

**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 14, 2021, at 10:30 a.m., conducted virtually via Zoom.

Shareholder Attendance: 344,930,720 shares or 85.83% 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 A. Concepcion	Director
Jose Ma. A. Concepcion III	Director
Cesar A. Buenaventura	Independent Director
Alfredo E. Pascual	Independent Director
Justo A. Ortiz	Independent Director

Others Present:

Jayson L. Fernandez	Corporate Secretary
Rafael C. Hechanova, Jr.	EVP for Business Development
Ma. Victoria A. Betita	Chief Finance 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 this marks the second year that the annual meeting of the stockholders was being conducted online. The safety and health of the participants continues to be the primordial consideration of the Board of Directors for deciding to hold a virtual meeting once again. The Chairman remains hopeful that a successful vaccine rollout in the coming months would pave the way for the resumption of face-to-face meetings by next year. He then thanked the stockholders who have joined the webcast of the proceedings and those who participated through the voting *in absentia* system or by proxy. 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 the members of the Board of Directors who were also present in the

meeting. He also acknowledged the emeritus board members, Messrs. Raul T. Concepcion, Jose T. Concepcion, Jr. and Rafael G. Hechanova, Sr.

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 22, 2021. 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 22 and 23, 2021. The Corporate Secretary further stated that based on the online registration system established by the Company, there are present in person through remote communication, *in absentia* or duly represented by proxy at the meeting, stockholders who own or hold a total of 344,930,720 shares representing 85.83% 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 4, 2021, 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.

III. APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS HELD ON JULY 15, 2020

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 15, 2020, 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 334,898,123 shares or 83.34% of the outstanding capital stock, voted in favor of the approval of the Minutes of the Annual Meeting of the Stockholders held on July 15, 2020.

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.

I greet all of you under the most unusual and challenging circumstances. March 16 of year 2020, President Duterte declared a total lockdown of Metro Manila due to the Coronavirus outbreak.

We could not have imagined then that the pandemic would stretch beyond one year and with no end in sight.

As well as the gravity of its impact, from what was initially a health crisis, it stretched into a complex combination of four crises rolled into one: health, social, economic and even a geopolitical crisis.

Over the last 16 months every person has in one way or another been affected by this crisis. While the pandemic exposed weaknesses in our system, it also revealed the best in us, the best of our Bayanihan spirit - people stepping up to support other people and as well as the best in our human spirit, our tenacity, resourcefulness our ability to adapt and adjust to the new normal.

So was the case for CIC in 2020; like many other companies, we were not spared by the severe impact of the pandemic.

Full Year Sales and Earnings were down double-digit as we grappled with the uncertainty of the situation. We prepared and implemented Disaster Recovery Programs but nothing as extensive and encompassing as this.

But as the crisis exposed our weaknesses in also the brought out the best in us, our core reason on why exist as a company and our promise to always be one with the Filipino especially in this time of crisis. As a Filipino company built on compassion and Bayanihan, we continue to stay true to our spirit of service and to protect the welfare of our colleagues, business partners and also the greater community

At the onset of the crisis, we quickly focused on 3 areas: 1) Business Survival 2) Creating a safe Workplace, and 3) Adapting and adjusting to the changing

situation. The Health & Safety of all our colleagues, and partners were paramount among our focus areas.

The first of the key priorities was about protecting the assets of the corporation. It wasn't merely managing the cash-in and outflows, but it was about balancing the needs of our business partners and colleagues to ensure that they also have the funds to pay their obligations. It was about taking the needed production and supply actions given the ever changing and unpredictable situation. Expense controls and structural cost reductions were applied to ensure that the business was right-sized to weather the crisis. I would like to recognize our colleagues who stepped up and together with the Leadership Team, made the sacrifices - furloughs and salary cuts to help us manage a very challenging situation.

The second of our Focus areas was about restarting our business and getting people back to a safe workplace. The health and safety of our people, were paramount in returning to work. It was, and still the most essential, that we invested in creating an environment that keeps our people safe. Safety protocols, daily health declarations, testing, thermo monitor and sanitizing equipment, frequent disinfection and preventive quarantining were among the measures we have put in place. As of Q1 2021, we have conducted over 19,000 tests with just 128 cases, a positivity rate of just .7% far below the national average of over 10%, but most important **zero office transmission**. Currently, we are in the midst of rolling out our vaccination program where we intend to vaccinate all our colleagues and their family members as well all our 3rd party partners. A program that advocates for COVID-19 vaccination for all, as HOPE for a happier tomorrow.

On the business side, our teams worked tirelessly in engaging and helping our trade partners in opening their stores. At the onset of the pandemic, we were engaging our partners, giving them guidance on how to do business amidst the situation, sharing best practices, finding and supporting alternative ways of reaching their customer base. Soon after we were able to restart our factories and getting our people back to work.

The third focus area was the need to quickly adjust and adapt to the new normal given the changes in the market, distribution and consumer buying patterns. We needed to find new ways to engage, new ways to sell, new go-to-market strategies and business models such as Concepstore, Underone Roof, Sureserve and Homee which were born during the pandemic.

As a result, in a short period of time, we were able to turn around the company. From over a 100% decline in earnings in the the first half to a 5% increase in the 2nd half earnings. Sales likewise improved from 38% decline to just 9% decline in the 2nd half.

In terms of working capital and cash flow, our immediate efforts to protect and secure our assets combined with our financial discipline worked. All these efforts, resulted in record-net cash position with minimal debt. More than sufficient to get us through an extended crisis scenario as well as fund key strategic capex programs essential for our long term growth. More importantly, we were able to aggressively manage our receivables to keep bad debt to the minimum, manage inventory in this most unpredictable of times. As a result improved working capital by over P 400 million.

As a result in the first quarter of this year, we were able to declare a Cash dividend of P 1 per share to all shareholders on record as of March 12. An 85% dividend payout ratio based on previous year's results as a result of the great efforts and initiatives of the team.

Moving forward into 2021 and beyond as we navigate through the ongoing storm. We continue to take comprehensive actions to keep the ship afloat and ensure the survival of the business

Not only do we need to accept and embrace this new reality - we need to thrive in it.

We need to lead in this new normal.

We know the future will not be easy, and the uncertainty continues. But we are cautiously optimistic. This past year prepared us and we are ready and energized to face whatever challenge.

Inspired by a refreshed manifest or of Who we are, what we do and why we exist.

Redefining what Building better lives into creating happy spaces,

By deepening our understanding of the evolving needs of the consumer and the lives of the people we serve.

Rebuilding our culture, our capabilities our mission

To creating happy spaces for the Filipino people and businesses. Happy spaces where Filipino's can live safer, feel better, work more productively and create the lives they've always dreamt of.

How do we achieve this.

By focusing on 6 key priorities. By focusing on opportunities and not problems.

And a clear roadmap to the Vision and that vision is about Owning the Home.

In summary, no one knows how and what the future holds. How the perfect storm - Covid 19 will play out, its full impact and when will it end. It's been 16 months and the end is still not in site.

It's been tough but what this pandemic has taught us is that we will come out fighting.

We know that there are extraordinary times, bit together we shall do extraordinary things to move the company forward.

And together combining all our capabilities and talent, our ability to continue to work together will enable us to rise above all challenges, and more importantly new ways to adapt.

Learning new ways of doing the job, collaboration, innovation, agility and speed. Putting customers as our priority, simplifying processes and constant improvement will enable us to rise above all.

For nearly 60 years since the inception of Concepcion Industries, we have witnessed and experienced many challenges. We have grown stronger and more resilient through each of the crisis and rest assured we get through this one.

I would like to sincerely express my gratitude to our Board of Directors for their constant guidance and foresight. To our leadership team and colleagues across the entire Concepcion group for their deep commitment and engagement across many fronts. To our business parts for their commitment and dedicated service; and to our dear customers for their unwavering loyalty.

And lastly to you my fellow shareholders for your unwavering trust and support.

Thank you."

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 which came from Ms. Fernanditas Malit who asked about the Company's vaccination program for its employees and their families. The Chairman replied that since the start of the year the Company has conducted roughly 18,700 tests on employees and third party providers which yielded a positivity rate of around 1%. To date, of the Company's 1,400 employees 45% have been vaccinated, while 34% are now registered with local government units and are awaiting vaccination. Meanwhile, the Company's vaccination program is expected to start as soon as the vaccine supplies arrive by the third week of July. The vaccination program covers the Company's employees, their households, and employees of third party providers. The

doses will be administered by Zennya Health who will also monitor recipients for a year. Vaccination sites have been set up by the Company in its Alabang and Cabuyao offices and both have secured local government accreditation.

V. APPROVAL OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

The next item on the Agenda was the approval of the audited financial statements for the year ended 31 December 2020, a copy of which is attached to the Annual Report for the year ended December 31, 2020 on SEC Form 17-A posted on the Company's website as indicated in the Notice of the Meeting.

The Corporate Secretary stated that based on the tabulation of votes, stockholders present or represented by proxy at the meeting holding a total of 334,898,123 shares or 83.34% of the outstanding capital stock, voted in favor of the approval of the audited financial statements of the Company for the year ended December 31, 2020.

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)

Considering that there were nine (9) directors to be elected and only nine (9) candidates nominated for election, the Chairman instructed the Corporate Secretary to cast all votes in accordance with the instructions of the shareholders, and with 334,898,123 shares cast in favor of each of the above-named nominees, the nine (9) nominees were declared elected as directors of the Company.

The Chairman introduced the newly elected members of the Board.

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 nominated.

The Corporate Secretary stated that based on the tabulation of votes, the shares of the stockholders present or represented by proxy at the meeting constituting 76.59% of the outstanding capital stock were voted in favor of the appointment of Isla Lipana & Co. as independent auditors as well as the corresponding scope of services and proposed audit fees, and the Chairman declared the appointment of Isla Lipana & Co. as independent auditors to audit the financial statements of the Company for the fiscal year 2021.

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 15, 2020. 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.

The Corporate Secretary stated that based on the tabulation of votes, stockholders present or represented by proxy at the meeting owning 334,898,123 shares or 83.34% of the outstanding capital stock voted in favor of the ratification of all actions taken by the Board of Directors and Management of the Company during the period from July 15, 2020 up to the date of this meeting.

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 how confident the Chairman was on the timelines of the economy's recovery from the pandemic. The Chairman replied that it was difficult to predict when sustainable recovery will occur as this is tied to infection surges and the success of the vaccination campaign. The recent emergence of the delta variant of the COVID-19 virus makes it even harder to predict when recovery will occur, but analysts estimate recovery to occur in the third or fourth quarter of 2022. The important thing is that we are confident recovery will happen and the Company needs to prepare for such an occurrence. Management is focused in

making sure the Company has the resilience and the agility to be ready once the recovery occurs.

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.

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