

**MINUTES OF THE ANNUAL STOCKHOLDERS’ MEETING OF LT GROUP, INC. HELD  
ON MAY 4, 2022 AT 10:00 A.M. VIA REMOTE COMMUNICATION**

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**STOCKHOLDERS:**

In Person	105,602	0.001%
By Proxy	8,964,419,029 shares	82.84%
	<b>8,964,524,631 shares</b>	<b>82.841%</b>

**PRESENT:**

LUCIO C. TAN	-	CHAIRMAN
CARMEN K. TAN	-	VICE CHAIRMAN
LUCIO C. TAN III	-	DIRECTOR
MICHAEL G. TAN	-	DIRECTOR/PRESIDENT
KARLU T. SAY	-	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

**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 President then acknowledged the Directors present in the meeting, namely, Dr. Lucio C. Tan, Ms. Carmen K. Tan, Ms. Karlu T. Say 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, and the Philippine Star, in print and online format, for two consecutive days, and the last day of publication, April 6, 2022, is at least twenty-eight (28) 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, 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 8,964,524,631 shares, or 82.841% 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 2021 ANNUAL STOCKHOLDERS' MEETING HELD ON MAY 5, 2021**

The next item in the agenda was the reading and approval of the Minutes of the previous Annual Stockholders' Meeting held on May 5, 2021. 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:

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
No. of Shares Voting	8,956,847,964	7,615,900	60,767
% of Shares	99.92%	0.08%	0.00%

The reading of the Minutes of the Annual Stockholders' Meeting held on May 5, 2021 was dispensed and the said Minutes, 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 reported that year 2021 was difficult as the COVID-19 pandemic entered its second year. Although the country's GDP grew by 5.7%, a reversal from the 9.5% contraction in 2020 and due to a low base, Filipinos still had to contend with some forms of lockdowns and business suffered as most of people's movements remain restricted. When the vaccines procured by the private sector, including the Company, it started arriving in mid-July, this brought hope that our economy could open up faster as this would speed up the vaccination of the working population. The private sector's purchases were meant to augment the supply of vaccines donated through the World Health Organization's COVAX Facility and those ordered by the Philippine Government as the priority were medical frontliners and senior citizens.

Since our IPO in 2013, the largest at that time, LTG has been through ups and downs over the past nine years. To date, the biggest challenge was the illicit trade in tobacco from 2014 up to 2016, and the COVID-19 pandemic follows closely. It was through hard work, cooperation, and a strong financial position built through the years that your Company was successful in Averting Difficulties in 2021. The Company did not emerge unscathed, but overall, we managed to end 2021 with a net income attributable to equity holders of 20.2 billion pesos, 3.7% lower than 2020.

PMFTC accounted for 17.4 billion pesos or 86% of LTG's total attributable net income. Tanduay contributed 1.2 billion pesos or 6% of total. Eton added 548 million or 3%. Asia Brewery accounted for 475 million or 2%. PNB contributed 308 million or 2%. Lastly, Victorias Milling added 258 million pesos or 1% of total income.

The Company's dividends declared in 2021 were at an all-time high. Through a series of special cash dividends, LTG paid out Php1.08 per share or 11.7 billion pesos, equivalent to a 56% pay-out rate. With the recovery of the tobacco business over the past years, which is the primary source of LTG's cashflow, we have been able to declare more and more dividends. From a total of 1.6 billion pesos in 2013, this has steadily increased to the 11.7 billion in 2021 or 1.08 pesos per share. Since 2013, the Company paid out dividends of 3.38 per share or a total of 36.6 billion.

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

### Outlook for 2022

Typhoon Odette in late December 2021 devastated parts of the Visayas and Mindanao and left many areas without power and water for weeks. The full impact of the destruction on the economy will be felt in 2022. The war in Ukraine that started in February 24 has caused oil prices, already on the upswing given higher global demand, to surge even more. This has brought about higher manufacturing, distribution and transportation costs, with inflation expected to breach the government's original target of 2 to 4% for 2022. The May 9 elections and the expected smooth transition of power by June 30 should be a cause for further optimism moving forward.

Overall, 2022 should be a better year than 2021 as the economy opens up as more and more people get vaccinated. Go Negosyo estimated that as of early April 2022, 72.6% of the entire Philippines had been vaccinated. For the Lucio Tan Group of Companies, 98.6% of the over 31,000 employees have been vaccinated, while 94% of our 15,000 service providers have also received their jabs. This is through our own vaccination program and through different LGUs.

The opening up of the economy means that the purchasing power of consumers will improve and bodes well for our different businesses. This should mean increased demand for the products of PMFTC, Tanduay and Asia Brewery. Eton should have higher occupancy rates, but it will take time for the fit-outs of new office and retail tenants. An improved economy will also mean less non-performing loans and higher margins for PNB.

The President ended his report by thanking the Company's stakeholders for their continued support and trust. To the Board of Directors, management team and all of the Company's employees, the President thanked them for their dedication and hard work through these challenging times. The Company have been through another tough year and together we will see LTG come out of this better and stronger.

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 2021
Lucio C. Tan	Php 3,285,000
Carmen K. Tan	Php 660,000
Karlu T. Say	Php 440,000
Michael G. Tan	Php 2,030,000
Lucio C. Tan III	Php 685,000
Vivienne K. Tan	Php 685,000
Juanita T. Tan Lee	Php 1,120,000
Johnip G. Cua	Php 775,000
Mary G. Ng	Php 690,000
Wilfrido E. Sanchez	Php 775,000
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, 2021, was approved as follows:

**STOCKHOLDERS RESOLUTION NO. 01-2022**

“**RESOLVED**, that the Management Report, as reflected in the Annual Report, together with the audited financial statements for the period ending December 31, 2021, 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:

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
No. of Shares Voting	8,954,783,864	7,615,900	2,124,867
% of Shares	99.90%	0.08%	0.02%

**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 2021. 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. 02-2022**

“**RESOLVED**, that all acts, resolutions, and proceedings approved by the Board of Directors and Management from the time of the Annual Stockholders' Meeting on May 5, 2021 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 2021 are as follows:

	FOR	AGAINST	ABSTAIN
No. of Shares Voting	8,954,783,864	7,615,900	2,124,867
% of Shares	99.90%	0.08%	0.02%

**VIII. RE-ELECTION OF MR. WILFRIDO E. SANCHEZ AND MS. FLORENCIA G. TARRIELA**

The Corporate Secretary reported that 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 Code of Corporate Governance, however, allows for extension of the term on meritorious grounds.

In the meeting held on February 8, 2022, the Nomination Committee recognized the valuable contributions of Ms. Tarriela and Mr. Sanchez and endorsed their renomination as independent directors for another year.

Ms. Tarriela was a former Undersecretary of Finance and the first Filipino Vice-President of an international bank. Her professional experience is beneficial to the Company in navigating and understanding the rules of the Bangko Sentral ng Pilipinas and policies of other government financial agencies. Moreover, she is a strong advocate of good corporate governance and brings this advocacy to the Board for the latter's strict adherence.

Mr. Sanchez's professional background and work experiences are invaluable to the Company as it always seeks his opinion or advice on various tax-related matters. He advises the Board on pending proposals on tax legislation and the impact of the latest Revenue Circulars and SEC Memorandum Circulars. His timely advice helps the Company and its subsidiaries make necessary adjustments in their operations.

The re-nomination of Ms. Tarriela and Mr. Sanchez was duly approved by the Board of Directors and was proposed to be approved by the stockholders. Upon motion duly made and seconded, the stockholders approved as follows:

**STOCKHOLDERS RESOLUTION NO. 03-2022**

**“RESOLVED**, that the following be re-nominated as Independent Directors for the year 2022-2023: Ms. Florencia G. Tarriela Mr. Wilfrido E. Sanchez”

As reported by the Corporate Secretary, the votes on the motion for the re-nomination of Ms. Tarriela and Mr. Sanchez as Independent Directors are as follows:

	FOR	AGAINST	ABSTAIN
No. of Shares Voting	8,954,783,864	7,615,900	2,124,867
% of Shares	99.90%	0.08%	0.02%

**IX. 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 2022-2023:

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

Mr. John G. Cua, Ms. Mary G. Ng, Mr. Wilfredo E. Sanchez, and Ms. Florence G. Tarriela were nominated 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  
John G. Cua – Independent Director  
Mary G. Ng – Independent Director  
Wilfredo E. Sanchez – Independent Director  
Florence G. Tarriela – Independent Director

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

**STOCKHOLDERS RESOLUTION NO. 04-2022**

“**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	John G. Cua
Karl T. Say	Mary G. Ng
Michael G. Tan	Wilfredo E. Sanchez
Lucio C. Tan III	Florence 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	8,811,857,627	152,606,237	60,767
Carmen K. Tan	8,944,318,101	20,145,763	60,767
Karlu T. Say	8,822,796,823	141,667,041	60,767
Michael G. Tan	8,756,859,827	207,604,037	60,767
Lucio C. Tan III	8,949,401,664	15,062,200	60,767
Vivienne K. Tan	8,939,091,290	25,372,574	60,767
Juanita T. Tan Lee	8,751,138,927	213,324,937	60,767
Johnip G. Cua	8,939,889,348	24,574,516	60,767
Mary G. Ng	8,956,847,964	7,615,900	60,767
Wilfrido E. Sanchez	8,936,975,905	27,487,959	60,767
Florencia G. Tarriela	8,940,632,529	23,831,335	60,767

**X. APPOINTMENT 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 2022-2023. The appointment of SGV & Co. was approved by the Board of Directors last February 8, 2022, and is now being presented for ratification of the stockholders. Upon motion duly made and seconded, the stockholders approved as follows:

**STOCKHOLDERS RESOLUTION NO. 05-2022**

“**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 2022-2023.”

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 Shares Voting	8,956,700,464	7,763,400	60,767
% of Shares	99.91%	0.09%	0.00%

**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:**

**DR. LUCIO C. TAN**  
Chairman and CEO