

REPUBLIC OF THE PHILIPPINES     )  
CITY OF MAKATI                     ) S.S.

### SECRETARY'S CERTIFICATE

I, **ROBERTO RAFAEL V. LUCILA**, of legal age, Filipino, with office address at 15<sup>th</sup> Floor, Sagittarius Condominium, H.V. dela Costa Street, Salcedo Village, Makati City, after having been duly sworn, hereby depose and say:

1. I am the Corporate Secretary of **GMA NETWORK, INC.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with office address at GMA Network Center, EDSA corner Timog Avenue, Diliman, Quezon City;

2. In connection with the Corporation's Annual Stockholders' Meeting held last July 17, 2020, and in compliance with the Revised Corporation Code and SEC Memorandum Circular No. 6, series of 2020, I hereby certify the following:

(a) In a meeting dated April 13, 2020, the Board of Directors unanimously authorized the Executive Committee of the Corporation to determine whether the Corporation's Annual Stockholders' Meeting on May 20, 2020, shall be held as scheduled either by actual meeting or remote communication pursuant to the relevant circulars of the Securities and Exchange Commission (SEC), or postponed to a later date, taking into consideration the limitations brought about by the enhanced community quarantine due to the COVID-19 pandemic.

(b) On April 16, 2020, the Corporation's Executive Committee approved the procedure for the conduct of the Annual Stockholders' Meeting and the participation therein via remote communication (including the procedure for stockholders' voting in absentia), in accordance with the relevant circulars promulgated by the SEC, taking into consideration all the circumstances attendant to the COVID-19 pandemic and pursuant to Article IV, Section 6, last paragraph of the By-laws of the Corporation and the Board of Directors' resolution passed at its special meeting on April 13, 2020. The said procedure for the conduct of the 2020 Annual Stockholders' Meeting via remote communication was set out in the Notice to be sent to the stockholders of record and in the Information Statement.

(c) Subject to its compliance with the Data Privacy Act of 2012 and its implementing rules and regulations, the Corporation issued to all stockholders (a) the guidelines for registration to participate or attend the meeting or vote in absentia, (b) the procedure for voting in absentia, as well as (c) the procedure before, during and after the Corporation's Annual Stockholders' Meeting on July 17, 2020, via the following link: [https://www.gmanetwork.com/corporate/2020GMAASM\\_guidelines](https://www.gmanetwork.com/corporate/2020GMAASM_guidelines).

Prior to the meeting, the following stockholders manifested their intention to participate in the Corporation's Annual Stockholders' Meeting held last July 17, 2020 via remote connection:

#### INDIVIDUALS

- 1) Ma. Martha Michaela E. Agcaoili
- 2) Mario Crisostomo
- 3) Marilou Tibayan
- 4) Ianessa Valdellon
- 5) Anthony Gilbert Antiquiera
- 6) Arnie Mariano
- 7) Adoracion Lapada
- 8) Emnylou Diez
- 9) Edilberto Donato Balanak
- 10) Jaybee Reyes
- 11) Rolando Sanico Jr.
- 12) Ishmael Sam Canua
- 13) Ferdinand Perlas
- 14) Abigail Sy
- 15) Harlene Punongbayan-Iturralde
- 16) Jenny Go
- 17) Joseph Bague
- 18) Rene Gozum
- 19) Carolina Mangalonzo
- 20) Marian Antonio
- 21) Maricar Buenafe
- 22) Janelle Crystal Javier
- 23) Anna Mae Remoreras
- 24) Cherry Flor-Cruz
- 25) Felipe L. Gozon
- 26) Gilberto R. Duavit, Jr.
- 27) Judith R. Duavit-Vazquez
- 28) Joel Marcelo G. Jimenez
- 29) Felipe S. Yalong
- 30) Anna Teresa M. Gozon-Valdes
- 31) Laura J. Westfall

- 32) Artemio V. Panganiban
- 33) Jaime C. Laya
- 34) Roberto Rafael V. Lucila
- 35) Ronaldo P. Mastrili
- 36) Regie C. Bautista

#### CORPORATE

- 1) Group Management and Development, Inc. through Gilberto R. Duavit, Jr.
- 2) Gozon Development Corporation through Atty. Felipe L. Gozon
- 3) Gozon Foundation Inc. through Atty. Felipe L. Gozon
- 4) FLG Management and Development Corporation through Atty. Felipe L. Gozon
- 5) GMA Holdings, Inc. through Atty. Felipe L. Gozon and/or Gilberto R. Duavit, Jr.
- 6) Television International Corporation through Joel Marcelo G. Jimenez and/or Laura J. Westfall
- 7) M.A. Jimenez Enterprises, Inc. through Joel Marcelo G. Jimenez and/or Laura J. Westfall

(e) During the Corporation's Annual Stockholders' Meeting held last July 17, 2020, the following reminders were reiterated to the stockholders present and represented therein:

- 1) For the purpose of order and audibility, only the Host and the panelists will be heard and be visible to everyone in the meeting, unless acknowledged by the Chairman.
- 2) Each of the proposed resolutions will be shown on the screen while such resolution is passed during the meeting.
- 3) During the meeting, the stockholders can participate by stating their names and their respective locations and sending their written questions/comments in relation to the meeting through the Q & A function shown in their screens.
- 4) The Directors and/or Management will exert diligent effort to respond to the questions received from the shareholders during the meeting, as circumstances may allow. If there are questions that will not be answered during

the meeting due to time constraints, the response/answer shall be sent to the stockholder via email within two (2) weeks from the date of the meeting.

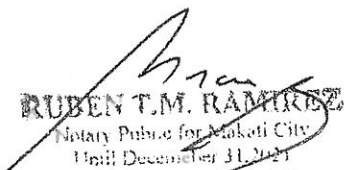
5) There shall be no casting of votes during the meeting. In accordance with the guidelines in the Notice of the Annual Stockholders' Meeting, only the votes cast in absentia on or before July 14, 2020 shall be included in the tabulation of the total votes for the matters in the agenda.

IN WITNESS WHEREOF, I have hereunto set my hand this 24<sup>th</sup> day of July 2020 at Makati City.

  
ROBERTO RAFAEL V. LUCILA  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 24<sup>th</sup> day of July 2020 affiant exhibiting to me his Social Security System Identification No. 03-6383452-8.

Doc. No. 258  
Page No. 53  
Book No. 64  
Series of 2020.

  
RUBEN T.M. RAMIREZ  
Notary Public for Makati City  
Until December 31, 2021  
2086 E. Pasqua St., Makati City  
BBP O.R. No. 097071/December 10, 2019  
Roll No. 28947/MCLE No. VI-0020246  
PTR No. M&T 8117044/1-02-2020  
Appointment No. M-158

GMA NETWORK, INC. (COMMON & PREFERRED)  
ANNUAL STOCKHOLDERS' MEETING 2020

TOTAL OUTSTANDING SHARES – 10,864,199,184  
PERCENTAGE OF ATTENDANCE – 96.48 %

AGENDA ITEM	IN FAVOR		AGAINST		ABSTAIN	
	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%
ITEM 1 – APPROVAL OF THE MINUTES OF PREVIOUS MEETING.	10,481,314,917	96.48%	0	0.00%	1,319	0.00%
ITEM 2 – APPROVAL OF THE ANNUAL REPORT OF MANAGEMENT	10,481,312,917	96.48%	0	0.00%	1,319	0.00%
ITEM 3 – RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE LAST ANNUAL SHAREHOLDERS MEETING	10,481,312,917	96.48%	0	0.00%	3,319	0.00%
ITEM 5 – APPOINTMENT OF SYCIP GORRES VELAYO & CO. AS EXTERNAL AUDITOR FOR CY 2018	10,481,314,917	96.48%	0	0.00%	1,319	0.00%
ITEM 4 – ELECTION OF DIRECTORS						
CHIEF JUSTICE ARTEMIO V. PANGANIBAN (AS INDEPENDENT DIRECTOR)	10,481,314,936	96.48%	1,300	0.00%	0	0.00%
DR. JAIME C. LAYA (AS INDEPENDENT DIRECTOR)	10,481,314,936	96.48%	1,300	0.00%	0	0.00%
MR. GILBERTO R. DUAVIT	10,481,314,936	96.48%	1,300	0.00%	0	0.00%
MS. JUDITH R. DUAVIT-VAZQUEZ	10,481,314,936	96.48%	1,300	0.00%	0	0.00%
ATTY. ANNA TERESA M. GOZON-VALDEZ	10,481,314,936	96.48%	1,300	0.00%	0	0.00%
ATTY. FELIPE L. GOZON	10,481,314,936	96.48%	1,300	0.00%	0	0.00%
MR. JOEL MARCELO G. JIMENEZ	10,481,314,936	96.48%	1,300	0.00%	0	0.00%
MS. LAURA J. WESTFALL	10,481,314,936	96.48%	1,300	0.00%	0	0.00%
MR. FELIPE S. YALONG	10,481,316,236	96.48%	1,300	0.00%	0	0.00%

MINUTES  
OF THE ANNUAL STOCKHOLDERS' MEETING OF  
GMANETWORK, INC.  
Held via Zoom  
July 17, 2020 at 10:00 a.m.

STOCKHOLDER'S PRESENTED/REPRESENTED: Stockholdings (%):

	No. of Shares	Percentage
Common Shares	2,991,705,872	88.91%
Preferred Shares	7,489,610,364	99.87%
Total Issued & Outstanding Shares (Net Treasury Shares)	10,481,316,236	96.48%

OTHERS PRESENT:

**Board of Directors**

Felipe L. Gozon	Chairman/Chief Executive Officer
Gilberto R. Duavit, Jr.	President/Chief Operating Officer
Felipe S. Yalong	Executive Vice-President/Chief Financial Officer/Corporate Treasurer
Judith R. Duavit-Vazquez	Director
Joel Marcelo G. Jimenez	Director
Laura J. Westfall	Director
Anna Teresa M. Gozon-Valdes	Director
Artemio V. Panganiban	Independent Director
Jaime C. Laya	Independent Director

**Officers**

Roberto Rafael V. Lucila	Corporate Secretary/Compliance Officer
Ronaldo P. Mastrili	Senior Vice-President, Finance and ICT
Marissa L. Flores	Senior Vice-President, News & Public Affairs
Lilibeth Rasonable	Senior Vice-President, Entertainment Group
Eduardo P. Santos	Consultant, Internal Audit; Data Privacy Officer
Elvis B. Ancheta	Senior Vice President & Head, Engineering Group, Concurrent Head, Transmission and Regional Engineering
Regie C. Bautista	Senior Vice President, Corporate Strategic Planning and Business Development and Concurrent Chief Risk Officer and Head, Program Support
Angela Carmela J. Cruz	Vice-President, Corporate Affairs and Communications
Victoria T. Arradaza	Vice-President, Supply and Asset Management
Glenn F. Allona	Vice-President for Radio Operations Group and Concurrent Vice-President for Operations, RGMA
Oliver Victor B. Amoroso	Vice President, Regional TV
RJ Antonio S. Seva	Vice President, Sales, Sales & Marketing Group
Rafael Martin L. San Agustin, Jr.	Vice President, Program Support Department
Ma. Nenita E. Cruz	Vice President, ICT
Ayah! Ari Augusto P. Chio	First Vice President, Administration and Investor Relations
Sheila S. Tan	First Vice-President, Research

Joseph Jerome T. Francia  
 Paul Hendrick P. Ticzon  
 Ma. Luz P. Delfin  
 Mary Grace D. Reyes

Ianessa S. Valdellon  
 Miguel C. Enriquez

Dennis Augusto L. Caharian  
 Roxanne Barcelona

First Vice President, GMA International  
 First Vice President, Post Production  
 First Vice President, Legal Affairs  
 First Vice President, News, News and Public  
 Affairs  
 First Vice President, Public Affairs  
 Consultant, Radio Operations and President of  
 RGMA  
 President & COO, GMA New Media  
 Vice President, GMA Worldwide (Phils.), Inc.

## I. CALL TO ORDER

The Chairman, Atty. Felipe L. Gozon, called the Annual Stockholders' Meeting of the Company to order at 10:10 a.m. via remote communication through the Zoom webinar meeting facility, in view of the government's COVID-19 restrictions. The Corporate Secretary, Atty. Roberto Rafael V. Lucila, assisted by Atty. Maria Theresa E. de Mesa, recorded the minutes of the proceedings.

## II. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary reported that the written notices of the meeting were duly sent to all the stockholders as of record date of June 26, 2020, in accordance with (a) the By-Laws of the Company, and (b) the SEC Guidelines on the Alternative Mode for Distributing and Providing Copies of the Notice of the Meeting, Information Statement, and Other Documents in connection with the holding of the Annual Stockholders' Meeting ("ASM") for 2020 dated April 20, 2020.

The Notice of the Annual Stockholders' Meeting of the Company was published in print and the online portal of The Philippine Star via its Business Section for two (2) consecutive days on June 24, 2020 and June 25, 2020, and posted in the Company's website and in the Philippine Stock Exchange online platform, the PSE Edge. Hence, the Corporate Secretary certified as to proper service of the notices.

Based on the attendance record and the proxies and powers of attorney on hand, the Corporate Secretary also certified that 2,991,705,872 common shares or 88.91% of the 3,364,692,000 total issued and outstanding common shares and 7,489,610,364 preferred shares or 99.87% of the 7,499,507,184 total issued and outstanding preferred shares, equivalent to a total of 10,481,316,236 or 96.48% of the 10,864,199,184 total outstanding common and preferred shares (net of treasury shares), were represented by the owners-of-record or their respective proxies. Therefore, the Corporate Secretary certified that a quorum existed for the transaction of business.

## III. READING AND APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON MAY 15, 2019

The Chairman stated that the first item in the order of business is the reading and approval of the Minutes of the Annual Stockholders' Meeting held on May 15, 2019, which did not include extraordinary matters, the summary of which was included in the Information Statement posted in the Company's website and in the PSE Edge, and a copy of which was also posted in the Company's website.



Upon motion duly made and seconded, the reading of the minutes was dispensed with. Consequently, following resolution was unanimously approved by the stockholders holding 96.48% of the Company's total issued and outstanding shares present and represented:

"RESOLVED, That, the reading of the Minutes of the Annual Stockholders' Meeting held on May 15, 2019 be dispensed with and that the same minutes as appearing in the minutes book of the Company be hereby APPROVED."

#### IV. ANNUAL REPORT OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Chief Executive Officer, Felipe L. Gozon, delivered the Annual Report of the Chairman/CEO for the year ended December 31, 2019 with accompanying audio-visual presentation of the said report.

The Chairman acknowledged that we are in the midst of a real-life pandemic, which started with a silent virus, followed by isolation, quarantine, and the search for a vaccine or a cure. A crisis like this tests us as individuals, as organizations and as countries.

The pandemic has reminded us of what matters most—and the mission that the Company has sought to pursue every day. In an industry reeling from lockdowns, social distancing protocols, and suspension of productions, the Company has been providing a vital service to the Filipinos, which are the superior Entertainment and the responsible, unbiased, and timely delivery of accurate News and Information. This has been the Company's commitment to the stockholders in the past, today, and in the years to come.

The Chairman shared with the stockholders the Company's accomplishments for the past year, its outlook, and how this crisis is creating a new normal for the industry.

The year 2019 was a year of challenges and triumphs. The Company invested heavily in its digitization project, earned record-high engagement in social media, and grew its presence in emerging platforms. However, considering that the way we experience content has changed rapidly, the Company has been competing in the digital space with other Philippine television networks and just everyone who publishes content.

The Chairman mentioned one of the things he is proudest of in the past year – the Company's Eleksyon 2019 coverage, the most watched coverage nationwide based on Nielsen TV Audience Measurement. The Company's News organization carried out the advocacy campaign, *Pusuan ang Totoo* which earned a Silver prize for "Best Marketing Campaign for News Brand" at the 2019 Asian Digital Media Awards. It is a testament to how the Company inspired Filipinos to stand for what is true, to fight disinformation, and choose leaders who will truly serve our country.

#### Ratings performance

As far as ratings, the year 2019 saw the competition getting fiercer. Based on Nielsen TV audience measurement, while GMA remained strong in Mega Manila and Urban Luzon, it lost its lead in National Urban TV Audience Measurement or NUTAM. But things got better. Towards the end of 2019, GMA had already reduced the ratings gap and, in early 2020, it reclaimed the lead in NUTAM ratings. GMA's Regional TV's newscasts *Balitang Amianan* in Metro Dagupan and *Balitang Bisdak* in Metro Cebu won in 2019, while *One Mindanao* in Metro Davao has closed the gap against competition. In March this year, GMA kept the lead in the nationwide television ratings despite the recent



programming changes in light of the COVID-19 pandemic. GMA registered 33.8 percent average total day people audience share while ABS-CBN, before it was shut down, got 29.4 percent. GMA also won in all dayparts which include the morning, afternoon, and evening blocks. GMA's news channel, GMA News TV, is consistently neck and neck with TV-5 for the third spot in the ratings game.

### **Financial performance**

In terms of financial performance, the Company entered the previous year from a position of strength. Despite the challenges, the Company managed to increase its consolidated revenues from the previous year by 8% from P15.236 billion to P16.493 billion. The Company increased its net income before tax (NIBT) by 13% from P3.332 billion to P3.766 billion. The Company's net income after tax (NIAT) also increased by 14% from P2.324 billion to P2.639 billion in 2019 over 2018.

The Company core business continued to flourish. Advertising revenues contributed 92% to the total revenue of the Network. The main contributor to the Company's success is GMA-7. Its revenues were at P13.271 billion, 9% or P1.076 billion more than the same period in 2018. Political advocacies and advertisements worth P711.9 million propelled the growth. Minus this windfall, the Network still managed to surpass the previous year's recurring sales by P394.3 million or 3%.

The Company's radio business continued to grow as well, with recorded sales of P633.6 million. The business unit recorded a 7% improvement in its top line amounting to P41.0 million. While some P24.5 million worth of election-related placements lifted Radio's top line, recurring sales increased by P21.3 million or 4% from the previous year.

The Company also had one of its finest years in Regional TV. On top of the ratings improvements, Regional TV sealed the year with combined revenues of P274.2 million, edging previous year by 4% or P10.7 million.

In contrast to its increase in income, the Company was able to keep its costs down. Total consolidated operating expenses (OPEX) for 2019 was only at P12.761 billion, translating into a single-digit increase of 6% from 2018. As a result, EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) was higher by P568.4 million at P5.392 billion, or up by 12% from previous year. In 2019, the Company paid a total of P2.2 billion in national and local taxes, which excluded the withholding taxes from the Company's employees, talents and suppliers in the total amount of P1.2 billion which the Company paid for them.

However, because of COVID-19, in 2020, the Company's topline for the first three months was only at P3.5 billion, 7% lower mainly due to election-related inflows from previous year. Net income after tax was at P583 million, likewise lower by 19% compared to 2019.

But despite these temporary financial setbacks, the Chairman stated that the Company is debt-free as of end-March 2020. This demonstrates the Company Management's ability to balance ratings growth with sound financials.

### **Other business units & subsidiaries**

In the international front, airtime advertising through GMA Pinoy TV, sealed the period at P72.0 million, 9% more than that of 2018. Revenues from subscription income were at P1.057 billion.

GMA has closely worked with its partner-carriers to make its programs available across all traditional and digital platforms, in both linear and non-linear formats. GMA dramas have also proven their universal appeal as they continue to be popular among viewers in countries like Kenya and Dominican Republic. According to data from African surveying platform Geopoll, English-dubbed versions of several GMA programs airing in Kenya exceeded expected figures for primetime viewership. This only shows that GMA dramas' unique storylines, universal themes and values make them relatable to foreign audience and help boost the ratings of broadcasters in different territories. Today's GMA International channels are distributed in over 90 countries through its partnership with over 40 carriers.

GMA's digital arm, GMA New Media, continued its strong growth trajectory, with online advertisements breaching the P500-million mark, equivalent to a 62% increase from the previous year. Through the collaborative efforts of various groups within the Network, it achieved triple digital ad revenue growth which is expected to rise even more moving forward.

Revenues from Alta Productions went up by 13 percent versus the previous year while revenues from Script2010 increased by one percent.

On the other hand, GMA Music posted a 24 percent decline in revenues.

In 2019, GMA partnered with PLDT-Smart to introduce innovative offerings that will cement the Company's position as the country's leading broadcast network and revolutionize the TV viewing experience in the Philippines. The combination of GMA's and PLDT-Smart's capabilities brings together great direct-to-consumer business with world-class content creation expertise. Together, GMA and PLDT-Smart aim to deliver the best products and experiences to our Kapuso viewers.

On June 26, 2020, GMA marked another milestone in its digital journey – the launch of its digital set-top box or the Affordabox. This allows the viewers to see high definition pictures, hear better quality sound, and receive a wider range of channels. Affordabox offers unique services such as data casting and emergency warning broadcast system – all for a price of only P888.

Lastly, the Chairman informed all stockholders that last July 15, 2020, the Company paid out P1.458 billion (net of treasury shares) total cash dividends or P0.30 per share to shareholders of record as of June 24, 2020.

The Chairman informed all Kapuso that, in the next months and years, we will see a transformation of the broadcast industry. It will be challenging, but also filled with opportunities to enrich the lives of Filipinos. With the support of all Kapuso, the Company can weather these trying times.

For 70 years, the Company has created timely and timeless stories. Every day, GMA's journalists deliver news that Filipinos care about the most. Through GMA's programs, our artists capture the country's imagination with meaningful stories. These are the bedrock of the Company's future – every journalist, every artist, everyone behind the camera, and the dear shareholders.

The Chairman expressed optimism of humanity's triumph over darkness in this pandemic, when a sense of community powers people and when fighting for good emerges. With superheroes like our front liners, and our own journalists who brave the world to provide accurate and objective information, humanity will prevail.

In parting, the Chairman expressed his sincerest gratitude to the stockholders, other stakeholders and all Kapuso, for their unwavering support, trust and love for the Company, and the Company's commitment: "*Tayo ay mananatiling buong puso, para sa Pilipino.*"

After the report, the Chairman & CEO opened the floor for comments and/or questions. The following questions were addressed by the Chairman & CEO, as follows:

1. What has been the impact of the COVID-19 pandemic in GMA Network's revenues? What are the plans of GMA management to mitigate the effects of the current pandemic in terms of employee retention and revenue generation? – Ishmael Sam Canua

The Company had to deal with the effects of the pandemic and the quarantine restrictions to arrest the effects of the pandemic just like any other company. The Company was forced to air replays of some of GMA's high rating programs in the meantime, except GMA News and some Public Affairs program like *Kapuso Mo Jessica Soho* where current episodes, not replays, are aired. There are setbacks in revenues but the Company nevertheless went along with the closure of some business activities as it has to deal with lack of transportation, quarantine, and lockdowns, among others. But with the easing of quarantine restrictions lately, the Company has started to deliberate on gradually airing and producing more current shows, but still complying with the relevant government-imposed quarantine restrictions. The Chairman asked the stockholders to watch out for more GMA programs returning to the air.

2. Was there a change in terms of the Network's business priorities in view of the ongoing pandemic? Were there any major project affected? – Joseph Bague

The Chairman explained that there are no major changes in GMA's business priorities, except that it has to ensure compliance with the government imposed quarantine restrictions. The Company has not wavered in what it wants to do and once it is able to do so, the Company will pursue its plans and priorities vigorously.

3. How does the Network take care of its employees and talents – most especially the News teams and other frontliners – during this pandemic? – Carol Mangalonzo

The Company considers its employees as one of its best assets. In line with that, the Company has taken care of them during this difficult period particularly in the initial stages when there were no modes of transportation or some areas are in total lockdown/quarantine. The Company devised a system wherein those who can work at home are allowed to do so, while shuttle transportation and food meals and hazard pay were provided to those needing to go to work. Those who cannot do work from home or work at the office were asked to take their vacation and sick leaves in advance, while those without leaves or unable to take leaves were given cash advances to help them tide over the difficult times, all consistent with *Walang Hwanan*.

4. Last June 2020, GMA Network launched its own Digital TV device. How Different is the GMA Affordabox from ABS-CBN TV Plus and other non-network Brands such as RCA? How is GMA's Digital Device Compliant with the requirements of government agencies? – Edilberto Balanak

The GMA Affordabox is cheaper than TV Plus. The Affordabox also does not have the conditional access system so everybody can access free-to-air transmission through it. Lastly, it has features that are not present in the other brands, such as video-recording, emergency warning system, among others.

5. Did GMA really wait for its 70th Anniversary before releasing the GMA Affordabox? And will there be other big announcements within the year? – Harlene Punongbayan

It just happened that the launch of the GMA Affordabox coincided with GMA's 70<sup>th</sup> Anniversary. This project has been in the pipeline because of the transition from analog to digital and not all TV sets are ready for digital transmission; hence, the need for the GMA Affordabox to enable analog TV sets to receive digital transmission.

6. How are the sales of the GMA Affordabox right now? And what is GMA's year-end sales target for it? – Ana May Remoreras

The GMA Affordabox are selling like hot pan de sal. The Company is overshooting its target sales and needs to increase its inventory of GMA Affordabox units for purchase.

7. How true are the speculations that the Network will also be launching additional digital channels in the next few months? – Marian Antonio

GMA will indeed launch additional digital channels but will do so gradually. Heart of Asia is already being done and about 2 or 3 more digital channels will be launched within the year.

8. What is the Network's reaction to the current status of ABS-CBN franchise renewal? – Maricar Buenafe

The Chairman begged the indulgence of the stockholders and preferred not to comment on the denial of the ABS-CBN franchise application.

The host stated that for the questions that were not answered during the meeting due to time constraints, the response/answer shall be sent to the stockholder via email within two (2) weeks from the date of the meeting.

After some discussions, a stockholder moved that the Chairman/CEO's Annual Report together with the financial statements for the period ending December 31, 2019 be noted and approved. Another stockholder seconded. There being no objection, the following resolution was therefore adopted by the stockholders holding 96.48% of the Company's total issued and outstanding shares present and represented:

"RESOLVED, That, the Chairman/CEO's Annual Report and the Financial Report for the period ending December 31, 2019 be, as they are, hereby NOTED and APPROVED."

## V. RATIFICATION OF THE ACTS OF THE BOARD OF DIRECTORS EXECUTIVE COMMITTEE AND CORPORATE OFFICERS

The Chairman stated that the next item on the agenda was the ratification of all acts, proceedings, transactions and resolutions of the Board of Directors, Executive Committee and Officers of the Company from the date of the last annual stockholders' meeting on May 15, 2019 up to the present. The Chairman asked the Corporate Secretary/Asst. Corporate Secretary to explain the nature of the acts to be ratified.

The Assistant Corporate Secretary explained that the acts of the Board of Directors and the Executive Committee were all conducted in the ordinary course of business and were reflected in the minutes of all the meetings of the Board of Directors and the Executive Committee and, in accordance with good corporate practice, these are on file with the Office of the Corporate Secretary and are available for inspection upon the request of any stockholder. The following acts in particular were sought to be approved:

- (i) Declaration of cash dividends to stockholders of record as of June 24, 2020, by

the Board of Directors on June 15, 2020;

(ii) All acts, resolutions, proceedings and contracts entered into by the Board of Directors and Management for the period covering May 15, 2019 to July 17, 2020, adopted in the ordinary course of business.

After hearing no objections, and after motion duly made and seconded, the following resolution was unanimously approved by the stockholders holding 96.48% of the Company's total issued and outstanding shares present and represented:

"RESOLVED, That (1) the declaration of cash dividends to stockholders of record as of June 24, 2020 by the Board of Directors on June 15, 2020, and (2) all acts, resolutions, proceedings and contracts entered into made by the Board of Directors, Executive Committee and Management of the Corporation from the date of the last annual stockholders' meeting on May 15, 2019 up to the present, as reflected in the minutes of the meetings of the Board of Directors and Executive Committee, are hereby APPROVED, CONFIRMED and RATIFIED."

## VI. ELECTION OF DIRECTORS

The Chairman stated that the next item on the agenda was the election of directors for the year 2020 - 2021. The Chairman requested the Nomination Committee to give its report on the nominees to the Board of Directors for the ensuing year.

Mr. Gilberto R. Duavit, Jr. reported that the following were nominated and approved by the Nomination Committee in its last meeting in accordance with the By-Laws of the Corporation:

FELIPE L. GOZON  
GILBERTO R. DUAVIT, JR.  
JOEL MARCELO G. JIMENEZ  
JUDITH R. DUAVIT-VAZQUEZ  
FELIPE S. YALONG  
ANNA-TERESA M. GOZON-VALDES  
LAURA J. WESTFALL  
ARTEMIO V. PANGANIBAN  
JAIME C. LAYA

Mr. Duavit further stated that former Chief Justice Artemio V. Panganiban and Dr. Jaime C. Laya were nominated as the Company's Independent Directors. There were no other nominees.

The current Directors have been recommended by the Company's Nomination Committee for re-election. On the basis of the nominated directors' proven track record as shown by the results of the Company's performance and after review of their qualifications, the said Directors were recommended for re-election by the Nomination Committee including the Independent Directors as justified by their wealth of experience will contribute immensely to the corporate objectives of the Company with due observance of good corporate governance.

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 2020-2021, until their successors shall have been duly elected, by the stockholders holding 96.48% of the Company's total issued and outstanding shares present and represented:

FELIPE L. GOZON  
 GILBERTO R. DUAVIT, JR.  
 JOEL MARCELO G. JIMENEZ  
 JUDITH R. DUAVIT-VAZQUEZ  
 FELIPE S. YALONG  
 ANNA-TERESA M. GOZON-VALDES  
 LAURA J. WESTFALL  
 ARTEMIO V. PANGANIBAN (*Independent Director*)  
 JAIME C. LAYA (*Independent Director*)

The Corporate Secretary explained that the Company adopts the cumulative voting method whereby the Directors shall be elected by plurality of votes and every stockholder will be entitled to cumulate his votes. As part of electronic voting in absentia, in addition to the check boxes beside the names of the nominees, a comment box was provided for any specific instruction from the stockholder on the manner by which he or she shall wish to cumulate his or her votes among his or her preferred nominee/s. In the absence of any such instruction, the votes of such stockholder were cast equally among the names of the nominees chosen/checked by him or her.

## VII. APPOINTMENT OF THE EXTERNAL AUDITOR

The Chairman stated that the next item on the agenda was the election of the external auditor. The Chairman invited the Audit Committee to give its recommendation for the external auditor.

Dr. Laya, the Chairman of the Audit Committee, explained that the Committee and the Chairman reviewed the performance and the proposed fees of the current external auditors and recommended that Sycip Gorres Velayo & Co. be re-appointed as the Company's External Auditor for FY2020.

After motion duly made and seconded, the following resolution was unanimously approved by the stockholders holding 96.48% of the Company's total issued and outstanding shares present and represented:

"RESOLVED, That the Sycip Gorres Velayo & Co. be appointed as the External Auditor of the Company for FY2020."

## VIII. OTHER MATTERS/ADJOURNMENT

The Chairman opened the floor for any other matters which the shareholders wanted to bring up. There being none, the meeting was, upon motion duly made and seconded, adjourned at 11:18 a.m.

  
 FELIPE L. GOZON  
 Chairman

  
 ROBERTO RAFAEL V. LUCILA  
 Corporate Secretary

**(SUBJECT TO THE STOCKHOLDERS' APPROVAL  
AT THE NEXT STOCKHOLDERS' MEETING)**

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