

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING  
OF**

**SMC GLOBAL POWER HOLDINGS CORP.**

Held on 02 June 2020, 2:00 p.m.  
*via remote communication*  
*with the Chairman presiding at*  
*40 San Miguel Avenue, Mandaluyong City*

<b><u>PRESENT:</u></b>	<b><u>No. of Common Shares</u></b>
San Miguel Corporation (By Proxy)	1,250,000,500
Ramon S. Ang	500
Ferdinand K. Constantino	500
Aurora T. Calderon	500
Virgilio S. Jacinto	500
Jack G. Arroyo, Jr.	500
Consuelo M. Ynares-Santiago	500
Josefina Guevara-Salonga	500
 Total Number of Shares Present:	 1,250,004,000
 Total Number of Shares Issued and Outstanding:	 1,250,004,000
 Percentage of shares present and voting	 100%

**ALSO PRESENT:**

Elenita D. Go  
Paul Bernard D. Causon  
Ramon U. Agay  
Harold M. Abrenica  
Jose Mari R. Valte  
Julie Ann B. Domino  
Beatriz Irina Denise A. Garcia  
Irene M. Cipriano

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**I. CALL TO ORDER**

Mr. Ramon S. Ang, the Chairman of the Board, called the meeting of the stockholders to order and presided over the same. Atty. Virgilio S. Jacinto, the Corporate Secretary, recorded the minutes of the proceedings.

**II. CERTIFICATION OF QUORUM AND VOTING PROCEDURE**

Stockholders owning or representing 100% of the outstanding capital stock of the Corporation being present, in person, by ballot or by proxy, the Corporate Secretary certified that a quorum existed for the valid transaction of business.

For each Agenda Item, taking into consideration the ballots casts, a motion shall be made by any stockholder and when duly seconded by another shareholder (there being no objections from any stockholder) shall be declared as duly approved and carried by the all the stockholders present in the meeting. Should there be any objection from a stockholder, such objection shall be registered as a dissent to and a vote against the passage of the subject resolution.

For purposes of election of the members of the Board of Directors, a stockholder may vote the number of common shares held in his name in the stock and transfer book of the Corporation and may vote such number of common shares for as many persons as there are directors to be elected or he may cumulate said common shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his common shares shall equal, or he may distribute them on the same principle as among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of common shares owned by him as shown in the books of the Corporation multiplied by the total number of directors to be elected.

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

The Minutes of the Annual Stockholders' Meeting held on 04 June 2019 was presented to the stockholders for approval.

Upon motion duly made and seconded, there being no objections, the stockholders unanimously approved the following resolution:

**Stockholders' Resolution No. 2020-06-02-01**  
**Approval of Previous Meeting Minutes**

**“RESOLVED**, as it is hereby resolved, that the stockholders approve the Minutes of the Annual Stockholders' Meeting held on 04 June 2019.”

#### **IV. APPROVAL OF THE 2019 AUDITED FINANCIAL STATEMENTS**

Mr. Paul D. Causon, the Chief Finance Officer of the Corporation, presented to the Board the 2019 Audited Financial Statements, summarized as follows:

The Corporation increased its consolidated revenues in 2019 to ₱135.1 Billion which was 12% or ₱15.0B higher than last year's ₱120.1 Billion, reflecting the sale of power of 28,112 GWh in 2019 compared to 23,864 GWh in 2018. The increase was primarily driven by:

- (i) full-year contribution from Units 1 and 2 of Masinloc Power Plant acquired last March 2018;
- (ii) full-year operations of Davao Unit 2 and Limay Unit 3 Greenfield Power Plants, which commenced commercial operations last February 26 and March 26, 2018, respectively;
- (iii) the additional revenues contributed by Limay Unit 4 which started commercial operations last July 26, 2019; and
- (iv) the increase in revenues from SPPC brought by higher plant dispatch of Ilijan Power Plant due to higher Meralco nominations coupled with higher average realization price.

Consequently, Gross Profit at ₱43.3 Billion improved by 10% or ₱4.0 Billion and Operating Income at ₱36.0 Billion improved by 8% or ₱2.8 Billion mainly as a result of the additional capacities from the new power plants.

Net income for 2019 was higher by 73% at ₱14.4 Billion. This includes ₱2.8 Billion in forex gains which was a complete turnaround from the forex loss of ₱5.3B in the same period last year due to Philippine Peso appreciation against US Dollar.

Moving on to the Group's financial position, consolidated assets stood at ₱557.1 Billion which was 13% higher than the December 31, 2018 balance while the consolidated total liabilities went up by 1% to ₱403.7 Billion.

Total shareholder's equity reached ₱153.4 Billion, which was 60% higher than last year as a net result of the following:

- (i) issuance of US\$1.3 Billion in Senior Perpetual Capital Securities, less redemption of the US\$300 Million Undated Subordinated Capital Securities;

- (ii) consolidated net income for the year at ₱14.4 Billion;
- (iii) less distributions paid to perpetual securities for ₱7.0 Billion.

The 2019 Group's Net Debt-to-Equity Ratio of 1.44x and Interest Coverage Ratio of 2.35x are both in compliant with the financial covenant ratios. The Group needs to comply with a maximum Net Debt-to-Equity Ratio of 3.25x and a minimum Interest Coverage Ratio of 2.25x.

The Corporation's external auditors, R.G. Manabat & Co., a member firm of KPMG International, rendered an Unqualified Opinion on the 2019 Audited Financial Statements of the Corporation and subsidiaries, as presented.

The 2019 Audited Financial Statements of the Corporation are included in the Definitive Information Statement provided to the stockholders.

The Chairman then proceeded with the open forum.

Dr. Jack G. Arroyo, Jr. commended the San Miguel Group for all its donations and efforts during the COVID-19 pandemic and expressed his gratitude for all the continuous contributions being provided by the San Miguel Group. To this, Management expressed their sincerest thanks to Dr. Arroyo's statement.

After giving sufficient time and opportunity for any other of the stockholders to ask questions, none of the stockholders asked any questions. As such, the Chairman proceeded to entertain a motion to approve the 2019 Audited Financial Statements of the Corporation as presented.

Upon motion duly made and seconded, there being no objections, the following resolution was unanimously approved by the stockholders:

**Stockholders' Resolution No. 2020-06-02-02**  
**Approval of 2019 Audited Financial Statements**

**"RESOLVED**, as it is hereby resolved, that the stockholders approve the Audited Financial Statements of the Corporation for the year ended 31 December 2019."

**V. ELECTION OF THE BOARD OF DIRECTORS**

Atty. Jacinto presented to the stockholders the names of the nominees for election to the Board of Directors of the Corporation:

Ramon S. Ang  
Ferdinand K. Constantino  
Aurora T. Calderon  
Virgilio S. Jacinto  
Jack G. Arroyo, Jr. *(Independent Director)*  
Consuelo M. Ynares-Santiago *(Independent Director)*  
Josefina Guevara-Salonga *(Independent Director)*

Atty. Jacinto further explained that the Information Statement circulated to the stockholders provided the names of the nominees for election as independent directors of the Board of Directors and they are Jack G. Arroyo, Jr., Consuelo M. Ynares-Santiago and Josefina Guevara-Salonga. He likewise informed the stockholders that all the named independent directors comply with the mandatory requirements imposed by the Securities and Exchange Commission.

A motion was made for the above-named nominees be unanimously elected as directors of the Corporation for the ensuing year until their successors are elected and qualified, and that the votes of the stockholders present by ballot and represented by proxies be distributed and recorded accordingly.

Upon said motion being duly seconded, and there being no objections, stockholders unanimously approved the following resolution:

**Stockholders' Resolution No. 2020-06-02-03**  
**Election of the Board of Directors**

**“RESOLVED**, as it is resolved, that the following be, as they are hereby are, elected as members of the Board of Directors of the Corporation, to serve as such for the ensuing year, until their successors are duly elected and qualified:

1. Ramon S. Ang
2. Ferdinand K. Constantino
3. Aurora T. Calderon
4. Virgilio S. Jacinto
5. Jack G. Arroyo, Jr. *(Independent Director)*
6. Consuelo M. Ynares-Santiago *(Independent Director)*
7. Josefina Guevara-Salonga *(Independent Director).”*

**VI. RATIFICATION OF ALL ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS**

The Chairman presented to the stockholders the acts and proceedings of the Board of Directors and corporate officers for approval of the stockholders, as set out in the minutes of meetings of the Board of Directors and as disclosed in the Definitive Information Statement of the Corporation.

Upon motion duly made and seconded, there being no objections, the following resolution was unanimously approved by the stockholders:

***Stockholders' Resolution No. 2020-06-02-04  
Ratification of All Acts and Proceedings of  
the Board of Directors and Corporate Officers***

“**RESOLVED**, as it is resolved, that all acts, proceedings and resolutions of the Board of Directors and the Corporate Officers of the Corporation since the date of the Annual Stockholders' Meeting held on 04 June 2019 up to the date of this meeting, as set out in the minutes of the meetings of the Board of Directors, be approved, confirmed and ratified.”

**VII. APPOINTMENT OF EXTERNAL AUDITORS**

As endorsed by the Audit and Risk Oversight Committee and the Board of Directors, upon motion duly made and seconded, there being no objections, the following resolution was unanimously approved by the stockholders:

***Stockholders' Resolution No. 2020-06-02-05  
Appointment of External Auditors***

“**RESOLVED**, as it is resolved, that the accounting firm of R.G. Manabat & Co., be designated as external auditors of the Corporation for fiscal year 2020.”

**VIII. ADJOURNMENT**

There being no other matters to be discussed, the meeting was adjourned.

The voting results for each Agenda Item is set out in the attached Annex “A” hereof.

**ATTESTED BY:**

**RAMON S. ANG**  
Chairman

***Certified Correct:***

**VIRGILIO S. JACINTO**  
Corporate Secretary

Voting Results of each Agenda Item of the  
Annual Meeting of the Stockholders of  
SMC Global Power Holdings Corp. held on 02 June 2020

Agenda Item	Percentage of Outstanding Shares Voted For the Approval of the Agenda Item
Approval of the Minutes of the Annual Stockholders Meeting held on 04 June 2019	100%
Approval of the 2019 Audited Financial Statements	100%
Election of the Board of Directors For each of Ramon S. Ang, Ferdinand K. Constantino, Aurora T. Calderon, Virgilio S. Jacinto, Jack G. Arroyo, Jr., Consuelo M. Ynares-Santiago, and Josefina Guevara-Salonga	100%
Ratification of All Acts and Proceedings of the Board of Directors and Corporate Officers	100%
Appointment of External Auditors	100%