

**MINUTES  
OF THE ANNUAL STOCKHOLDERS' MEETING  
OF GMA NETWORK, INC.  
Held in Studio 6  
GMA Network Studios, EDSA corner GMA Network Drive  
Diliman, Quezon city  
May 18, 2016**

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STOCKHOLDER'S PRESENTED/REPRESENTED:

Stockholdings (%):

Common 92.16%	Preferred 99.04%
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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

Michael John R. Duavit	
Laura J. Westfall	
Anna Teresa M. Gozon-Abrogar	Assistant Corporate Secretary
Artermio V. Panganiban	Independent Director
Jaime C. Laya	Independent Director

Officers

Roberto O. Parel	Corporate Secretary/Compliance Officer
Marissa L. Flores	Senior Vice President, News & Public Affairs Group
Ma. Nenita E. Cruz	Vice-President/Head, Information & Communications Technology
Ianessa S. Valdellon	First Vice-President, News and Public Affairs
Luz Annalee O. Escudero	First Vice-President, Regional Television/Concurrent Head, Expansion & Production Services
Reggie C. Baustista	First Vice-President, Program Support
Sheila A. Tan	First Vice-President, Research
Ronaldo P. Mastrili	Senior Vice-President, Finance and ICT
Ayahl Ari Augusto P. Chio	Vice President, Finance and ICT
Eduardo P. Santos	First Vice President, Internal Auditor
Joseph Jerome T. Francia	Vice-President, GMA International
Angel Cruz-Javier	Vice-President, Corporate Affairs and Communication
Lilybeth G. Rasonable	Senior Vice-President, Entertainment TV

External Auditor

Mr. Ramon D. Dizon	Partner, Sycip Gorres Velayo & Co
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**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 O. Parel, assisted by Atty. Maria Estelita B. Arles-Gozon recorded the minutes of the proceedings.

## **II. CERTIFICATION OF NOTICE AND QUORUM**

The Corporate Secretary reported that the notices of the meeting were duly sent to all the stockholders in accordance with the By-Laws of the Company and that 92.16% of the total issued and outstanding common shares were present while 99.04% of the total issued and outstanding preferred shares were present by the owners or their respective proxies. A quorum existed therefore, for the transaction of business.

## **III. READING AND APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON MAY 20, 2015**

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 20, 2015.

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 20, 2015 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 presenting the Management report for the year ended December 31, 2015 as contained in the Annual Report which was previously distributed to the stockholders.

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

One of the stockholders commended the Chairman for his well-delivered report on the Company's financial and ratings performance and for the remarkable work of Management. He also requested that in the subsequent stockholders' meetings, the Chief of the Security Personnel of GMA should provide the guidelines on their review of the proof of identify/qualifications of the stockholders attending the meeting.

Another stockholder suggested that the attendees of the meeting be given souvenirs in the next stockholders' meeting.

A stockholder inquired on the Company's performance in Visayas and Mindanao to which the Chairman replied that GMA is behind ABS-CBN in Visayas and Mindanao, but GMA's lead in Mega Manila and Luzon compensates for GMA's shortfall in Visayas and Mindanao. Nonetheless the difference the ratings of GMA and ABS-CBN is getting smaller and smaller in Visayas and Mindanao.

Moreover, a stockholder congratulated the Company for the remarkable work as shown by the Company's net Income and cash dividend declaration to the stockholders. The stockholder then asked how the income from *Kalye Serye* affects GMA. The Chairman said that *Kalye Serye* is under Tape, Inc. which is a blocktimer and GMA does not earn income from the show but only from blocktime fee that that Tape, Inc. pays GMA. However, GMA is indirectly part of *Kalye Serye*'s success in the sense that when the ratings of *Kalye Serye* goes up the ratings of GMA also goes up and consequently the advertisers put more plugs to GMA's programs.

Upon a stockholders inquiry regarding the Company's dividend declaration, the Chairman explained that there are two classes of dividends, cash and stock. The Chairman said that a company resorts to stock dividends when it needs cash. Fortunately for GMA, it has enough cash to support its operations. The Chairman said that since the Initial Public Offering of the Company, the

Company has declared almost 100% of all of its net income as cash dividends, which is the surest sign that the Company is in financial good health.

After some discussions, a stockholder moved that the Management Report together with the financial statements for the period ending December 31, 2015 be noted and approved. Another stockholder seconded. The following resolution was therefore adopted:

“RESOLVED, That the President’s Report and the Financial Report for the year 2015 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 Corporation from the date of the last annual stockholders’ meeting on May 20, 2015 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.

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

“RESOLVED, That the acts of the Board of Directors, Executive Committee and Officers of the Corporation from the date of the last annual stockholders’ meeting on May 20, 2015 up to the present are hereby RATIFIED AND APPROVED.”

#### **VI. ELECTION OF DIRECTORS**

The Chairman stated that the next item on the agenda was the election of directors for the ensuing year. 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:

FELIPE L. GOZON  
GILBERTO R. DUAVIT, JR.  
JOEL MARCELO G. JIMENEZ  
FELIPE S. YALONG  
ANNA-TERESA M. GOZON-ABROGAR  
MICHAEL JOHN R. DUAVIT  
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 being nominated as independent directors.

Hearing no objections, the following were unanimously declared elected as members of the Board of Directors for the ensuing year until their successors shall have been duly elected.

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

#### **VIII. 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 fees of the current external auditor and recommended that Sycip Gorres & Velayo Co. be elected as external auditor.

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

“RESOLVED, That the Sycip Gorres Velayo & Co. be elected external auditor of the Company.”

#### **IX. 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 11:30 a.m.

**FELIPE L. GOZON**  
*Chairman*

**ROBERTO O. PAREL**  
*Corporate Secretary*

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