

**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 27, 2023, at 10:00 a.m., conducted virtually via Zoom.

The Chairman, Mr. Raul Joseph A. Concepcion, welcomed the stockholders to the 2023 Annual Meeting. He explained that the Board decided to conduct the meeting in virtual format to broaden stakeholder engagement and allow more stockholders to participate. 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](mailto:investorrelations@cic.ph) and the questions would be read during the “Question and Answer” portion that will take place in “Other Matters” or Item 10 of the Agenda. The Chairman remarked that he will endeavor to answer questions received but should there be time constraints, the Company will subsequently provide answers through the investor relations portion of the Company’s website or directly communicate with the concerned shareholder should confidentiality restrictions apply.

The Chairman informed the stockholders that he was speaking from the corporate offices at Alabang, Muntinlupa City, together with the Corporate Secretary, Atty. Jayson L. Fernandez, the Chief Corporate Affairs Officer, Mr. Rafael C. Hechanova, Jr., the Chief Finance and Operating Officer, Mr. Rajan Komarasu, and the Chief Strategy & Transformation Officer, Ms. Ma. Victoria A. Betita. He then introduced the members of the Board of Directors and the other senior officers who were also present in the meeting via livestream.

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

**I. 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 July 5, 2023. 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 July 5 and 6, 2023. 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 332,966,565 shares representing 83.68% 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 were also in attendance at the 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 17, 2023, or by forwarding his ballot to the office of the Corporate Secretary or via email to [cic.secretary@romulo.com](mailto: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, 332,966,565 issued and outstanding shares of the Company, or 83.68% 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.

**II. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS HELD ON JULY 20, 2022**

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 20, 2022, a copy of which was made available to the stockholders for their perusal at the Company’s website since June 29, 2023.

Considering the Chairman, representing 83.68% of the outstanding voting stock of the Company, voted in favor of this matter, the Minutes of the Annual Meeting of the Stockholders held on July 20, 2022 were approved. The tabulation of votes as validated by the third party auditor was as follows:

	For	Against	Abstain
Number of Voted Shares	332,964,432	0	0
% of Voting Shares Present	83.68%	0%	0%

**III. 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 again.*

*Welcome to the Annual Shareholders meeting of Concepcion Industrial Corporation. We meet again online, to present our company's 2022 performance, priorities and outlook for 2023 and beyond.*

*Let me begin by saying that 2022 was yet another challenging phase of Covid-19's disruption to the economy, markets, businesses and more importantly, people.*

*Despite a challenging environment, the Philippine economy managed to grow a strong 7.6% for 2022, driven by the opening of businesses, increased mobility and the restart of construction and service-related industries that were greatly affected because of the restrictions.*

*However, the conflict in Europe, the rise in energy prices, disruption in the supply chain, devaluation of the peso resulted in record levels of inflation. This forced central banks to raise interest rates to their highest level in over 15 years. These uncertainties and market volatility severely impacted the purchasing power and outlook for both businesses and consumers.*

*CIC was not spared by the impact of these uncertainties. We faced serious headwinds in 2022- Inflation, rising prices, and a weaker peso resulted in higher costs, which inevitably led to weakening demand for our products. The inability to pass this cost up the value chain and the speed of which changes were happening led to a very uncertain and volatile situation. It was important that given all the challenges, we need to keep the positive energy of our people, and so, moving forward, we responded to the uncertainties with optimism.*

*We focused on 3 areas, business recovery, adapting to the new normal and strengthening our culture and capabilities. – our people.*

*Our first focus area was about business recovery. With urgency, we need to address the aftermath of inflation. During these difficult times, we needed to reenergize the organization, simplify and synergize our businesses, strengthen our core by expanding our distribution channels and re-engaging our customers. We responded to the weaker demand by developing new channels to meet our customers, as well as launched new products and services. We responded to the higher costs by optimizing our cost structure and reorganizing to serve the market better. We never lost sight of our long-term objectives and continued to invest in strategic projects. We need to be prepared, once the recovery goes full steam.*

*Second was about adapting to the “new normal”, Consumers, markets, preferred distribution channels have changed dramatically over the last 3*

*years and to survive and thrive, we need to adapt to this new normal. Our key strategic focus is about laying the groundwork for Customer Lifecycle value through Platforms, field service and digital marketing, lead generation and fulfillment. We've also set up a separate organization on growth to help scale new business model innovation projects, as well as building a platform for data analytics.*

*Third is about strengthening our culture and capabilities. We need to organize ourselves to better serve our customers in the new normal. We implemented leadership development programs, upskilling and learning sessions to ensure that we improve our people's capabilities to be able to adapt to the demands of the changing environment. Our People are our number 1 asset, and through the crisis, their safety and well-being have been our paramount priority. Re-engagement and re-energizing them are essential if we are to survive the uncertainties. We looked at the challenging condition as an opportunity to upskill and learn new things.*

*Lastly, the crisis also allowed us to put our mission / our purpose - to life. Uplifting the lives of Filipinos even in the most difficult times.*

*On a financial performance, despite the headwinds, CIC posted a Sales growth of 8% to P 13.2 billion. If we include Midea which is not consolidated, we were at P 15.8B or 4% growth. We were able to contain the drop of earnings to 5%, given the very tough environment that we faced.*

*Despite the weak performance of the external market and our business, and the slowing growth of economy, CIC's balance sheet remains strong; sufficient to support our growth plans and key investments amid uncertainties. As a result, we were able to declare a dividend of Php 0.50 per share on April 18, 2023. Times of adversity require us to work in unison, and I couldn't be prouder of the way the whole company and every individual of CIC came together.*

*This 2023, we continue our journey towards greatness...all our actions are integrated into CIC's strategy house. We continue to build the foundations for a more prosperous tomorrow.*

*In closing, we welcome 2023 with confidence, believing that we are heading towards the path of economic recovery. 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 to 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.*

*Thank you.”*

In connection with the Chairman’s Report, the Chairman reminded the stockholders that the audited financial statements for the fiscal year ended December 31, 2022 of the Company contained in the Annual Report was posted in the Company’s website as indicated in the Notice of the Meeting.

#### **IV. APPROVAL OF THE REPORT OF THE CHAIRMAN AND THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022**

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 2022.

Considering the Chairman, representing 83.68% of the outstanding voting stock of the Company, voted in favor of this matter, the Chairman’s Report and the audited financial statements of the Company for the year ended December 31, 2022, were approved. The tabulation of votes as validated by the third party auditor was as follows:

	For	Against	Abstain
Number of Voted Shares	332,964,432	0	0
% of Voting Shares Present	83.68%	0%	0%

#### **V. 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, Nominations and Remuneration 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 Definitive Information Statement.

Therefore, there were nine (9) 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, Nominations and Remuneration 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 Corporate Secretary reported that each of the nine (9) nominees for election to the Board garnered enough votes for election as a director of the Company. The tabulation of votes, as validated by the third party auditor, was as follows:

Name	Voted in Favor	Voted Against	Abstained
Raul Joseph A. Concepcion	308,175,100	0	24,789,332
Renna H. Angeles	308,175,100	24,789,332	0
Raul Anthony A. Concepcion	308,175,100	24,789,332	0
Raissa H. Posadas	284,606,918	48,357,514	0
Jose Ma. A. Concepcion III	299,001,536	33,962,896	0
Ma. Victoria Herminia C. Young	284,606,198	48,357,514	0
Cesar A. Buenaventura	305,468,500	27,495,932	0
Justo A. Ortiz	332,964,432	0	0
Luis Y. Benitez, Jr.	332,964,432	0	0

The Chairman introduced the newly elected members of the Board.

## **VI. 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 the Chair, representing 77.45% of the entire outstanding voting 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 2023, and the corresponding scope of

services and proposed audit fees were likewise approved. The tabulation of votes as validated by the third party auditor was as follows:

	For	Against	Abstain
Number of Voted Shares	308,175,100	24,789,332	0
% of Voting Shares Present	77.45%	6%	0%

## **VII. 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 20, 2022. Upon the Chairman's request, the Corporate Secretary explained that the acts and resolutions of the Board and Management were reflected in the Minutes of the Meetings, the material aspects of which were disclosed to the Securities and Exchange Commission and the Philippine Stock Exchange. A summary of the acts and resolutions of the Board and Management from July 20, 2022 were flashed on the screen.

Considering that the Chair, representing 332,964,432 shares or 83.68% of the outstanding capital stock voted in favor of this matter, all actions taken by the Board of Directors and Management of the Company during the period from July 20, 2022 up to the date of this meeting were ratified and confirmed. The tabulation of votes as validated by the third party auditor was as follows:

	For	Against	Abstain
Number of Voted Shares	332,964,432	0	0
% of Voting Shares Present	83.68%	0%	0%

## **VIII. APPROVAL OF COMPENSATION OF DIRECTORS**

The Chairman stated that the next item on the Agenda was the approval of the compensation of directors.

The Corporate Secretary explained that the affirmative vote of stockholders representing at least a majority of the outstanding capital stock was required to approve the proposed compensation structure of directors which, as fixed by the Board on January 31, 2023 and indicated in Item 8 of the Definitive Information Statement, consists of per diem per Board and Committee meeting attended, and an incentive.

Considering that the Chair, representing 332,964,432 shares or 83.68% of the outstanding capital stock voted in favor of this matter, the compensation of directors as indicated in the Definitive Information Statement was approved. The tabulation of votes as validated by the third party auditor was as follows:

	For	Against	Abstain
Number of Voted Shares	332,964,432	0	0
% of Voting Shares Present	83.68%	0%	0%

## **IX. OTHER MATTERS**

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

Ms. Lleva replied that a question was sent via email from Ms. Fernanditas Tiongco asking “What is your outlook for 2023?”

In reply to the question, the Chairman stated that the Corporation remains optimistic on the prospects of the industry, as management sees the economy recovering from the effects of the pandemic and global turmoil. Despite the improving macroeconomic fundamentals in the country, the Corporation will maintain a cautious stance, as the market conditions remain uncertain, and the playing field becomes more dynamic. The Corporation continues to leverage its operational flexibility to weather any unforeseen events. And while efforts are centered on expanding the Corporation’s market share organically, efficiency and resilience, it will be constantly on the lookout for opportunities to expand its business to complement its overall strategy moving forward.

Since no other questions were received by the Corporation through email, the Q&A session was concluded.

## **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 83% 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

DRAFT