

MINUTES
OF THE ANNUAL STOCKHOLDERS' MEETING OF
GMA NETWORK, INC.
Held at Studio 6
GMA Network Studios, EDSA corner GMA Network Drive
Diliman, Quezon City
May 15, 2019 at 10:00 a.m.

| STOCKHOLDER'S PRESENTED/REPRESENTED: | Stockholdings (%): | |
|---|-----------------------|---------------|
| | No. of Shares | Percentage |
| Common Shares | 3,119,149,863 | 92.80% |
| Preferred Shares | 7,489,610,364 | 99.87% |
| Total Issued & Outstanding Shares (Net Treasury Shares) | 10,608,760,227 | 97.68% |

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 | 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 Group |
| Eduardo P. Santos | Consultant, Internal Audit |
| Elvis B. Ancheta | Senior Vice President & Head, Engineering Group, Concurrent Head, Transmission and Regional Engineering |
| Sheila S. Tan | First Vice-President, Research |
| Angela Carmela J. Cruz | Vice-President, Corporate Affairs and Communications |
| Victoria T. Arradaza | Vice-President, Supply and Asset Management |
| Ayahl Ari Augusto P. Chio | First Vice President, Administration and Investor Relations |
| Maria Lucille U. Dela Cruz | Senior Assistant Vice-President, Treasury and Account Management (Finance) |
| Mercedes Macy T. Suena | Senior Assistant Vice-President, Financial Management Systems (Finance) |
| Edwin P. Jimenez | Assistant Vice-President, Infrastructure Systems (ICT) |
| Glenn F. Allona | Vice-President for Radio Operations Group and Concurrent Vice-President for Operations, RGMA |
| Reynaldo B. Reyes | Vice President, Production Engineering |

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|------------------------|---|
| Jose S. Toledo, Jr. | Senior Assistant Vice-President, Budget & Payroll, Finance |
| Farley D. Areola | Assistant Vice-President, Subsidiaries Financial Accounting Division, Finance |
| Jeffrey Q. Evangelista | Assistant Vice-President, Division Head Studio Operations, Production Engineering |
| Alfonso C. Cruz, Jr. | Assistant Vice-President, Facilities Management Division, Administration |
| Remedios B. Reyes | Assistant Vice-President, Central Library & Archives Management Division |
| Adoracion S. Lapada | Assistant Vice-President, Application Systems Division, ICT |

I. CALL TO ORDER

The Chairman, Atty. Felipe L. Gozon, called the Annual Stockholders' Meeting to order at 10:00 a.m. 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 April 15, 2019, in accordance with the By-Laws of the Company. Based on the attendance record and the proxies and powers of attorney on hand, the Corporate Secretary also certified that 3,119,149,863 common shares or 92.80% of the 3,361,047,000 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 10,608,760,227 or 97.68% of the 10,860,554,184 total outstanding common and preferred shares (net of treasury shares), were represented by the owners of record or their respective proxies. Therefore, a quorum existed for the transaction of business.

III. READING AND APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON MAY 16, 2018

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 16, 2018.

After some discussion, and upon motion duly made and seconded, the following resolution was unanimously approved:

“RESOLVED, That, the reading of the Minutes of the Annual Stockholders' Meeting held on May 16, 2018 be dispensed with and that the same be hereby RATIFIED and/or APPROVED.”

IV. ANNUAL REPORT OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Chief Executive Officer, Felipe L. Gozon, proceeded with the presentation of the Annual Report of the Chairman/CEO for the year ended December 31, 2018.

The Chairman first congratulated the GMA News Department for the very successful holding of GMA7's 2019 election coverage. He commended the reporters and crew who roamed the different parts of the Philippines to deliver high-quality updates on

the conduct and results of the recent elections for access of the people in the comfort of their own homes, consistent with the Company's brand of *Serbisyong Totoo*.

In terms of ratings performance, GMA7 remained to be the #1 TV station in the Philippines based on Nielsen TV audience measurement, after posting an average total day people audience share of 40.8% in FY2018, which was higher than the 37.5% of ABS-CBN for the same period. GMA7 maintained its edge in its bailiwick areas of Urban Luzon and Mega Manila, leading over ABS-CBN in average people audience share by 14.4% in Luzon and by 19% in Mega Manila. As of 1Q2019, GMA7 was still on top in terms of nationwide TV ratings, although the Chairman recognized that the competition is putting up a good fight. However, the Company's Management is confident that GMA7 will maintain its leadership in the TV ratings for FY2019. GMA7 was also slowly but surely gaining more ground in terms of TV ratings in Visayas and Mindanao where GMA7 was behind ABS-CBN, by closing the gap in TV ratings in the said areas.

As of sign-on in the morning of May 15, 2019, GMA7 launched a milestone in its digital journey, as it started streaming digital TV in its permanent frequency under UHF Channel 15, which was assigned by the National Telecommunications Commission. Analog viewers may continue to watch GMA7 programs in the free-to-air channel broadcast of the Company.

In terms of financials, the Company managed to reach consolidated revenues amounting to PhP15.24 billion in FY2018, which was only 2% lower than in FY2017, despite the industry-wide reductions in ad spending throughout the year. Ad revenues amounted to PhP13.683 billion, which was just 2% lower than in FY2017. GMA7 posted a 4% drop in revenues while GNTV was also down 6%. Meanwhile, other revenue generating platforms such as Radio and Regional TV yielded better results, with Radio posting an 11% increase because of the program *Dobol B sa News TV* delivering the largest increase in sales, while Regional TV likewise posted higher sales by 5%.

Upon the other hand, total OPEX for FY2018 stood at PhP12 billion, which was down by 0.6% compared to FY2017. EBITDA for FY2018 ended at PhP4.82 billion, which was 8% lower than last year. Consolidated Net Income After Tax for FY2018 was PhP2.32 billion, or 9% lower.

Other business units and subsidiaries posted over PhP1.4 billion in revenues in FY2018, which was down by 2% compared to the previous year. Subscription and revenues from International TV remained flat.

The combined revenues of NMI and its subsidiaries Digify and Media Merge grew by 53%, due to the significant growth in its programmatic online advertising. Alta Productions was up by 2.3% while Script2010 was up by 19%. Program syndication business through GMA Worldwide registered a 51% decrease, while GMA Records also posted lower sales of 8%.

While the Company experienced slight declines in revenues in FY2018, the Chairman expressed his confidence that FY2019 will bring better financial results, not only because this is an election year, but also because the regular advertisers of the Company are increasing their placements.

In fact, the Company's 1Q2019 consolidated revenues reached PhP3.8 billion, which was 14% higher than 1Q2018. The Company targets a 12% increase for FY2019. The Company may face challenges, but it continues to grow stronger and better. While it looks forward to a better financial performance for the present year, the Company is also embracing the shift to the digital world and the changes that come with it, as it is in fact infusing over PhP1 billion in investments to complete the second phase of the digitization project, to put the Company's programs in a world-class level and so as to

better cater to its viewers worldwide. The Company's digital device, which is to be launched within 2H2019, has functional features that the competitors do not offer.

The Chairman also proudly reported the release on May 14, 2019 of the cash dividends worth over Php2.1 billion, at P0.45 per share, to all stockholders of record as of April 22, 2019, thereby highlighting the commitment of the Company's Management to provide the best returns to the stockholders as a way of showing their appreciation and gratitude to them.

In parting, the Chairman expressed his sincerest gratitude to the stockholders, directors, officers, employees and talents, and other stakeholders, and especially to the loyal *Kapuso* viewers here and abroad, for their unwavering loyalty, trust and support.

After the report, the Chairman opened the floor for comments and questions:

Several stockholders expressed their gratitude to the Corporation for the remarkable gift to the stockholders and financial and ratings performance and work of Management.

One stockholder noted the remarkable growth of Radio, and suggested for the Company to infuse more effort and support for this unit. The same stockholder likewise noted that FY2019 is expected to be a good year, and thus asked about the possibility of the Company declaring special dividends. The Company's CFO, Mr. Yalong explained that the Company has declared almost 100% of income earned as dividends for the last 10 years, since its listing. The Chairman emphasized that the Company has no long-term debt, and the short-term debts are paid every year, while its cash flows are enough to cover operational and capital expenditures.

Another stockholder inquired regarding the transfer of GNTV from Channel 11 to Channel 27. The Chairman revealed that with the upcoming end to the blocktime contract with Zoe Broadcasting, the Company needs to make adjustments to be able to continue to offer analog viewing via Channel 27, along with its digital channel via Channel 15. The same stockholder also congratulated the successful holding of the 2019 election coverage and commended the cost-efficient upgrade of Studio 5 for better broadcast of the Company's news programs. Lastly, the stockholder suggested for the Company to consider the suggestions among netizens for the HD live-streaming of the Company's news broadcast.

After some discussions, a stockholder moved that the Chairman/CEO's Annual Report together with the financial statements for the period ending December 31, 2018 be noted and approved. Another stockholder seconded. The following resolution was therefore adopted:

“RESOLVED, That, the Chairman/CEO's Annual Report and the Financial Report for the period ending December 31, 2018 be, as they are, hereby NOTED and APPROVED.”

V. RATIFICATION OF THE ACTS OF THE BOARD OF DIRECTORS /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 16, 2018 up to the present. The Chairman asked the Corporate Secretary to explain the nature of the acts to be ratified.

The Corporate Secretary explained that the acts of the Board of Directors 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 in accordance with good corporate practice, and are on file with the Office of the Corporate Secretary and available for inspection upon the request of any stockholder.

After hearing no objections, and after motion duly made and seconded, the following resolution was unanimously approved:

“RESOLVED, That (1) the declaration of cash dividends to stockholders of record as of April 22, 2019 by the Board of Directors on March 29, 2019, and (2) all acts and resolutions of the Board of Directors and Management of the Corporation from the date of the last annual stockholders’ meeting on May 16, 2018 up to May 15, 2019 as reflected in the minutes of the meetings of the Board of Directors, 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 2019 - 2020. 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
 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.

Upon motion, and hearing no objections, the following were unanimously declared elected as members of the Board of Directors for the ensuing year 2019-2020, until their successors shall have been duly elected.

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

VII. ELECTION 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 their recommendation for the external auditor.

Dr. Laya, the Chairman of the Audit Committee, explained that the Committee has reviewed the performance and the proposed fees of the current external auditor and recommended that Sycip Gorres Velayo & Co. be elected as the Company's External Auditor.

After motion duly made and seconded, the following resolution was unanimously approved:

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

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 adjourned at 10:37 a.m.


FELIPE L. GOZON
Chairman


ROBERTO RAFAEL V. LUCILA
Corporate Secretary

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