

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

SMC GLOBAL POWER HOLDINGS CORP.

Held on 01 June 2021, 10:00 a.m.
via remote communication (through Zoom weblink)
with the Chairman presiding at
40 San Miguel Avenue, Mandaluyong City

<u>PRESENT:</u>	<u>No. of Common Shares</u>
San Miguel Corporation (By Proxy)	1,250,000,000
Ramon S. Ang	500
John Paul L. 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
Jeciel B. Campos
Gonzalo B. Julian, Jr.
Julie Ann B. Domino-Pablo
Jose Ferlino P. Raymundo
Maria Floreselda S. Abalos-Sampaga
Reynabeth D. De Guzman
Harold M. Abrenica
Jose Mari R. Valte
Beatriz Irina Denise A. Garcia
Irene M. Cipriano

I. CALL TO ORDER

Mr. Ramon S. Ang, the Chairman of the Board and the Chairman of the meeting, 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.

For the record, proxies for 100% of the total outstanding capital stock of the Corporation have been issued by the stockholders in favor of the Chairman of the meeting, Mr. Ramon S. Ang, authorizing hm to vote for the election of the Board of Directors and the approval all corporate acts which require the conformity of the stockholders as provided in the Agenda for the meeting.

III. APPROVAL OF THE PREVIOUS MEETING MINUTES

The Minutes of the Annual Stockholders' Meeting held on 02 June 2020 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. 2021-06-01-01
Approval of Previous Meeting Minutes

“**RESOLVED**, as it is hereby resolved, that the stockholders approve the Minutes of the Annual Stockholders' Meeting held on 02 June 2020.”

IV. APPROVAL OF THE 2020 AUDITED FINANCIAL STATEMENTS

Mr. Paul D. Causon, the Chief Finance Officer of the Corporation, presented to the Board the 2020 Audited Financial Statements, summarizing the financial results and financial position of the SMC Global Power Group on a consolidated basis for the year ended as follows:

Consolidated net generation decreased by 7% at 23,533 GWh compared to the previous year due to the COVID-19 impact to the industry. The pandemic has severely affected industrial activity in the country, particularly in Luzon where most of our power assets are located. If not for COVID, system demand in Luzon was on track to its usual 5-7% per annum increase but instead collapsed by 20% particularly during the first half of the year due to suppressed industrial demand. A mild recovery was seen from June 2020 onwards as quarantine measures were made looser.

Average realization price was also lower by 8% at Php4.39/kwh due to: (i) the competitive- priced Meralco 10-year baseload and 5-year midmerit PSAs of Sual and Ilijan with 2020 effectivity and (ii) lower effective prices passed on to the DUs and ECs because of lower coal prices. Newcastle was at US\$63.1/MT compared to US\$80.7/MT the year before.

The net result is Operating income both went up by 3% or Php36.9 Billion. More importantly, the Group was able to manage its generation portfolio during the quarantine period by keeping its generation very close to its level of bilateral volume commitments instead of selling off any excess generation to WESM which in several instances were below the cost of generation ranging only from Php0 to 2.0/kwh for most of the quarantine period.

Accordingly, EBITDA at Php53.8 Billion went up by 15% along with the recognition of liquidated damages of USD75 Million from POSCO on account of its delay in the completion of Masinloc Unit 3.

Net income grew by a much higher margin of 31% at Php18.9 Billion despite the decline in forex gain.

Consolidated assets stood at Php610.0 Billion as of 2020 year-end. This is 9% higher than the 2019 year-end number because of the several fund raising activities done by the Group in 2020.

Liabilities decreased to Php383.7 Billion as the Group continued to pay its capital lease payments on its IPPA finance lease liabilities totaling ₱28.8B during the year.

Equity increased by 48% at Php226.3 Billion from issuance of USD1.35 Billion in senior perpetual notes, net income for the year at Php18.9 Billion less distributions paid to capital securities at Php10.4 Billion.

The Group remains compliant with its financial covenants. Net D/E is at 0.71x compared to a max of 3.25x and ICR is at 3.06x compared to a minimum of 2.25x.

The Corporation's external auditors, R.G. Manabat & Co., a member firm of KPMG International, rendered an Unqualified Opinion on the 2020 Audited Financial Statements of the Corporation and subsidiaries, as presented.

The 2020 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. After giving sufficient time and opportunity for any 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 2020 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. 2021-06-01-02
Approval of 2020 Audited Financial Statements

"RESOLVED, as it is hereby resolved, that the stockholders approve the Annual Report and the Audited Financial Statements of the Corporation for the year ended 31 December 2020."

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
John Paul L. Ang
Aurora T. Calderon
Virgilio S. Jacinto
Jack G. Arroyo, Jr. *(Independent Director)*
Consuelo M. Ynares-Santiago *(Independent Director)*
Josefina Guevara-Salonga *(Independent Director)*

On behalf of the Board, Atty. Jacinto reported that each of Jack G. Arroyo, Jr. and Consuelo M. Ynares-Santiago has served the Company as independent directors for nine (9) years. Their retention as Independent Directors beyond the nine (9) year term-limit is justified by their meritorious contributions to the Corporation. They have both brought high standards of corporate governance to the Corporation and objectively contributed insights to the Board Committees and to the Board. Their years of experience and expertise in their fields have enhanced the corporate values of the Company by their sustained advisory relationship with the Corporation.

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, including the re-election of Jack G. Arroyo, Jr. and Consuelo M. Ynares-Santiago as Independent Directors beyond their cumulative term of nine (9) years, 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 resolutions:

Stockholders' Resolution No. 2021-06-01-03
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. John Paul L. Ang
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)*.

“RESOLVED, FURTHER, that the re-election of Jack G. Arroyo, Jr. and Consuelo M. Ynares-Santiago, as Independent Directors of the Corporation, beyond their cumulative term of nine (9) years, taking into consideration the meritorious justifications presented by the Board for their retention as Independent Directors of the Corporation, is hereby likewise approved.”

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. 2021-06-01-04
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 02 June 2020 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. 2021-06-01-05
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 2021.”

VIII. ADJOURNMENT

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

IX. VOTING RESULTS

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

Annex "A"

Voting Results of each Agenda Item of the Annual Meeting of the Stockholders of SMC Global Power Holdings Corp. held on 01 June 2021

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 02 June 2020	100%
Approval of the 2020 Audited Financial Statements	100%
Election of the Board of Directors For each of Ramon S. Ang, John Paul L. Ang, Aurora T. Calderon, Virgilio S. Jacinto, Jack G. Arroyo, Jr., Consuelo M. Ynares-Santiago, and Josefina Guevara-Salonga; as well as the re-election of Jack G. Arroyo, Jr. and Consuelo M. Ynares-Santiago as Independent Directors beyond their cumulative term of nine (9) years, taking into consideration the meritorious justifications presented by the Board	100%
Ratification of All Acts and Proceedings of the Board of Directors and Corporate Officers since 2020 Annual Stockholders' Meeting	100%
Appointment of R.G. Manabat & Co. as External Auditors for fiscal year 2021	100%