

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS  
OF  
SOLID GROUP INC.**

Held on September 24, 2020 at 2:00 P.M. at Makati City  
By remote communication<sup>1</sup>

The 2020 Annual Stockholders' Meeting of Solid Group Inc. ("SGI" or the "Company") was conducted by remote communication or *in absentia* via Zoom at:

<https://zoom.us/j/91995264463?pwd=T3owbEZlNWpyem5JWnNjcmd6Y3JLZz09>

Prior to the start of the meeting proper, videos of the Philippine National Anthem and Invocation were shown, after which it was announced by the host, Mr. Beda T. Mañalac, that the meeting would be recorded in accordance with Securities and Exchange Commission ("SEC") Memorandum Circular No. 6, Series of 2020.

**CALL TO ORDER**

The Chairman and Chief Executive Officer, Mr. Jason S. Lim, presiding from Makati City, called the meeting to order. He announced that due to the COVID-19 pandemic, the Annual Stockholders' Meeting was being conducted via remote communication for the first time in the Company's history. He thanked all those joining the live webcast and those who participated in the meeting by remote communication, by voting *in absentia* or appointing the Chairman or the President as proxy.

The Chairman then acknowledged the presence of the following members of the Board of Directors and Management at the meeting:

Founding Chairman	- Joseph Lim
Chairman Emeritus	- Elena S. Lim
Chairman	- Jason S. Lim

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<sup>1</sup> <https://zoom.us/j/91995264463?pwd=T3owbEZlNWpyem5JWnNjcmd6Y3JLZz09>

President and CEO	- Susan L. Tan
Director /Senior Vice Pres./ Chief Finance Officer; and Chairman of Risk Management and Related Party Transaction Committee	- Vincent S. Lim
Director/Vice Pres. for Business Development and Investor Relations	- Beda T. Manalac
Director	- Jonathan Joseph CC. Lim
Director	- Kevin Michael Tan
Independent Director and Chairman of the Corporate Governance, Compensation & Nomination Committee	- Maria Goolsby
Independent Director and Chairman of the Audit Committee	- Quintin Chua
Corporate Secretary	- Roberto V. San Jose
Asst. Corporate Secretary	- Ana Maria A. Katigbak
Vice Pres. & Treasurer	- Lita L. Joaquin
Senior Vice Pres. & Chief Accounting Officer	- Mellina T. Corpuz
Chief Information Officer	- Josephine T. Santiago
Chief Audit Executive	-Ericson B. Salvador

## **PROOF OF NOTICE AND CERTIFICATION OF QUORUM**

The Assistant Corporate Secretary, Ana Maria A. Katigbak, with the permission of the Corporate Secretary, Atty. Roberto V. San Jose, reported that pursuant to SEC Notice dated 20 April 2020, the notice (or "Notice") of the meeting was published in print and online format in the business section of the Manila Times and the Business Mirror, both newspapers of general circulation, for 2 consecutive days at least 21 days before the meeting. A copy of the Notice, together with the Definitive Information Statement, minutes of the previous meeting, and other documents related to this meeting were also made accessible through the Company's website.

Qualified stockholders who successfully registered within the prescribed period were included in the determination of quorum. By voting *in absentia* or by proxy or by participating remotely in this meeting, a stockholder was deemed present for purposes of determining quorum.

Based on this, the Corporate Secretary certified that there were present at the meeting stockholders owning at least **1,422,329,296** shares representing at least **78.08%** of the outstanding capital stock of the Company. Therefore, there was a quorum for the transaction of business.

The Chairman then said that while the Company was holding the meeting virtually, the Company had taken steps to ensure that the stockholders would have an opportunity to participate in the meeting to the same extent as possible as they would have had the meeting been done in person. In this regard, the Assistant Corporate Secretary explained the participation and voting procedures adopted for the meeting. She stated that under the Company's By-Laws, every stockholder shall be entitled to one vote for each share of stock standing in his/her name in the books of the Company. For the election of directors, each stockholder may cumulate his/her votes.

Stockholders who successfully registered for the meeting were given the opportunity to cast their votes by voting *in absentia* or by proxy until September 14, 2020. There were six (6) items for approval excluding the adjournment, as indicated in the agenda set out in the Notice. The proposed resolutions for each of these items would be read out and flashed on the screen during the meeting when the proposal to approve the resolution was presented.

For all items in the agenda to be approved in the meeting other than the election of directors, the stockholders had the option to either vote in favor of or against a matter for approval, or to abstain. For the election of directors, the stockholders had the option to vote their shares for each of the nominees, not vote for any nominee, or vote for one or some nominees only, in such number of shares as the stockholders prefer; provided that the total number of votes cast did not exceed the number of shares owned by them multiplied by the number of directors to be elected.

Votes received through ballots or by proxy forms were validated by Stock Transfer and Services, Inc., the Company's Stock and Transfer Agent. The results of the voting, with full details of the affirmative and negative votes, as well as abstentions, were set out in Annex "A" of these Minutes

For all items in the agenda approved at the meeting other than the election of directors, the vote of the stockholders representing at least a majority of the outstanding capital stock were sufficient to approve the matter. For the election of directors, the nine (9) nominees receiving the highest number of votes were declared the duly elected members of the Board of Directors for the current term.

Finally, the Assistant Corporate Secretary explained that stockholders, once successfully registered, were also given an opportunity to raise questions or express comments limited to the agenda items by submitting the same through the Zoom portal. Stockholders participating in the meeting could also raise questions through the Company's email address flashed on the screen during the meeting. She stated that Management would endeavor to reply to these questions or address these comments at the end of the meeting. Questions not answered would be answered by email.

#### **APPROVAL OF MINUTES OF PREVIOUS ANNUAL STOCKHOLDERS' MEETING**

The next item of business was the approval of the minutes of the annual meeting of the stockholders held on June 27, 2019, an electronic copy of which was made available at the Company's website.

The Assistant Corporate Secretary presented Management's proposal to adopt the following resolution approving the minutes of the annual stockholders' meeting held on June 27, 2019:

**"RESOLVED**, that the minutes of the Annual Stockholders' Meeting of the Corporation held on June 27, 2019 be, as it is hereby, approved."

Thereafter, the Assistant Corporate Secretary announced that stockholders owning at least **1,422,329,296** shares representing at least **78.08%** of the outstanding capital stock approved the resolution while zero shares voted against, and zero shares abstained on the motion. It was noted that the affirmative votes were sufficient to approve the motion.

## **MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019**

The next matter on the agenda was the approval of the management report and audited financial statements. The President and Chief Executive Officer, Mrs. Susan L. Tan, gave the report on the Company's operational highlights and financial results, and the consolidated audited financial statements for the year ended 31 December 2019.

After the report, the Assistant Corporate Secretary presented Management's proposal to adopt the following resolution, approving the annual report of management as presented by the President and Chief Executive Officer and the consolidated audited financial statements for the year ended 31 December 2019:

**“RESOLVED**, that the Management Report as presented by the President and the Corporation's audited financial statements for year ended December 31, 2019 be, as they are hereby, approved.”

Thereafter, the Assistant Corporate Secretary announced that stockholders owning at least at least **1,422,329,296** shares representing at least **78.08%** of the outstanding capital stock voted in favor of approving the resolution while zero shares voted against and and zero shares abstained on the motion. It was noted that the affirmative votes were sufficient to approve the motion.

## RATIFICATION OF PREVIOUS CORPORATE ACTS

The next item was the ratification and approval of corporate acts. The Chairman stated that a summary of the acts of the Board and management for ratification was included in the Definitive Information Statement and were flashed on the screen. He read out the acts for ratification from the date of the last stockholders' meeting which include the following:

- Election of corporate officers.
- Reorganization of the Board Committees (Audit Committee; Corporate Governance, Compensation and Nomination Committee; Risk Management and Related Party Transactions Committee).
- Approval of the Related Party Transactions Committee Charter and the Amended (a) Related Party Transactions Policy, (b) Corporate Governance & Nominations Committee Charter (c) Risk Management Committee Charter, (d) Internal Audit Charter, (e) Enterprise Risk Management Charter, (f) Audit Committee Charter, (g) Insider Trading Policy, (h) Policy and Data Relating to Health, Safety and Welfare of Employees, (i) Remuneration Committee Charter, (j) Conflict of Interest Policy.
- Presentation and approval of the quarterly financial reports.
- Presentation and approval of the audited financial statements.
- Declaration of cash dividends.
- Declaration of stock dividends by subsidiary Solid Manila Corporation (SMC), a wholly-owned subsidiary, of three million (3,000,000) shares, with a par value of Php100.00 per share, to be taken out of the unrestricted retained earnings of SMC as of year ended December 31, 2018. The said shares will be issued from the increase in the authorized capital stock of SMC;
- Subscription to two million four hundred thousand (2,400,000) shares, with a par value of Php100.00 per share, of the capital stock of Zen Towers Corporation (ZTC), a wholly owned subsidiary. Out of the said subscription, the amount of Php140,000,000.00 will be paid in cash. The said shares will be issued from the increase in the authorized capital stock of ZTC;

- Subscription to one million one hundred seventy five thousand (1,175,000) shares, with a par value of Php100.00 per share, of the capital stock of MyApp Corporation (MyApp), a wholly owned subsidiary. Out of the said subscription, the amount of Php29,375,000.00 will be paid in cash. The said shares will be issued from the increase in the authorized capital stock of MyApp;
- Incorporation of a new company in partnership with Guangzhou Fekon Motorcycle Co., Ltd., from Guangzhou City, China. The company will have an initial investment of Php130,000,000.00 with SGI owning 44%. The new company will engage in the production, retail and financing of motorcycles;
- Postponement and resetting of date of Annual Stockholders' Meeting; and
- Presentation and approval of the 2019 Annual Corporate Governance Report.

The Assistant Corporate Secretary presented Management's proposal to adopt the following resolution, ratifying all acts, contracts, resolutions, and deeds authorized and entered into by the management and the Board of Directors from the last annual stockholders' meeting up to the present:

**"RESOLVED**, that all acts, contracts, resolutions and actions, authorized and entered into by the Board of Directors and Management of the Company from the date of the last annual stockholders' meeting up to the present be, as they are hereby, approved, ratified and confirmed."

Thereafter, the Assistant Corporate Secretary announced that stockholders owning at least **1,422,329,296** shares representing at least **78.08%** of the outstanding capital stock voted in favor of the resolution, while zero shares voted against, and zero shares abstained on the motion. It was noted that the affirmative votes were sufficient to approve the motion.

## ELECTION OF DIRECTORS

The next matter on the agenda was the election of the members of the Board of Directors of the Company.

The Assistant Corporate Secretary stated that under the SIXTH Article of the Amended Articles of Incorporation, there were nine (9) seats in the Board of Directors and the Company was required to have at least two (2) independent directors. She explained that under the SEC rules, all nominations for director shall be submitted to and evaluated by the Nominations and Compensation Committee, nominations for Independent Directors shall appear in the Final List of Candidates set forth in the Definitive Information Statement or other reports submitted to the Securities and Exchange Commission, and no other nominations shall be entertained from the floor.

The Assistant Corporate Secretary noted that the Company received a total of seven (7) nominations for Regular Directors, and two (2) for Independent Directors. She explained that nominees receiving the highest number of votes for the 7 available seats for Regular Director, and for the 2 available seats for Independent Director, would be declared as the duly elected members of the Board of Directors for 2020-2021.

She announced the names of the following nominees for regular and independent directors and that full details of the background and qualifications of the nominees were disclosed in the Company's Definitive Information Statement:

For Regular Directors:

1. JASON S. LIM
2. SUSAN L. TAN
3. VINCENT S. LIM
4. DAVID S. LIM
5. BEDA T. MAÑALAC
6. JONATHAN JOSEPH C.C. LIM
7. KEVIN MICHAEL L. TAN

For Independent Directors:

8. QUINTIN CHUA
9. MARIA G. GOOLSBY

At the Chairman's request, the Assistant Corporate Secretary announced that based on the tabulation and validation by the Company's stock and transfer agent, stockholders owning at least **1,422,329,296** shares representing at least **78.08%** of the outstanding capital stock, voted to elect all the nine (9) candidates to the Board of Directors. The above nine (9) candidates were therefore declared as the duly elected members of the Board of Directors of the Company for the term 2020-2021 to act as such until their successors are duly elected and qualified.

The Chairman welcomed back to the Board of Directors, Mr. David S. Lim, who had been focusing his attention on the digital mobile and modular housing businesses and was rejoining the Board to enhance the Company's overall strategies and business direction.

The Chairman also expressed the Company's deepest appreciation and gratitude to its founders, Ms. Elena S. Lim and Mr. Joseph Lim, who will continue to serve the Company and its shareholders as the Chairman Emeritus and co-Chairman Emeritus.

**APPOINTMENT OF EXTERNAL AUDITOR**

The next item was the appointment of the Company's external auditor. The Chairman of the Audit Committee, Independent Director Quintin Chua, informed the stockholders that the Audit and Governance Committee reviewed the qualifications and performance of the Company's current external auditor, Punongbayan & Araullo, and endorsed its reappointment for the current year.

The Assistant Corporate Secretary presented Management's proposal to adopt the following resolution, reappointing Punongbayan & Araullo as the Company's external auditor for the current year:

**“RESOLVED**, that the accounting firm of Punongbayan & Araullo be re-appointed external auditors of the Company for the year 2020- 2021.”

Thereafter, she announced that that stockholders owning at least **1,422,329,296** shares representing at least **78.08%** of the outstanding capital stock, voted in favor of approving the resolution, while zero shares voted against, and zero shares abstained on the motion. It was noted that the affirmative votes were sufficient to approve the motion.

#### **OTHER MATTERS**

The Chairman inquired whether any questions were raised or comments made on the agenda, by email or through the Zoom portal.

The Assistant Corporate Secretary replied that no questions or comments were received by email through the Zoom portal prior to and during the meeting.

#### **ADJOURNMENT**

There being no other matters on the agenda, the Chairman adjourned the meeting. He advised the stockholders that a copy of the recorded proceedings would be made available to them upon request while the minutes of this meeting would be made available at the Company's website. He then conveyed his wishes for the safety and good health of the stockholders and their families.

**ANA MARIA A. KATIGBAK**  
Assistant Corporate Secretary

ATTESTED BY:

**JASON S. LIM**  
Chairman

**SUSAN L. TAN**  
President and Chief Executive Officer

**ANNEX "A"**  
**(VOTING RESULTS)**

<b>AGENDA ITEMS</b>	<b>ACTION</b>			
Item 1. Call to Order	No action necessary.			
Item 2. Proof of Notice and Certification of Quorum	No action necessary.			
	<b>FOR</b>	<b>%</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Item 3. Approval of the Minutes of the Previous Annual Stockholders' Meeting	<b>1,422,329,296</b>	<b>78.08%</b>	<b>0</b>	<b>0</b>
Item 4. Approval of the Management Report and Audited Financial Statements for the year ended December 31, 2019	<b>1,422,329,296</b>	<b>78.08%</b>	<b>0</b>	<b>0</b>
Item 5. Ratification of Previous Corporate Acts	<b>1,422,329,296</b>	<b>78.08%</b>	<b>0</b>	<b>0</b>
Item 6. Election of Directors	Votes per nominee shown below			
<b>For Regular Director:</b>	Votes per nominee shown below			
JASON S. LIM	<b>1,422,329,296</b>	<b>78.08%</b>	<b>0</b>	<b>0</b>
SUSAN L. TAN	<b>1,422,329,296</b>	<b>78.08%</b>	<b>0</b>	<b>0</b>
VINCENT S. LIM	<b>1,422,329,296</b>	<b>78.08%</b>	<b>0</b>	<b>0</b>
DAVID S. LIM	<b>1,422,329,296</b>	<b>78.08%</b>	<b>0</b>	<b>0</b>
BEDA T. MAÑALAC	<b>1,422,329,296</b>	<b>78.08%</b>	<b>0</b>	<b>0</b>

JONATHAN JOSEPH C.C. LIM	<b>1,422,329,296</b>	<b>78.08%</b>	0	0
KEVIN MICHAEL L. TAN	<b>1,422,329,296</b>	<b>78.08%</b>	0	0
<b>For Independent Director:</b>	Votes per nominee shown below			
QUINTIN CHUA	<b>1,422,329,296</b>	<b>78.08%</b>	0	0
MARIA G. GOOLSBY	<b>1,422,329,296</b>	<b>78.08%</b>	0	0
Item 9. Approval of appointment of Punongbayan & Araullo as the Company's external auditor	<b>1,422,329,296</b>	<b>78.08%</b>	0	0
Item 10. Adjournment				

\* Percentage is based on total outstanding voting shares of SGI at 1,821,542,000 common shares