

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

SMC GLOBAL POWER HOLDINGS CORP.

Held on 07 June 2022, 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)	1,250,000,500
Ramon S. Ang	500
John Paul L. Ang	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:

Ferdinand K. Constantino
Elenita D. Go
Paul Bernard D. Causon
Ramon U. Agay
Gonzalo B. Julian, Jr.
Julie Ann B. Domino-Pablo
Maria Floreselda S. Abalos-Sampaga
Dennis I. Ilan
Joyce Jimsie G. Aguinaldo
Danilo T. Tolarba
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 01 June 2021 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. 2022-06-07-01
Approval of Previous Meeting Minutes

"RESOLVED, as it is hereby resolved, that the stockholders approve the Minutes of the Annual Stockholders' Meeting held on 01 June 2021."

IV. APPROVAL OF THE 2021 AUDITED FINANCIAL STATEMENTS

Mr. Paul D. Causon, the Chief Finance Officer of the Corporation, presented to the Board the 2021 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:

For the Group's consolidated financial performance for the year ended, December 31, 2021:

SMC Global Power Group delivered off-take volumes of 27,221 gigawatt hours in 2021, a 4% growth versus 2020, as industrial activities started to pickup with relatively lighter Corona Virus Disease 19 quarantine restrictions compared to 2020. Correspondingly, with higher spot and average bilateral rates, consolidated revenues for the year rose by 16% to Php133.7 Billion.

Operating income declined by 14% to Php31.9 Billion on account of a significant rise in average coal input costs and higher power purchases. The higher power purchases were the result of lack of peak capacity to serve the Group's improved bilateral requirements, with the continued deration of the Ilijan power plant due to gas supply restriction and the extended outages of Sual power plant Unit 2.

Consequently, net income amounted to Php16.0 Billion, down by 15% from the previous year. Without the recorded liquidated damages from a third-party contractor arising from non-fulfillment of obligations under its procurement-related contracts in 2020, net income would have been higher by around 5%.

For the Group's consolidated financial position as of December 31, 2021:

Consolidated assets stood at Php635.7 Billion. This was 4% higher than the 2020 year-end total due mainly to higher balance of property, plant and equipment which is attributable to the ongoing construction of the Group's battery energy storage system, Batangas liquefied natural gas (LNG), Mariveles and Masinloc power plant projects.

Liabilities of Php384.0 Billion was at par with last year as the Group continued to settle its IPPA finance lease liabilities paying a total of Php21.7 Billion in 2021, and has recognized additional liabilities to contractors for its Mariveles project as well as secured additional term loans for LNG projects and for general corporate purposes.

Equity increased by 11% to Php251.7 Billion from the issuance of USD750 Million senior perpetual notes, consolidated net income of Php16.0 Billion less the redemption of USD300 Million undated subordinated capital securities and distributions paid to various capital securities holders amounting to Php14.8 Billion.

The Group has remained compliant with its financial covenants. Net debt-to-equity ratio was 0.74x, well below the ceiling of 3.25x. Also, the interest coverage ratio of 2.50x was more than the minimum requirement of 2.25x.

The Corporation's external auditors, R.G. Manabat & Co., a member firm of KPMG International, rendered an Unqualified Opinion on the 2021 Audited Financial Statements of the Corporation and subsidiaries, as presented.

The 2021 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 2021 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. 2022-06-07-02
Approval of 2021 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 2021.”

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

The Chairman presented to the stockholders for its approval the acts and proceedings of the Board of Directors and corporate officers since its Annual Stockholders' Meeting held on 01 June 2021, 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. 2022-06-07-03
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 01 June 2021 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.”

VI. 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. 2022-06-07-04
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 2022.”

VII. 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 more than 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. 2022-06-07-05
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.”

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

Voting Results of each Agenda Item of the
Annual Meeting of the Stockholders of
SMC Global Power Holdings Corp. held on 07 June 2022

No. of shares present/represented: 1,250,004,000 votes

<u>Agenda Item</u>	<u>Percentage of Outstanding Shares Voted For the Approval of the Agenda Item and No. of Votes Received</u>
Approval of the Minutes of the Annual Stockholders' Meeting held on 01 June 2021	100% (1,250,004,000 votes)
Approval of the 2021 Audited Financial Statements	100% (1,250,004,000 votes)
Election of the Board of Directors	
Ramon S. Ang	100% (1,250,004,000 votes)
John Paul L. Ang	100% (1,250,004,000 votes)
Aurora T. Calderon	100% (1,250,004,000 votes)
Virgilio S. Jacinto	100% (1,250,004,000 votes)
Jack G. Arroyo, Jr.*	100% (1,250,004,000 votes)
Consuelo M. Ynares-Santiago*	100% (1,250,004,000 votes)
Josefina Guevara-Salonga	100% (1,250,004,000 votes)
*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	
Ratification of All Acts and Proceedings of the Board of Directors and Corporate Officers since 2021 Annual Stockholders' Meeting	100% (1,250,004,000 votes)
Appointment of R.G. Manabat & Co. as External Auditors for fiscal year 2022	100% (1,250,004,000 votes)