

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

Held on July 29, 2021 at 2:00 P.M. at Makati City  
By remote communication<sup>1</sup>

The 2021 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/98568264710?pwd=VG5MN3FFbzZJclY2a210RWp2M05DQT09>

Prior to the start of the meeting proper, a video of the Philippine National Anthem was shown and the invocation was led by the host, Mr. Beda T. Manalac. Mr. Manalac then announced 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 in order to ensure everyone's safety during the COVID-19 pandemic, the Annual Stockholders' Meeting was being conducted via remote communication and thanked all those joining the live webcast and participated in the meeting by remote communication, by voting through their proxies or appointed the Chairman or the President as proxy.

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<sup>1</sup><https://zoom.us/j/98568264710?pwd=VG5MN3FFbzZJclY2a210RWp2M05DQT09>

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

Chairman	- Jason S. Lim
President and CEO	- Susan L. Tan
Director/Exec. Vice Pres. and Chief Strategy Officer	- David S. Lim
Director /Senior Vice Pres./ Chief Finance Officer and Chief Risk Officer/ Chairman of Risk Management and Related Party Transactions Committee	- Vincent S. Lim
Director/Senior Vice Pres. for Business Development and Investor Relations	- Beda T. Manalac
Director/Vice Pres. for Property Business and Data Privacy Officer	- Jonathan Joseph CC.Lim
Director/Vice Pres. for Digital Mobile Business	- 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

Senior Vice Pres. & Treasurer	- Lita L. Joaquin
Senior Vice Pres. & Chief Accounting Officer	- Mellina T. Corpuz
Vice Pres. for New Investments	- Christopher James L. Tan
Asst. Vice Pres./ Chief Information Officer	- Josephine T. Santiago
Asst. Vice Pres./ Chief Audit Executive	-Ericson B. Salvador

Before proceeding, the Chairman acknowledged the Company's deepest appreciation for the many contributions imparted and invaluable guidance of its Founders and Chair Emeritus, Mr. Joseph Lim and Mrs. Elena S. Lim.

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

With the permission of the Corporate Secretary, Atty. Roberto V. San Jose, the Assistant Corporate Secretary, Ana Maria A. Katigbak, reported that pursuant to SEC Notice dated March 16, 2021, 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 through proxies or by participating remotely in the 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 **1,369,353,296** shares representing at least **75.18%** of the outstanding capital stock of the Company. Therefore, a quorum existed for the transaction of business.

The Chairman stated that although the Company was holding the meeting virtually, it 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. 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 was 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 was able to cumulate his/her votes.

Stockholders who successfully registered for the meeting were given the opportunity to cast their votes by voting by proxy until July 19, 2021. 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 were to 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 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 email or the Zoom meeting portal. 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 September 24, 2020, 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 September 24, 2020:

**"RESOLVED**, that the minutes of the Annual Stockholders' Meeting of the Corporation held on September 24, 2020 be, as it is hereby, approved."

Thereafter, the Assistant Corporate Secretary announced that stockholders owning at least **1,369,353,296** shares representing at least **75.18%** of the outstanding capital stock voted to approve 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 resolution.

#### **MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020**

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, reported on the Company's operational highlights and financial results, and the consolidated audited financial statements for the year ended December 31, 2020.

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 December 31, 2020:

**"RESOLVED**, that the Management Report as presented by the President and the Corporation's audited financial statements for year ended December 31, 2020 be, as they are hereby, approved."

Thereafter, the Assistant Corporate Secretary announced that stockholders owning at least at least **1,369,353,296** shares representing at least **75.18%** of the outstanding capital stock voted to approve 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 resolution.

## **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 included the following:

- Election of corporate officers.
- Reorganization of the Board Committees (Audit Committee, Corporate Governance & Nominations Committee, Compensation or Remuneration Committee, Risk Management and Related Party Transactions Committee).
- Presentation and approval of the quarterly financial reports.
- Presentation and approval of the audited financial statements.
- Approval of Board Charter

- Additional Investment in subsidiaries Solid Manila Corporation, Precos, Solid Video Corporation, Fekon Solid Motorcycle Mfg. Corp, Green Sun Hotel Management, Inc.
- Postponement and resetting of the Annual Stockholders' Meeting.
- Presentation and approval of the 2020 Annual Corporate Governance Report.
- Compliance with SEC requirements on primary and alternate contacts, and the online submission tool.

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 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 at least **1,369,353,296** shares representing at least **75.18%** of the outstanding capital stock voted to approve 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 resolution.

## **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 informed the stockholders 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 2021-2022.

The names of the following nominees for regular and independent directors were announced and it was noted 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. MARIA GOOLSBY
9. RAFAEL SIMPAO, JR.

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 at least **1,369,353,296** shares representing at least **75.18%** 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 2021-2022 to act as such until their successors were duly elected and qualified.

The Chairman, on behalf of the SGI stockholders and his fellow Board members, expressed their gratitude and deep appreciation to Mr. Quintin Chua, who served as Independent Director of the Company since 2003 and generously provided SGI with his valuable guidance and advice these past years, as well as helping SGI become a more dynamic and better-governed corporation.

The Chairman also welcomed to the Board the new Independent Director, Mr. Rafael Simpao, Jr.

#### **APPOINTMENT OF EXTERNAL AUDITOR**

The next item was the appointment of the Company's external auditor. The outgoing 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 for the reappointment of 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 2021-2022."

Thereafter, she announced that that stockholders owning at least **1,369,353,296** shares representing at least **75.18%** of the outstanding capital stock, voted to approve 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 resolution.

#### **OTHER MATTERS**

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

The Assistant Corporate Secretary replied that one question was received. A stockholder, Ms. Teresita M. Batoon, inquired into the status of any dividend declaration for the year.

At the Chairman's request, the President replied to the query and stated that while the Company has sufficient retained earnings, it will not be distributing dividends this year 2021 as resources are being allocated for several investments including a major real estate development which Management is currently working on. Management is optimistic that these new projects will create long-term value for the Company.

#### **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)**

AGENDA ITEMS	ACTION			
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>1,369,353,296</b>	<b>75.18%</b>		
Item 4. Approval of the Management Report and Audited Financial Statements for the year ended December 31, 2020	<b>1,369,353,296</b>	<b>75.18%</b>		
Item 5. Ratification of Previous Corporate Acts	<b>1,369,353,296</b>	<b>75.18%</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>1,369,353,296</b>	<b>75.18%</b>		
SUSAN L. TAN	<b>1,369,353,296</b>	<b>75.18%</b>		
VINCENT S. LIM	<b>1,369,353,296</b>	<b>75.18%</b>		
DAVID S. LIM	<b>1,369,353,296</b>	<b>75.18%</b>		
BEDA T. MAÑALAC	<b>1,369,353,296</b>	<b>75.18%</b>		

JONATHAN JOSEPH C.C. LIM	1,369,353,296	75.18%		
KEVIN MICHAEL L. TAN	1,369,353,296	75.18%		
<b>For Independent Director:</b>	Votes per nominee shown below			
RAFAEL SIMPAO, JR.	1,369,353,296	75.18%		
MARIA G. GOOLSBY	1,369,353,296	75.18%		
Item 9. Approval of appointment of Punongbayan & Araullo as the Company's external auditor	1,369,353,296	75.18 %		
Item 10. Adjournment	1,369,353,296	75.18 %		

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