Meeting)

Held on June 22, 2018 at the **Club Filipino Corner Eisenhower St. Club Filipino Avenue**  
**San Juan, Metro Manila**

**Shareholders' Present**

Represented in Person or by Proxy 1,471,683,462 shares or 94.95%

**Directors in Attendance:**

Necisto U Sytengco	Chairman
Ricardo N. Jacinto	Vice-Chairman
Gerry D. Tan	President
Aylene Y. Sytengco	Director
Necisto Y. Sytengco II	Director
Lilian S. Linsangan	Independent Director
Roberto Anonas	Independent Director
Geocel Olanday	Independent Director

**Absent:**

Esmeraldo A. Tepage	Director
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The Chairman, Mr. Necisto U. Sytengco, welcomed the stockholders and delivered his remarks and message to the shareholders. He then welcomed the members of the board of directors and introduced them to the shareholders.

**I. CALL TO ORDER,**

The meeting was called to order by the Chairman.

**II. PROOF OF NOTICE, AND DETERMINATION OF QUORUM**

The Chairman inquired whether notices of the meeting were duly send and if there is a quorum for the meeting. The Corporate Secretary replied that notices of the meeting together with the agenda and the Definitive Information Statement of the Corporation, were duly sent beginning May 25, 2018 to all stockholders of record as of May 22, 2018 by personal delivery and by mail with postage pre-paid.

The Corporate Secretary further certified that shareholders owning 1,471,683,462 shares or 94.95% of the **outstanding capital stock** were present or represented during the meeting, thus, there was a quorum for the meeting of the stockholders of the Corporation.

The Chairman then asked the Corporate Secretary to discuss the rules and procedures of the meeting. Thereafter, the Secretary discussed the procedures to govern the conduct of voting during the meeting which were also stated in the Explanatory Notes to the Agenda items, sent to shareholders prior to the meeting together with the Notice of the Meeting. The following poll voting procedures was observed during the meeting:

*“Upon registration, the shareholders, voting in person or by proxy was presented with a ballot which was used to cast their votes in writing. The ballot stated the proposed action items in the Agenda for consideration of the shareholders.*

*To vote, the shareholder manually filled up the ballot provided to them upon registration indicating the votes cast per item of the Agenda. Once completed, the shareholder placed the ballot with the votes cast in the ballot boxes located at the registration table and inside the meeting hall.*

*All votes received was tabulated by the Office of the Corporate Secretary, and the results of the tabulation was validated by Punongbayan & Araullo, the Corporation’s Independent Auditors.*

*As an item on the Agenda is taken up, the Corporate Secretary reported the total number of votes received and if the agenda item was carried or disapproved.”*

The Corporate Secretary then certified that 1,471,683,462 shares or 94.95% of the outstanding capital stock of the Company were present and represented, **and** had cast their votes on the agenda items for consideration by the shareholders.

The Chairman then asked the Vice Chairman, Mr. Ricardo N. Jacinto to preside over the rest of the meeting. The Vice Chairman accepted.

### **III. APPROVAL OF MINUTES OF PREVIOUS MEETING**

The first business item on the Agenda was the approval of the minutes of the Annual Stockholders’ Meeting held on June 9, 2017. Copies of the minutes were distributed during the registration. Atty. Fred Bathan moved for the approval of the following resolution, and Arleen Calub seconded the following motion:

*“RESOLVED, that the minutes of the Annual Shareholders’ Meeting held on June 9, 2017, be, as it is hereby approved.”*

The Vice Chairman inquired if there were any comments. There were none. The Corporate Secretary then certified that shareholders holding 1,471,683,462 shares or 94.95% voted in favor of the approval of the minutes.

The minutes of the Annual Stockholders' Meeting held on June 9, 2017 was approved.

#### **IV. APPROVAL OF REPORTS TO THE SHAREHOLDERS**

The President, Mr. Gerry Tan, presented the progress report and results of operations of the Company for the year 2018. He then opened the floor for questions. There were neither questions nor oppositions relating to the management report and results of operations.

The Vice Chairman referred to the 2017 audited consolidated financial statements of the Company which were appended to the Definitive Information Statement sent to all stockholders of record. He then opened the floor for motions relative to the approval of the Audited Consolidated Financial Statements of 2017.

Ms. Evelyn Colarina moved for the approval of the 2017 AFS through the following resolution and the same was duly seconded by Ms. Jenny Jacob:

*“RESOLVED, that the Audited Consolidated Financial Statements of the Company as of and for the twelve-month period ended 31 December 2017 as audited by the Company’s Independent Auditors, Punongbayan & Araullo, are hereby approved and accepted.”*

The Vice Chairman inquired if there were any comments. There were none. The Corporate Secretary then certified that shareholders holding 1,471,683,462 shares or 94.95% voted in favor of the approval of the resolution.

Considering that majority voted to approve, the motion was carried.

#### **V. RATIFICATION OF THE ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT**

The Vice Chair asked the Corporate Secretary to discuss the agenda item, and the Corporate Secretary discussed that the matter being proposed for approval and ratification of the shareholders refers to the acts and resolutions of the Board of Directors and Management since the meeting of the stockholders on 9 June 2017 up to the date of this meeting, which were summarized in the Definitive Information Statement provided to the Shareholders and also disclosed and posted at the Company’s website. Said acts were also flashed in the screen during the meeting.

She explained that the acts of the Board and its Committees include approvals of contracts and agreements, investments and capital expenditures, treasury and other matters that have been subject of the corporate disclosures to the Philippines Stock Exchange and the Securities and Exchange Commission.

She further explained that the acts of Management refer to those made to implement resolutions of the Board and its Committees and undertaken in the general conduct of the business and affairs of the Company.

The Vice Chairman then opened the floor for motions to ratify the acts of directors and management.

Ms. Mary Ann Linsangan moved to ratify the acts of directors and management and Ms. Edith Dizon seconded the motion, thus:

*“RESOLVED, that all the acts of the Board of Directors and Management from the date of the last annual stockholders’ meeting held on June 9, 2017 to date, be, as it is hereby, approved and ratified.”*

The Vice Chairman inquired if there were any comments. There were none. The Corporate Secretary then certified that shareholders holding 1,471,683,462 shares or 94.95% voted in favor of the approval of the resolution.

Considering that majority voted to approve, the motion was carried.

## **VI. APPOINTMENT OF INDEPENDENT AUDITOR**

The Vice Chairman asked Ms. Lilian S. Linsangan, Chairperson of the Company’s Audit and Risk Management Committee to report on its evaluation and recommendation. Ms. Linsangan discussed that the Audit and Risk Management Committee has satisfied itself of the suitability of the Punongbayan & Araullo to meet the audit requirements of the Company for financial year 2017 and together with the Board of Directors, recommended the re-appointment of Punongbayan & Araullo as the Company’s independent auditors for Financial Year 2018.

The Vice Chairman opened the floor for a motion.

Ms. Raiza Yap moved for the re-appointment of Punongbayan & Araullo as External Auditor of the Corporation and to delegate to the Board of Directors to fix their remuneration through the following resolution, and duly seconded:

*“RESOLVED, as it is hereby resolved, that the Stockholders approve the appointment of PUNONGBAYAN & ARAULLO as the Corporation’s external auditors for 2018.”*

The Vice Chairman inquired if there were any comments. There were none. The Corporate Secretary then certified that shareholders holding 1,471,683,462 shares or 94.95% voted in favor of the approval of the resolution.

Considering that majority voted to approve, the motion was carried.

## **VII. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS TO SERVE FOR THE TERM 2018-2019**

The Vice Chairman asked the Chairman of the Nomination & Corporate Governance Committee to report on the nominees for election to the Company's Board of Directors who discussed that the Nomination Committee has pre-screened and short-listed all candidates nominated to the Board of Directors, who accepted their nomination, namely:

1. Mr. Necisto U. Sytengco
2. Mr. Gerry D. Tan
3. Mr. Esmeraldo A. Tepace
4. Ms. Aylene Y. Sytengco
5. Mr. Necisto Y. Sytengco II
6. Mr. Ricardo Nicanor N. Jacinto

And as Independent Directors:

7. Mr. Roberto Anonas
8. Ms. Lilian S. Linsangan
9. Mr. Geocel D. Olanday

He further discussed that all nominees except for Mr. Olanday are incumbent members of the Board and have been determined by the Committee to possess all the qualifications and none of the disqualifications provided under the Company's By-Laws, Manual of Corporate Governance and SEC rules and are eligible for re-election to the Board of Directors.

The Vice Chairman opened the floor for a motion.

Shareholder Mr. Jose Fidel Acuna moved that based on the recommendation of the Nomination Committee, the abovementioned incumbent directors be re-elected as members of the Company's Board of Directors to serve as such for the term of one year from June 22, 2018 and until their successors have been duly elected and qualified. Mr. Fred Bathan seconded the motion. Thus, the following resolution was approved and ratified:

*“RESOLVED, that the following individuals are hereby re-elected as members of the Company's Board of directors to serve for term of one year from June 22, 2018 an until their successors have been duly elected and qualified:*

- 1. Mr. Necisto U. Sytengco*
- 2. Mr. Gerry D. Tan*
- 3. Mr. Esmeraldo A. Tepace*
- 4. Ms. Aylene Y. Sytengco*
- 5. Mr. Necisto Y. Sytengco II*
- 6. Mr. Nicanor N. Jacinto*

*And as Independent Directors*

7. *Mr. Roberto Anonas*
8. *Ms. Lilian S. Linsangan*
9. *Mr. Geocel D. Olanday.*”

The Vice Chairman inquired if there were any comments. There were none. The Corporate Secretary then certified that:

1. Shareholders holding 1,471,683,462 shares or 94.95% voted in favor Mr. Necisto U. Sytengco
2. Shareholders holding 1,471,683,462 shares or 94.95% voted in favor Mr. Gerry D. Tan
3. Shareholders holding 1,471,683,462 shares or 94.95% voted in favor Mr. Esmeraldo A. Tepace
4. Shareholders holding 1,471,683,462 shares or 94.95% voted in favor Ms. Aylene Y. Sytengco
5. Shareholders holding 1,471,683,462 shares or 94.95% voted in favor Mr. Necisto Y. Sytengco II
6. Shareholders holding 1,471,683,462 shares or 94.95% voted in favor Mr. Ricardo Nicanor N. Jacinto

And as independent directors:

7. Shareholders holding 1,471,683,462 shares or 94.95% voted in favor Mr. Roberto Anonas
8. Shareholders holding 1,471,683,462 shares or 94.95% voted in favor Ms. Lilian S. Linsangan
9. Shareholders holding 1,471,683,462 shares or 94.95% voted in favor Mr. Geocel D. Olanday

The Vice Chairman explained that based on the nomination and tally of votes, the following are re-elected as directors of the Corporation to serve for one year from June 22, 2018 and until their successors shall have been elected and qualified:

1. Mr. Necisto U. Sytengco
2. Mr. Gerry D. Tan
3. Mr. Esmeraldo A. Tepace
4. Ms. Aylene Y. Sytengco
5. Mr. Necisto Y. Sytengco II
6. Mr. Nicanor N. Jacinto

And as Independent Directors

7. Mr. Roberto Anonas
8. Ms. Lilian S. Linsangan
9. Mr. Geocel D. Olanday

**VIII. OTHER MATTERS**

The Vice Chairman further asked if there are any other matters any shareholders wish to discuss. There was none.

**IX. ADJOURNEMENT**

The Vice Chairman opened the floor for motions to adjourn the meeting. Ms. Ria Reyes moved to adjourn the meeting. Mary Ann Linsangan seconded the motion.

**Christine P. Base**  
Corporate Secretary

Attested by:

**Necisto U. Sytengco**  
Chairman