

ANNUAL MEETING OF THE STOCKHOLDERS  
**GMA HOLDINGS, INC.**  
May 28, 2021  
via Remote Communication using Zoom Application

**PRESENT:**

Stockholders	Percentage of Shares
Felipe L. Gozon	33.3%
Gilberto R. Duavit, Jr.	33.3%
Joel Marcelo G. Jimenez	33.3%
Dr. Jaime C. Laya	.0%
Chief Justice Artemio V. Panganiban	.0%
Felipe S. Yalong	.0%

**PRESENT DIRECTORS:**

Felipe L. Gozon  
Gilberto R. Duavit, Jr.  
Joel Marcelo G. Jimenez  
Jaime C. Laya  
Artemio V. Panganiban

**ALSO PRESENT:**

Farley D. Areola  
Maria Estelita B. Arles-Gozon  
Ayahl Ari Augusto P. Chio  
Anna Teresa M. Gozon-Valdes  
Ronaldo P. Mastrili  
Joan C. Rumbaoa  
Eduardo P. Santos  
Roy G. Sanico

**Representatives from SGV & Co. (External Auditor):**

Crystal Aleli R. Cornell  
Meynard A. Bonoen  
Marydith C. Miguel  
Belinda T. Beng Hui

**I. CALL TO ORDER**

The Chairman of the meeting, Felipe L. Gozon, called the meeting to order at 10:00 a.m. Atty. Anna Teresa M. Gozon-Valdes, assisted by Atty. Maria Estelita A. Gozon, acted as the secretary and recorded the minutes.

## II. CERTIFICATION AND NOTICE OF QUORUM

The Chairman requested the Secretary to certify as to the proper sending of notice and existence of a quorum.

Corporate Secretary stated that for purposes of the Annual Stockholders' Meeting, the participants are being notified that the proceedings are being recorded in accordance with SEC Memorandum Circular No. 6, series of 2020. The Corporate Secretary also stated that a quorum existed to conduct business, after confirming (a) the location of each of the directors, (b) their ability to clearly hear or see the other attendees, (c) their receipt of the notice of the meeting and other materials, and (d) the device they are using. She also certified that notices of the meeting were sent in accordance with the by-laws of the Corporation and Memorandum Circular No. 6, Series of 2020, of the Securities and Exchange Commission.

The Corporate Secretary certified that the notices of the meeting were duly sent to all the stockholders in accordance with the By-Laws of the Company and that 99.9% of the total issued and outstanding common stock were present. She further certified that quorum is present for the transaction of business by the stockholders.

## III. COMPLIANCE WITH THE REQUIREMENTS UNDER SECTION 49 OF THE REVISED CORPORATION CODE

The Chairman requested the Corporate Secretary to report, on behalf of the Board of Directors, the Company's compliance with the requirements under Section 49 of the Revised Corporation Code. The Corporate Secretary explained that under Section 49 of the Revised Corporation Code, the Board of Directors shall endeavour to present the stockholders the information flashed on the screen for their consideration:

1. Material Information on the current stockholders, and their voting rights;
2. A detailed, descriptive, balanced and comprehensible assessment of the corporation's performance;
3. An explanation of the dividend policy and the fact of payment of dividends;
4. Directors' profiles which shall include, among others, their qualifications and relevant experience, length of service in the corporations, trainings and continuing education attended, and their board representation in other corporations;
5. A director attendance report in board, committees and in stockholders' meetings;
6. Appraisal reports for the board and the criteria and procedure for assessment;
7. A director compensation report,

8. Director disclosures on self-dealings and related party transactions; and/or
9. The profiles of directors nominated or seeking election or reelection.

The Corporate Secretary likewise stated that the above information were set forth in detail in the Information Statement filed with the SEC and uploaded on the Company's website and the PSE Edge.

Finally, in compliance with Section 49 of the Code, the Corporate Secretary informed the stockholders that the voting and vote tabulation procedures for the meeting were stated in the following summary that was flashed on screen during the meeting for their guidance:

#### VOTING AND VOTING TABULATION PROCEDURES

(a) **Vote Required:** Motions, in general, require the affirmative vote of a majority of the shares of the Company's common stock present and/or represented and entitled to vote. However, under Philippine law, certain proposed actions may require the vote of at least two thirds (2/3) of the outstanding capital stock of the Company. The manner of voting is non-cumulative, except as to the election of directors.

(b) **Method:** *Straight and cumulative voting.* In the election of directors, the five (5) nominees garnering the highest number of votes shall be elected directors. The stockholder may vote such number of shares for as many person as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

Voting shall be done by a show of hands.

The Corporate Secretary or the Secretary of the meeting shall likewise be responsible if the voting is done by a show of hands.

#### **IV. APPROVAL OF THE MINUTES OF THE STOCKHOLDERS' MEETINGS HELD ON JULY 24, 2020 AND MARCH 26, 2021**

The Chairman stated that the first item in the order of business was the review and approval of the Minutes of the Stockholders' Meetings held on July 24, 2020 and March 26, 2021. Copies of the said Minutes have been sent via email prior to the meeting. Director Duavit moved that the minutes be approved and adopted. Director Jimenez seconded the motion.

The results of the votes cast for the Agenda was then shown on the screen for the stockholders' information: *Approval of the Minutes of the Stockholders' Meetings held on July 24, 2020 and March 26, 2021: Yes: 99.9% No: 0% Abstain 0%.*

The following resolution was unanimously approved by the stockholders holding 99.9% of the Company's total issued and outstanding shares present:

“RESOLVED, That the Minutes of the Stockholders' Meetings held on July 24, 2020 and March 26, 2021 are hereby APPROVED.”

## V. REPORT OF THE PRESIDENT

The Chairman stated that the next item on the Agenda is the Report of the President. He then called the Company's Comptroller, Mr. Ronaldo P. Mastrili, to present the report of the President. Mr. Mastrili proceeded to read the President's Report as follows:

As the Corona virus wreaked havoc on both the local and global economy, the Philippines' Gross Domestic Product (GDP) contracted by 9.5 percent in 2020. All sectors contributed to the decline as a result of lockdown restrictions except for government spending, which increased by 10.4 percent.<sup>1</sup>

The benchmark Philippine Stock Exchange index went down by 9 percent to close at 7,139.71 from the end-2019 level of 7,815.26. In contrast, the U.S. Dow Jones Industrial Index went up by 7 percent from the previous year fueled by cautious optimism following the results of the presidential election and the roll-out of COVID-19 vaccines.

GMA's PDR, however, bucked the trend and went up by 12% to P5.95 per PDR at the close of the year 2020, coming from P5.30 per PDR as of end-2019.

GMA Common likewise increased in value from P5.33 per share to P5.92 per share or up by 11% as of December 31, 2020.

A total of 45,204,300 PDRs were converted into common shares (GMA7) this year versus 6,182,200 PDRs converted last year. One of the main reasons for the increase in PDR conversion was the price difference between GMA Common shares and PDRs. The average price difference for the second half of 2020 reached 11 centavos per share compared with only 5 centavos for the same period last year.

The total number of PDRs converted since IPO stands at 262,971,200 PDRs bringing down the outstanding balance at end-2020 to 682,460,800 from the original issued PDRs of 945,432,000 in 2007.

Revenues increased by 25% to P3.31 million in 2020 versus last year's level of P2.66 million due to the sharp increase in Exercise Fees amounting to P2.02 million. However, Interest Income decreased to P1.29 million in 2020 versus P2.38 million in 2019 due to lower interest income earned on cash placement.

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<sup>1</sup> Source: PSA Press Release\_Q4\_2020-NAP (released January 28, 2021)

Operating Expenses for the year totaled P1.00 million, a slight increase of 6% versus P948 thousand in 2019 due to increase in listing fees and professional fees.

With higher revenues and minimal increase in expenses, Net Income after tax went up by 58% to P2.03 million compared with last year's P1.29 million.

By the end of 2020, total assets stood at P50.37 million, or 1% higher than last year's P49.67 million. Liabilities, on the other hand, remained practically unchanged at the P48 million level.

On March 26, 2021, the BOD of GMA Holdings approved the cash distribution to PDR holders in the amount of P1.35 per PDR or the same dividend rate paid by GMA Network to its common shareholders, undiminished by the PDR holders' proportionate share in the operating cost of the company. These were remitted to the PDR holders on May 19, 2021.

The BOD likewise approved the cash dividend declaration of P2.10 million, which was paid to GMA Holdings stockholders on May 18, 2021.

We continue to fulfill our commitment to provide quality financial reporting, adopt the best standards of good governance, comply with our statutory reporting requirements as a listed company, and support GMA Network's initiatives in improving the market value of the Company.

Let me end my report by thanking the Board of Directors and the officers of GMA Holdings for their unwavering support and guidance throughout the years. *Maraming salamat po sa inyong lahat!*

#### *Open forum*

The Chairman opened the floor for questions. He asked if the stockholders had any questions.

There being no questions, Mr. Yalong (CFO/Treasurer/COO) moved that the President/CEO's Annual Report together with the financial statements for the period ending December 31, 2020 be noted and approved. Director Laya seconded.

The results of the votes cast for the Agenda was then shown on the screen for the stockholders' information: *Approval of the Annual Report and the Financial Statements as of December 31, 2020: Yes: 99.9% No: 0% Abstain 0%.*

There being no objection, the following resolution was therefore adopted by the stockholders holding 99.9% of the Company's total issued and outstanding shares present:

“RESOLVED, That, the President/CEO’s Annual Report and the Financial Report for the period ending December 31, 2020 be, as they are, hereby NOTED and APPROVED.”

## **VI. RATIFICATION OF THE ACTS OF THE MANAGEMENT, THE BOARD OF DIRECTORS, AND THE BOARD COMMITTEES FOR THE PREVIOUS YEAR**

The Chairman stated that the next item on the agenda was the ratification of the various acts of Management, the Board of Directors, and the Board Committees of the Company for July 24, 2020 up to the present. The list of these acts were attached to the agenda for the meeting previously distributed to the stockholders.

The Corporate Secretary explained that the acts of the Management, the Board of Directors and the Committees were all conducted in the ordinary course of business and were reflected in the minutes of the meetings.

Director Laya moved that the various acts of management, the Board of Directors, and the Board Committees from July 24, 2020 up to the present be approved, confirmed and ratified. Director Duavit seconded the motion.

The results of the votes cast for the Agenda was then shown on the screen for the stockholders’ information: Approval and Ratification of the Various Acts of Management, the Board of Directors, and the Board Committees from July 24, 2020 up to the present: *Yes: 99.9% No: 0% Abstain 0%.*

After hearing no objections, the following resolution was unanimously approved by the stockholders holding 99.9% of the Company’s total issued and outstanding shares present:

“RESOLVED, That the various acts of the Management, the Board of Directors and the Board Committees from July 24, 2020 up to the present are hereby RATIFIED and APPROVED.”

## **VII. APPROVAL OF THE MERITORIOUS JUSTIFICATIONS FOR THE RETENTION OF CHIEF JUSTICE ARTEMIO V. PANGANIBAN AND DR. JAIME C. LAYA AS INDEPENDENT DIRECTORS**

The Chairman stated that the next item in the Agenda is the approval of the meritorious justifications of the Board of Directors for the retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya as Independent Directors. He then requested the Corporate Secretary to explain this item on the agenda.

The Corporate Secretary explained that SEC MC No. 4 Series of 2017, provides that in the instance when the Company wishes to retain an independent director who has served for nine (9) years, the Board should provide meritorious justifications and seek shareholders’ approval. On March 26, 2021 the Board of Directors of the Company convened in a Special Meeting and provided

meritorious justifications for the retention of Chief Justice Panganiban and Dr. Laya, subject to the stockholders' approval. The said Meritorious Justifications was previously attached as *Annex "B-1" of the Rationale for the Salient Matters in the Agenda attached to the Notice of this Meeting* and shown on the screen for the convenience of the stockholders.

Director Jimenez moved for the approval of the meritorious justifications for the retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya as Independent Directors. Mr. Yalong seconded the motion.

The results of the votes cast for the Agenda was then shown on the screen for the stockholders' information: Approval of the meritorious justifications for the retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya as Independent Directors: *Yes: 99.9% No: 0% Abstain 0%.*

After hearing no objections, the following resolution was unanimously approved by the stockholders holding 99.9% of the Company's total issued and outstanding shares present:

"RESOLVED, as it is hereby resolved, that the meritorious justifications for the retention of Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya as the Company's Independent Directors be, as they are, hereby APPROVED and RATIFIED."

## VIII. ELECTION OF DIRECTORS

The Chairman stated that the next item on the agenda was the election of directors, including the Independent Directors, for the ensuing year. He requested the Corporate Secretary to explain the Nomination Process of the Company for the information of the stockholders.

The Corporate Secretary explained that the Corporation's nomination process allows the Board of Directors and the stockholders to assess the abilities and sustainability of each candidate. The procedure and requirements for nomination as adopted by the Corporation; under its By-laws and in accordance with Section 49 of the Revised Corporation Code are set forth in the Information Statement.

The Chairman then asked Mr. Duavit to present the nominees to the Board of Directors for the year 2021-2022.

The President reported that the following are the nominees to the Board of Directors for the year 2021-2022:

Mr. Gilberto R. Duavit, Jr.  
Atty. Felipe L. Gozon  
Mr. Joel Marcelo G. Jimenez  
Dr. Jaime C. Laya  
Chief Justice Artemio V. Panganiban

Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya are being nominated as independent directors.

Director Jimenez moved that the votes be cast. Mr. Yalong seconded the motion.

The Chairman then requested the Corporate Secretary to report the votes cast for each of the nominees.

The Corporate Secretary stated that each of the nominees received votes representing 99.9% of the total issued and outstanding shares of the Company, as follows:

Mr. Gilberto R. Duavit, Jr.	99.9%
Atty. Felipe L. Gozon	99.9%
Mr. Joel Marcelo G. Jimenez	99.9%
Dr. Jaime C. Laya	99.9%
Chief Justice Artemio V. Panganiban	99.9%

Upon motion duly made and seconded, and hearing no objections, the following were unanimously elected as members of the Board of Directors for the ensuing year 2021-2022, until their successors shall have been duly elected, by the stockholders holding 99.9% of the Company's total issued and outstanding shares present and represented:

Mr. Gilberto R. Duavit, Jr.  
Atty. Felipe L. Gozon  
Mr. Joel Marcelo G. Jimenez  
Dr. Jaime C. Laya (*Independent Director*)  
Chief Justice Artemio V. Panganiban (*Independent Director*)

#### **X. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman stated that the next item on the agenda was the appointment of an external auditor. The present external auditor of the Company is the auditing firm of Sycip Gorres Velayo & Co.. The Chairman requested the Chairman of the Audit and Risk Management Committee to give its recommendation from the external auditor of the Company.

Director Laya stated that the Audit and Risk Management Committee has reviewed the performance and fees of the current external auditor. On March 26, 2021, the Board of Directors approved the recommendation of the Audit and Risk Management Committee to appoint Sycip Gorres Velayo & Co as the Company's external auditor, subject to the approval of the stockholders.

Mr. Yalong moved for the appointment of Sycip Gorres Velayo & Co. as the external auditor of the Corporation. Director Jimenez seconded the motion.



The results of the votes cast for the Agenda was then shown on the screen for the stockholders' information: Appointment of SGV& Co. as the external auditor of the Corporation *Yes: 99.9% No: 0% Abstain 0%*.

After hearing no objections, the following resolution was unanimously approved by the stockholders holding 99.9% of the Company's total issued and outstanding shares present:

"RESOLVED, That the Sycip Gorres Velayo & Co. be appointed as the External Auditor of the Company for FY2021."

#### XI. ADJOURNMENT

There being no more items to discuss, the meeting was adjourned at 10:30 a.m.

Prepared By:

ANNA TERESA M. GOZON-VALDES  
*Corporate Secretary*

Attested By:

  
FELIPE L. GOZON  
*Chairman of the Meeting*

SUBJECT TO APPROVAL AT THE NEXT STOCKHOLDERS' MEETING