

**MINUTES OF THE ANNUAL MEETING
OF THE STOCKHOLDERS OF
CONCEPCION INDUSTRIAL CORPORATION**

The Annual Meeting of the Stockholders of the Concepcion Industrial Corporation (the "Company") was held on July 20, 2022, at 10:30 a.m., conducted virtually via Zoom.

Shareholder Attendance: 344,105,406 shares or 84.84% of the outstanding capital stock

Incumbent Directors Present:

Raul Joseph A. Concepcion	Chairman/President & CEO
Renna C. Hechanova-Angeles	Director
Raul Anthony A. Concepcion	Director
Raissa C. Hechanova-Posadas	Director
Ma. Victoria Herminia C. Young	Director
Jose Ma. A. Concepcion III	Director
Cesar A. Buenaventura	Independent Director
Justo A. Ortiz	Independent Director

Others Present:

Jayson L. Fernandez	Corporate Secretary
Rafael C. Hechanova, Jr.	EVP for Business Development
Rajan Komarasu	Chief Finance and Operating Officer
Ma. Victoria A. Betita	Chief Strategy and Transformation Officer
Alberto Alfonso Albano	Head of Investor Relations
Omar C. Taccad	Chief Compliance Officer

I. CALL TO ORDER

After welcoming the stockholders to the meeting, the Chairman, Mr. Raul Joseph A. Concepcion, noted that once again the Board decided to conduct the annual meeting of the stockholders virtually in light of reports on the rising number of COVID-positive cases in Metro Manila. As in the past, the Company worked hard to make the meeting as inclusive as possible by offering stockholders the opportunity to submit questions and cast votes *in absentia*. The stockholders were also advised that they could submit questions via electronic mail at investorrelations@cic.ph. and the Chairman will endeavor to answer questions received within the allotted time.

The Chairman then called the meeting to order and introduced members of the Board of Directors who were also present in the meeting. He also acknowledged the emeritus board members, Messrs. Raul T. Concepcion and Jose T. Concepcion, Jr. After

which, the Chairman asked for a moment of silence to honor the late emeritus director, Mr. Rafael G. Hechanova, Sr., who passed away last August 26, 2021. Mr. Hechanova was a man of great intellect, vision and courage who contributed immensely to the development of Concepcion Industries, and his legacy will never be forgotten.

The Corporate Secretary, Mr. Jayson L. Fernandez, recorded the minutes of the meeting.

II. CERTIFICATION OF SERVICE OF NOTICE AND QUORUM

The Corporate Secretary informed the body that the notice and agenda of the meeting, together with the Definitive Information Statement which contains the procedures for attending the meeting via remote communication and for casting votes *in absentia* were posted on the website of the Company beginning on June 28, 2022. The notice and agenda of the meeting were also published in both print format and digital print copy form in the business section of Business Mirror and Manila Standard on June 28 and 29, 2022. The Corporate Secretary further stated that based on the online registration system established by the Company, there were present in person through remote communication, *in absentia* or duly represented by proxy at the meeting, stockholders who own or hold a total of 344,105,406 shares representing 84.84% of the total issued and outstanding capital stock of the Company. This number has been separately reviewed and confirmed by independent tabulators, Stock Transfer Services, Inc. and Isla Lipana & Co., whose representatives are in attendance for this annual meeting of the stockholders. The Corporate Secretary then certified the existence of a quorum for the valid transaction of business.

Upon request of the Chairman, the Corporate Secretary explained that the voting procedures were set forth in the Definitive Information Statement. In particular, a stockholder may vote either via a proxy in writing, in the form provided in the Definitive Information Statement, signed and filed by the stockholder on or before July 8, 2022, or by forwarding his ballot to the office of the Corporate Secretary or via email to cic.secretary@romulo.com. A stockholder voting electronically *in absentia* is deemed present for purposes of quorum.

The Chairman then notified the stockholders that as of 10:30 a.m, 340,105,406 issued and outstanding shares of the Company, or 84.84% of the total and outstanding voting stock have cast their votes in favor of the specified agenda items, including the election of the nominees to the Board of Directors.

III. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS HELD ON JULY 14, 2021

The Chairman stated that the next item on the Agenda was the approval of the Minutes of the Annual Meeting of the Stockholders held on July 14, 2021, a copy of which was made available to the stockholders for their perusal at the Company's website.

The Corporate Secretary stated that based on the tabulation of votes, stockholders present or represented by proxy at the meeting who owned 340,105,406 shares or 84.84% of the outstanding capital stock, voted in favor of the approval of the Minutes of the Annual Meeting of the Stockholders held on July 14, 2021.

IV. REPORT OF THE CHAIRMAN

The Chairman proceeded to the next item on the Agenda and delivered his Report. The Chairman's Report is quoted below:

"To our fellow shareholders, colleagues in the board, leadership and employees of Concepcion Industrial Corporation, good morning.

Welcome to the Annual Shareholders meeting of Concepcion Industrial Corporation. We meet again online, how I wished that this event could be held face to face, but at the current time it is not 100% safe.

Who would have imagined that for more than 2 years, the pandemic would still be disrupting all our lives? The pandemic has stretched into a complex combination of four crises rolled into one: health, social, economic, and even political, from what was initially just a health crisis.

For many, it is called "a perfect storm" as it has adversely affected every person and business in one way or another, leading to a global crisis that will be felt for many years even after the end of the pandemic.

CIC has not been spared by its widespread impact.

CIC reported net sales of Php 12.2 billion for the year ending December 31, 2021, a 14% increase from the previous year. Consolidating this with sales from our minority owned businesses, sales reached Php 15.1 billion, 16% higher than 2021 but 12% lower than the pre-pandemic levels. Our consolidated net income however declined 45% from the previous year to Php 0.4 billion.

In 2021, we faced serious headwinds - supply chain disruptions which led to higher cost and supply unpredictability; the weakening peso; high commodity prices and inflation. On top of this we were also affected with multiple events that weakened demand for our products – multiple lockdowns, commercial projects stoppages and the adverse effects of the super typhoon Odette which hit the company in Q4, a critical period for the durables business.

Mindful of the need to stay focused on the long-term despite adverse short-term results, we continued to pursue, albeit, more cautiously, our growth strategies including extending our core business, investments in digitalization, brand

revitalization, and corporate culture building – efforts that will drive the company's transformative and long-term growth

As the world transitions into the endemic phase and slowly emerges from the pandemic, the fundamental shifts taking place created a need for CIC to realign our strategic focus, to be able to adapt to and navigate the ever-shifting economic landscape. From survival, we needed to focus our key priorities into four areas.

1. Effective Working Capital Management

Safeguarding and effectively managing our working capital is a key focus, especially in a disrupted economy. We aim to keep our financial assets safe ensuring a healthy balance sheet that will allow us to keep our financial obligations in such a way that the company will not run out of funds to pay shareholder dividends, repurchase company shares, as well as giving us the flexibility in making investment decisions to support strategic programs for the future.

2. People's Safety & Engagement

As the economy reopens, keeping our people safe and creating a safe work environment are key priorities. We have conducted over 63,000 test and have inoculated 100% of our workforce and our employees' eligible dependents. Our COVID-19 vaccination program is ongoing, offering booster vaccination to our employees and their household members. Likewise we have invested in retooling and training our people as we re-engage them back to face to face meeting and the office settings.

3. Business Recovery – Reigniting our Core Business and Brands

Given the shifting market conditions and changing customer behavior, we have accelerated our digital strategies to complement and strengthen our core business and brands. We have explored new ways of doing business and invested in E-Commerce, making our products and services more accessible to our consumers. We have also made logistics investments to enable us to fulfill product deliveries more efficiently. All these, coupled with product expansion and after sales investments as we position CIC to benefit from the Philippine growth story.

4. Adapting to the new normal

The COVID-19 pandemic has spawned a new breed of customers who are digitally coherent and prefer transacting remotely through online shops. The pandemic has tremendously changed the way customers behave. To transition the company from surviving to thriving, we pivoted our strategies and focused on investing in digital infrastructures, logistics,

human capital and building capabilities for the new normal.

In 2021, CIC launched ConcepStore (www.concepstore.com), an online shop that offers unique lifestyle home appliances, ranging from air conditioners and refrigerators, small domestic and kitchen appliances with bundled service packages. Concepstore offers same-day delivery which addresses the customers yearning for immediate gratification.

We also looked at the business in a different perspective, anticipating the prevailing needs of the niche market by introducing Under One Roof (UOR) – a one stop-shop for high-end residential and commercial projects, a source for comprehensive builder solutions capability, and a venue for architects, consultants, and developers to experience our best products.

To further complement these new ventures, we have strengthened Teko, an online platform that enables customers to easily book a professional technician for their appliance service needs.

These new ventures are strategic investments that will enable us to thrive in the new normal.

While we anticipate an upward trajectory for the domestic economy for 2022, we remain cautious and mindful of the persisting challenges that may disrupt the business and hamper the road to economic recovery. The ongoing geopolitical conflict in Eastern Europe that has triggered high inflation, record-high commodity price increases, supply shortages, and changing workforce. As well the ever-possible disruption caused by new variants of the corona virus.

However, the Philippines has proven its resilience time and time again. Driven by strong fundamentals, we remain confident of the continued long-term potential of the Philippines: the young and expanding population, the emergent middle class, the low penetration levels, the untapped OFW/BPO, the growing potential in the tourism business, and the aggressive government support for infrastructure projects.

We have also seen encouraging market and consumer shifts urging us to realign our strategic focus to be able to adapt to and navigate the ever-shifting economic landscape. We have also seen how our people have stepped up during these very challenging of times – tenacity, resourcefulness, and the ability to adapt and adjust to this new normal.

60 Years of Building Better Lives and Businesses

*2022 is a milestone year for us– this is the year when we honor the past, remembering how it all began with a vision of Philippine industrialization. Founded in 1962 as Concepcion Industries, Inc. (CII) by Jose Concepcion, Sr. we are celebrating **sixty years** of building better lives and businesses.*

In this present time, we still adhere to the principles and the core values that our Founder ingrained in us - we put the Filipinos at the core of our existence, and we are always inspired by our mission of uplifting the lives of the Filipinos even in the most difficult times.

As we celebrate this significant milestone, we remain cognizant of the need to transform in order to embrace and thrive in the future.

We take pride in the essence of why we exist as a Filipino company, our purpose of “Creating happy spaces for the Filipino people and businesses,” and we do this by creating a “branded” customer experience that drives delight to the consumers and build loyalty among the people we serve.

With much excitement and anticipation, we look forward to a brighter future. As we forge ahead, we embrace our core values that guided us ever since the beginning and throughout the years we have existed, through the darkest days of the COVID-19 pandemic.

*We are proud of being a Filipino company that is focused on **Innovating for Happier Outcomes, Going Above and Beyond, Doing the Right Thing, Making Customers Happy, caring for the People and the Planet, and Doing Our Best Always.***

In closing, allow me to thank our Board of Directors, the management team, and all our employees for their relentless service and dedication. I would also like to thank our business partners who have stayed committed in being our allies in providing the best products and services to the Filipino consumers; our customers who have continued to show loyalty to our brands for the last 60 years, and lastly, we send our heartfelt gratitude to our shareholders who have remained confident in CIC.”

In connection with the Chairman’s Report, the Chairman reminded the stockholders that the audited financial statements for the fiscal year ended December 31, 2021 of the Company contained in the Annual Report was posted in the Company’s website as indicated in the Notice of the Meeting.

At this point, the Chairman requested the moderator, Mr. Alberto Alfonso Albano, to read aloud any questions sent by stockholders relevant to the Report. Mr. Albano read the only question that was sent via email: “How is the Company being impacted by the falling peso, high commodity prices, and high inflation?”. The Chairman replied that these three factors, including large cost increases in shipping and logistics

cost, supply and components shortages and long lead times have resulted in higher cost for the Company. As a reference point, the Company's costs have increased anywhere between 15% to 25%, this before the latest peso depreciation depending on the product and source. The Company has taken steps to address the issues, by implementing price increases and cost reduction initiatives, mindful of the balance between demand, share and profitability. Management believes that this challenging situation will continue in the short term and will take tactical moves and initiatives as well as explore other opportunities and alternatives to soften the impact to the business.

V. APPROVAL OF THE REPORT OF THE CHAIRMAN AND THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

The next item on the Agenda was the approval of the Report of the Chairman and the audited financial statements for the year ended 31 December 2021.

The Corporate Secretary stated that based on the tabulation of votes, stockholders representing 84.84% of the outstanding voting stock of the Company voted in favor of the approval of the Chairman's Report and the audited financial statements of the Company for the year ended December 31, 2021, are hereby received, and adopted.

VI. ELECTION OF DIRECTORS

The next item on the Agenda was the election of directors of the Company for the ensuing corporate year.

The Corporate Secretary reported that there were nine (9) nominees for the nine (9) seats on the Company's Board of Directors for election at the meeting. The Corporate Governance and Nominations Committee screened the nine (9) nominees, including the nominees for independent directors, and deemed all of them qualified to be elected to the Board. He then read the names of the nominees for election as directors (including independent directors), as follows:

Raul Joseph A. Concepcion
Raul Anthony A. Concepcion
Renna C. Hechanova-Angeles
Raissa C. Hechanova-Posadas
Jose Ma. A. Concepcion III
Ma. Victoria Herminia A. Concepcion-Young
Cesar A. Buenaventura (as Independent Director)
Alfredo E. Pascual (as Independent Director)
Justo A. Ortiz (As Independent Director)

With respect to the nomination of Mr. Cesar A. Buenaventura as Independent Director who has been serving in this position for more than nine years, pursuant to the

guidelines of the Securities and Exchange Commission (“SEC”), the Board resolved to endorse his retention as Independent Director based on the meritorious justifications indicated in the Company’s Information Statement.

With respect to the nomination of Mr. Alfredo E. Pascual as Independent Director, Mr. Pascual tendered his resignation as director of the Company last June 30, 2022 in view of his appointment to the cabinet as Secretary of the Department of Trade and Industry. Thus, he will be unable to serve as director for the ensuing year.

Therefore, there are eight (8) persons nominated and available to be elected to the Board of Directors, all of whom have been deemed qualified to be elected by the Corporate Governance and Nominations Committee.

The Chairman instructed the Corporate Secretary to cast all votes in accordance with the instructions earlier provided to him by the shareholders together with their proxies. The Secretary certified that the following nominees received the number of votes indicated across their names:

Directors	Votes for	Percentage of total outstanding shares
Raul Joseph A. Concepcion	306,987,489	76.58%
Renna C. Hechanova-Angeles	304,280,489	75.90%
Raul Anthony A. Concepcion	330,387,481	82.41%
Jose Ma. A. Concepcion III	304,280,849	75.90%
Ma. Victoria Herminia C. Young	304,280,849	75.90%
Raissa C. Hechanova-Posadas	304,280,849	75.90%
Cesar A. Buenaventura	304,280,849	75.90%
Justo A. Ortiz	304,280,849	75.90%

The Chairman declared the above eight (8) nominees as the newly-elected members of the Board and announced that a special stockholders meeting will be called for the election of an independent director to fill the vacancy in the Board within a reasonable time after the Corporate Governance and Nominations Committee submits a list of qualified nominees as provided in the By-Laws and applicable regulations.

VII. APPOINTMENT OF EXTERNAL AUDITORS

The Chairman stated that the next item on the Agenda is the appointment of external auditors.

The auditing firm of Isla Lipana & Co. was recommended by the Board to be reappointed as external auditors of the Company.

Considering that stockholders representing 78.33% of the outstanding capital stock of the Company, voted in favor of such recommendation, Isla Lipana & Co. was declared appointed as independent auditors of the Company to audit the financial statements of the Company for the fiscal year 2022, and the corresponding scope of services and proposed audit fees are likewise approved.

VIII. RATIFICATION OF THE ACTIONS TAKEN BY THE BOARD AND MANAGEMENT

The Chairman stated that the next item on the Agenda is the ratification of all actions taken by the Board of Directors and Management of the Company since the last Annual Meeting of the Stockholders on July 14, 2021. The acts and resolutions of the Board and Management are reflected in the Minutes of the Meetings, the material aspects of which are disclosed to the Securities and Exchange Commission and the Philippine Stock Exchange, and a summary included in the Definitive Information Statement.

Considering that stockholders representing 340,105,406 shares or 84.84% of the outstanding capital stock voted in favor of this matter, the Corporate Secretary declared that all actions taken by the Board of Directors and Management of the Company during the period from July 14, 2021 up to the date of this meeting were ratified and confirmed.

IX. OTHER MATTER

The Chairman asked if there were other matters or business which the shareholders wished to take up in the meeting.

Mr. Albano replied that a question was sent via email asking what the Company sees in the post-covid environment. The Chairman remarked that Management believes the situation will be challenging in the short term. With the Philippine Peso at its lowest levels and inflation reaching all time highs, this will increase cost and weaken demand in the short term. That said, the fundamentals are in place for a recovery, and Management remains optimistic in the long term. The Philippines has a large and growing population. The growth of the middle class and urbanization continues. Income continues to be generated from the growth of the BPO industry and remittances from overseas Filipinos. We can see signs of hope from the 8.3% GDP growth in the first quarter and the recovery of the commercial sector. The potential market for the appliances remain high, with 60% of Filipinos still aspiring to own appliances and 1.5 million appliances repaired or replaced yearly. Throughout the pandemic, the Company never stopped laying down the foundation to thrive in the new normal. The Company continued to invest in digital platforms to capture the rise of e-Commerce. The Company will continue to pursue Customer Lifetime Value strategies that enable the Company to deepen its relationship with its end users. The cost structure has been fixed to prepare for the rough road ahead, while the Company continues to invest in its people so that they have the right skills to thrive in the times ahead. The Company never stopped investing in developing new

products and services, which Management believes will be needed in the post-COVID environment.

X. ADJOURNMENT

There being no further business to discuss, the Chairman adjourned the meeting and directed the Corporate Secretary to reflect the number of shares voting in favor of all matters taken up in the meeting in the minutes.

Considering that more than 85% of the total outstanding capital stock were virtually present or represented and have voted in this meeting, all matters so far taken up by the stockholders during the Annual Shareholders' Meeting are hereby approved and carried. The Chairman then directed the Corporate Secretary to reflect the number of shares voting in favor of the resolutions adopted in this meeting in the minutes.

The Chairman thanked the stockholders for their attendance.

CERTIFIED CORRECT:



JAYSON FERNANDEZ
Corporate Secretary

A T T E S T:

RAUL JOSEPH A. CONCEPCION
Chairman of the Board