

**MINUTES OF THE ANNUAL STOCKHOLDERS’ MEETING OF LT GROUP, INC. HELD
ON MAY 05, 2021 AT 10:00 A.M. VIA REMOTE COMMUNICATION**

STOCKHOLDERS:

In Person	None	0.000%
By Proxy	9,135,894,914 shares	84.42%
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PRESENT:

CARMEN K. TAN	-	VICE CHAIRMAN
MICHAEL G. TAN	-	DIRECTOR/PRESIDENT
LUCIO C. TAN III	-	DIRECTOR
VIVIENNE K. TAN	-	DIRECTOR
JUANITA T. TAN LEE	-	DIRECTOR/TREASURER
JOHNIP G. CUA	-	INDEPENDENT DIRECTOR
MARY G. NG	-	INDEPENDENT DIRECTOR
WILFRIDO E. SANCHEZ	-	INDEPENDENT DIRECTOR
FLORENCIA G. TARRIELA	-	INDEPENDENT DIRECTOR

ABSENT:

LUCIO C. TAN	-	CHAIRMAN
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I. CALL TO ORDER

The President, Mr. Michael G. Tan, called the meeting to order and presided over the same. The Corporate Secretary, Ms. Ma. Cecilia L. Pesayco, then informed everyone that meeting is being convened via the Zoom webinar application and that it is being recorded in accordance with the requirement of the Securities and Exchange Commission.

The Corporate Secretary called out the names of the Directors present in the meeting, namely, Ms. Carmen K. Tan, Mr. Michael G. Tan, Mr. Lucio C. Tan III, Ms. Vivienne K. Tan, Ms. Juanita T. Tan Lee, Mr. Johnip G. Cua, Ms. Mary G. Ng, Mr. Wilfrido E. Sanchez, and Ms. Florencia G. Tarriela.

II. PROOF OF THE REQUIRED NOTICE OF THE MEETING

Mr. Michael G. Tan inquired if the stockholders were duly notified of this meeting. The Corporate Secretary, Ms. Ma. Cecilia L. Pesayco, certified that the notice for the meeting was published in the business section of the following newspapers of general circulation, the Philippine Daily Inquirer, BusinessWorld Online, and the Philippine Star, in print and online format, for two consecutive days, and the last day of publication, April 14, 2021, is at least twenty-one (21) days prior to the date of the meeting, in full compliance with Rule 20 of the Securities Regulation Code. A Certification to this effect was executed by the Philippine Daily Inquirer, BusinessWorld Online, and the Philippine Star, the publishing companies utilized by Management for the purpose, and was submitted for the record.

III. PROOF OF PRESENCE OF QUORUM

The Corporate Secretary certified that there were present in person or by proxy, a total of 9,135,894,914 shares, or 84.42% of the Corporation's 10,821,388,889 total issued and outstanding shares, thus a quorum existed for the valid transaction of business that may properly come before the body.

IV. APPROVAL OF THE MINUTES OF THE 2020 ANNUAL STOCKHOLDERS' MEETING HELD ON JUNE 30, 2020

The next item in the agenda was the reading and approval of the Minutes of the previous Annual Stockholders' Meeting held on June 30, 2020. The matters discussed in the previous meeting were summarized in the Information Statement distributed to all stockholders.

As reported by the Corporate Secretary, the votes on the motion for the approval of the Minutes are as follows:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	9,135,894,914	None	None
% of Shares Voted	100.00%	0.00%	0.00%

Minutes of the Annual Stockholders' Meeting held on June 30, 2020 was dispensed with and the Minutes of the said meeting, as appearing in the minutes book of the Corporation, was approved.

V. CHAIRMAN'S MESSAGE

Before going further with the item in the Agenda, the President requested the Vice Chairman, Ms. Carmen K. Tan to read the message of the Chairman.

VI. MANAGEMENT REPORT

The President started his report with the negative effects caused by the sudden eruption of the taal volcano and the spread of the COVID-19 pandemic which prompted the Philippine Government to impose an Enhanced Community Quarantine or ECQ in Metro Manila in mid-March which was thereafter expanded to other areas up to the end of May, followed by other variations of quarantine. Aside from these, typhoon Rolly also hit the country in early November, followed by typhoon Ulysses less than two weeks after. This resulted to the devastation of many areas and caused massive flooding and landslides.

With the COVID-19 pandemic affecting jobs worldwide, the Philippine Government repatriated over 300,000 OFWs from over 90 countries in 2020. Thus, OFW remittances fell by 0.8% in 2020 to USD33.2Billion, still a higher amount than expected, as OFWs found ways to send funds to their families. These remittances accounted for 9.2% of GDP.

The BPO-IT Industry managed to remain resilient, with revenues estimated to have dropped by only 0.5% in 2020 to USD26.2Billion. No jobs were lost as the industry was able to adapt rapidly to work-from-home arrangements to continue servicing their clients.

The country's unemployment rate, however, hit a high of 17.6% in April before easing and ending the year at 10.3%. This translates to 4.5 million Filipinos looking for jobs, significantly higher compared to the 5.1% unemployment rate in 2019. Household Consumption and Expenditure declined by 7.9% in 2020.

As a result of all these, the Philippines' GDP shrank by 9.5% in 2020, the worst contraction since the government released data in 1947, after World War II.

The Company managed to remain steadfast amidst the crisis, on the back of its strong financial position built through the years. While some businesses of the Company were adversely affected, LTG was able to end 2020 with an attributable net income of PhP21Billion, 9% less than the PhP23Billion reported for 2019. The drop in income is mainly due to the substantial decline in PNB's income due to provisioning for loan losses.

The tobacco business accounted for PhP16.8Billion or 80% of the total attributable income; PNB added PhP1.6Billion or 7%; Tanduay with PhP1.1Billion or 5%; Eton with PhP799Million pesos or 4%; while Asia Brewery contributed PhP583Million or 3%. Victorias Milling Company accounted for PhP264Million or 1%.

Aside from the regular cash dividend of 15 centavos per share, LTG paid three special cash dividends in 2020, 28 centavos in June, 23 centavos in September and 15 centavos in December. This brought the total dividends declared in 2020 to 81 centavos per share or a total of PhP8.76Billion, significantly higher than 2019's 30 centavos per share or PhP3.25Billion. The 2020 dividends translate to a 38% payout rate compared to 20% in 2019.

He then presented a video discussing each of the Operational Highlights of the Company's subsidiaries.

For 2021, the Government projected a GDP growth of between 6.5% to 7.5%. But, with the imposition of a two-week ECQ in Metro Manila and nearby provinces in late March to mid-April, NEDA Chief Karl Kendrick Chua said that this will shave off 0.8 percentage points from the full year economic growth of 2021. Any more lockdowns in the future should have a similar impact on the economy.

Mr. Tan reported that while the country got off to a slow start in 2021, the economy can open-up as more people get inoculated, given that the vaccination program of the government is already underway and the private sectors to follow. Businesses can then operate at efficient levels and thereby provide more jobs.

However, inflation will unfavorably impact the rebound of the economy. While inflation averaged 2.6% in 2020, it has been going up since October 2020, and the Government has revised upwards its 4% target for 2021 to 4.2%. The inflation rate hit 4.2%, 4.7% and 4.5% in the first three months of 2021 due to rising prices of food and oil.

Moreover, according to the Department of Labor and Employment, aside from approximately two hundred thousand OFWs that came home in the first quarter of 2021, about sixty to eighty thousand more are expected to return for the rest of the year.

He then reported that LTG has secured enough vaccines for the over 50,000 employees and service providers of the Lucio Tan Group of Companies and has also provided access to these vaccines for their families.

The steady or increase in demand for the consumer goods, both in TDI and ABI, is expected. However, the volume of PMFTC's products might be impacted, as price increases are needed to pass on the annual increase in excise taxes, the last of which was made in October 2020. The Bank will see some more NPLs booked as Bayanihan 1 and 2 provided a grace period for borrowers which ended in 2020, but a better economy should pave the way for the need of more loans. Eton, with most of its leasing portfolio in office space, will not be as affected as other developers who are more reliant on retail space.

In compliance with the Revised Corporation Code, the stockholders must be informed of the total compensation received by each of the directors during the past year. Based on the report from the Chief Financial Officer, the following are the individual compensation of the members of our Board of Directors.

Name of Directors	Total Compensation Received in 2020
Lucio C. Tan	Php 3,285,000
Juanita T. Tan Lee	Php 1,120,000
Vivienne K. Tan	Php 685,000
Wilfrido E. Sanchez	Php 775,000
Michael G. Tan	Php 2,030,000
Lucio C. Tan III	Php 685,000
Harry C. Tan	Php 1,985,000
Johnip G. Cua	Php 775,000
Carmen K. Tan	Php 660,000
Mary G. Ng	Php 690,000
Florencia G. Tarriela	Php 775,000

Upon motion duly made and seconded, the Management Report, as reflected in the Annual Report, together with the financial statements for the period ending December 31, 2020, was approved as follows:

STOCKHOLDERS RESOLUTION NO. 01-2021

“**RESOLVED**, that the Management Report, as reflected in the Annual Report, together with the audited financial statements for the period ending December 31, 2020, be noted and approved.”

As reported by the Corporate Secretary, the votes on the motion for the approval of the Management Report are as follows:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	9,133,598,914	2,296,000	None
% of Shares Voted	99.97%	0.03%	0.00%

VII. RATIFICATION OF ALL ACTS, DECISIONS, AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND OF THE MANAGEMENT

The President then requested for the Stockholders' confirmation and ratification of all Acts, Resolutions, and Investments of the Board of Directors and Management for the Year 2020. A summary of the actions of the Board of Directors and Management for the year was contained in the Information Statement which was made available to all stockholders. Upon motion duly made and seconded, the stockholders approved as follows:

STOCKHOLDERS RESOLUTION NO. 02-2021

“**RESOLVED**, that all resolutions approved by the Board of Directors and Acts of Management for the Year 2020 up to the present be, as they are hereby, approved, confirmed and ratified as if each of the resolutions had been adopted with specific and special authorization by the stockholders in a meeting duly convened and held.”

As reported by the Corporate Secretary, the votes on the motion for the Ratification of All Acts, Decisions and Proceedings of the Board of Directors and Management for the Year 2020 are as follows:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	9,133,598,914	2,296,000	None
% of Shares Voted	99.97%	0.03%	0.00%

VIII. ELECTION OF DIRECTORS

The President then declared that the floor is open for the nomination of the Directors for the ensuing year. The Corporate Secretary reported that, the Nomination and Compensation Committee has approved the nomination of eleven (11) individuals as Directors of the Company for the year 2021-2022:

Lucio C. Tan
Carmen K. Tan
Karlu T. Say
Michael G. Tan
Lucio C. Tan III
Vivienne K. Tan
Juanita T. Tan Lee
Johnip G. Cua – Independent Director
Mary G. Ng – Independent Director
Wilfrido E. Sanchez – Independent Director
Florencia G. Tarriela – Independent Director

Mr. Johnip G. Cua, Ms. Mary G. Ng, Mr. Wilfrido E. Sanchez, and Ms. Florencia G. Tarriela were nominated as Independent Directors.

Mr. Wilfrido E. Sanchez and Ms. Florencia G. Tarriela have both served the maximum cumulative term of 9 years as independent directors under the Code of Corporate Governance for Publicly-Listed Companies.

The Nomination Committee resolved to approve the re-nomination of Ms. Tarriela as Independent Director for the term 2021-2022. Ms. Tarriela's professional experience as a banker and former Undersecretary of Finance helped the Company in understanding the policies and rules of the Bangko Sentral ng Pilipinas and other government agencies. Ms. Tarriela also helped in providing the proper perspective in certain areas of government financial policies. She is also a strong advocate of good corporate governance and brings this advocacy to the Board for its strict adherence.

The Nomination Committee also approved the renomination of Mr. Sanchez. His professional background and experiences are invaluable to the Company as it always seeks his advice on various tax-related matters. His opinions are always sought on developments in the Legislature and the impact of any tax-related bills pending in Congress. Mr. Sanchez also provides copies of the latest Revenue Circulars, SEC Circulars or jurisprudence that may affect or benefit the business of the Company. His timely advice helps the Company and its subsidiaries prepare adjustments in its operations.

Because of the wealth of experiences and far-reaching influence in the business community of Directors Florencia G. Tarriela and Wilfrido E. Sanchez, the Committee believes that they should be retained as Independent Directors.

Taking into consideration the voting instructions received through proxies submitted to the Office of the Corporate Secretary, the latter declared the eleven (11) nominees with the highest number of votes as follows:

Lucio C. Tan
Carmen K. Tan
Karl T. Say
Michael G. Tan
Lucio C. Tan III
Vivienne K. Tan
Juanita T. Tan Lee
Johnip G. Cua – Independent Director
Mary G. Ng – Independent Director
Wilfrido E. Sanchez – Independent Director
Florencia G. Tarriela – Independent Director

Upon motion duly made and seconded, the stockholders approved as follows:

STOCKHOLDERS RESOLUTION NO. 03-2021

“RESOLVED, to elect the following as directors of the Company to serve as such until the election and qualification of their successors.

Lucio C. Tan	Juanita T. Tan Lee
Carmen K. Tan	Johnip G. Cua
Karl T. Say	Mary G. Ng
Michael G. Tan	Wilfrido E. Sanchez
Lucio C. Tan III	Florencia G. Tarriela
Vivienne K. Tan	

As reported by the Corporate Secretary, the final votes received by the Nominees are as follows:

Name	Approved	Against	Abstain
Lucio C. Tan	8,898,631,071	237,263,843	None
% of Shares Voted	97.40%	2.60%	0.00%
Carmen K. Tan	8,954,481,280	181,413,634	None
% of Shares Voted	98.01%	1.99%	0.00%
Karlu T. Say	8,467,265,003	668,629,911	None
% of Shares Voted	92.68%	7.32%	0.00%
Michael G. Tan	8,907,000,588	228,894,326	None
% of Shares Voted	97.49%	2.51%	0.00%
Lucio C. Tan III	9,091,810,414	44,093,500	None
% of Shares Voted	99.52%	0.48%	0.00%
Vivienne K. Tan	9,081,686,594	54,208,320	None
% of Shares Voted	99.41%	0.59%	0.00%
Juanita T. Tan Lee	8,907,578,411	228,316,503	None
% of Shares Voted	97.50%	2.50%	0.00%
Johnip G. Cua	9,074,754,158	61,140,756	None
% of Shares Voted	99.33%	0.67%	0.00%
Mary G. Ng	9,135,596,314	298,600	None
% of Shares Voted	99.99%	0.01%	0.00%
Wilfrido E. Sanchez	9,093,070,914	42,824,000	None
% of Shares Voted	99.53%	0.47%	0.00%
Florencia G. Tarriela	9,135,596,314	298,600	None
% of Shares Voted	99.99%	0.01%	0.00%

IX. AMENDMENT OF THE COMPANY’S BY-LAWS

The President then requested for the Stockholders’ confirmation of the Amendment of the By-Laws. The Corporate Secretary reported that during its meeting held on June 30, 2020, the Board of Directors discussed and approved the amendment of the By-Laws of the Company to include provisions on attendance, participation and voting in Board and shareholders’ meetings through remote communication as provided under the Revised Corporation Code. The Board believes that by amending the Company’s By-Laws, sound corporate governance will be preserved by giving shareholders and members of the Board more options to participate in meetings and decision-making for the Company, especially in extraordinary situations like the current pandemic. Upon motion duly made and seconded, the stockholders approved as follows:

STOCKHOLDERS RESOLUTION NO. 04–2021

“**RESOLVED**, that the By-Laws of the Corporation be amended to reflect the provisions on attendance, participation and voting through remote communication in meetings of the Board of Directors and stockholders.”

As reported by the Corporate Secretary, the votes on the motion for the Approval of the Amendment of the Company's By-Laws are as follows:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	9,131,986,914	3,908,000	None
% of Shares Voted	99.96%	0.04%	0.00%

X REAPPOINTMENT OF EXTERNAL AUDITOR

The Chairman of the Committee, Mr. Johnip G. Cua reported that, the Audit and Risk Management Committee, after careful deliberation and after evaluating the performance of the accounting firm of Sycip Gorres Velayo & Co. (SGV & Co.) for the past year, and considering the quality of its audit work, taking into account the effects of this pandemic, the competitiveness of its fees, and its reputation, the Committee endorsed to the Board its reappointment as External Auditor of the Company for the year 2021-2022. The appointment of SGV & Co. was approved by the Board of Directors last March 15, 2021, and is now being presented for ratification of the stockholders. Upon motion duly made and seconded, the stockholders approved as follows:

STOCKHOLDERS RESOLUTION NO. 05-2021

“RESOLVED, that the Company be, as it is hereby, authorized to appoint Sycip Gorres Velayo & Co. (SGV & Co.) as the External Auditor for the year 2021-2022.”

As reported by the Corporate Secretary, the votes on the motion for the reappointment of the External Auditor are as follows:

	FOR	AGAINST	ABSTAIN
No. of Voted Shares	9,135,894,914	None	None
% of Shares Voted	100.00%	0.00%	0.00%

XI OTHER MATTERS

Mr. Tan then asked if there was any question, clarification, or comments that a stockholder may wish to ask. The Corporate Secretary reported that we have received a question from Mr. Ishmael Sam Canua, a stockholder. He asked how many employees will be given the dose of the COVID-19 vaccine and what are the brand/s? The President responded that the Company have secured enough vaccines for the over 54,000 employees and service providers of the Lucio Tan Group of Companies nationwide. The Company purchased Astra Zeneca and Moderna and around 90% of employees have signified their intent to be vaccinated, but we are hoping that the rest will sign up, so that it will be 100%.

On the other questions posed by Mr. Ishmael Sam Canua, the Corporate Secretary informed the body that the same will be referred to the respective Investor Relations officers for appropriate response since they involved other companies in the group.

Thereafter, the President expressed the Board's heartfelt gratitude and sincere appreciation to the outgoing director, Mr. Harry C. Tan, for his outstanding service and dedication to the Company for the past years.

XI. ADJOURNMENT

There being no other business to discuss, upon motion duly made and seconded, the meeting was adjourned.

CERTIFIED CORRECT:


MA. CECILIA L. PESAYCO
Corporate Secretary

ATTESTED BY:

LUCIO C. TAN
Chairman