

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
OF THE**

SOUTH LUZON TOLLWAY CORPORATION

Held via remote communications through video conference
on 28 July 2020 at 2:00 p.m.

<u>PRESENT:</u>	<u>No. of Shares</u>
Ramon S. Ang for himself	1
and as proxy for: MTD Manila Expressways, Inc.	2,899,999,991
Antonette C. Tionko for herself	1
and as proxy for: The Republic of the Philippines	724,999,998
Lorenzo G. Formoso III	1
Mario K. Surio	1
Jose P. de Jesus	1
Fema C. Q. Piramide-Sayson	1
Jose Portugal Perez	1
Consuelo Ynares-Santiago	1
Paola Sherina A. Alvarez	1
Total number of shares present	3,624,999,998
Total number of shares issued and outstanding	3,625,000,000
Percentage attendance of stockholders	99.99%

ALSO PRESENT:

Raoul Eduardo C. Romulo
Virgilio S. de Guzman
Noellie R. Majarucon
Shaina Anella B. Ramirez
Patrick Philip L. Capulong
Carlo Magno C. Caballa

1) Call to order and certification of notice and quorum

The Chairman, Mr. Ramon S. Ang, called the meeting to order and presided over the same. The Assistant Corporate Secretary confirmed the attendance, location and device of the stockholders through a roll call. The Assistant Corporate Secretary, Atty. Shaina Anella B. Ramirez recorded the minutes of the proceedings and certified to the presence of a quorum for the valid transaction of business by the Corporation, there being

present in person and by proxy stockholders representing 99.99% of the issued and outstanding capital stock of the Corporation.

For each Agenda Item, a motion shall be made by any stockholder and when duly seconded by another shareholder (there being no objections from any stockholder) shall be declared as duly approved and carried by the all the stockholders present in the meeting. Should there be any objection from a stockholder, such objection shall be registered as a dissent to and a vote against the passage of the subject resolution. For purposes of election of the members of the Board of Directors, a stockholder may vote the number of common shares held in his name in the stock and transfer book of the Corporation and may vote such number of common shares for as many persons as there are directors to be elected, as set forth in the Information Statement.

2) Approval of the Minutes of the Annual General Meeting of the Stockholders held on 9 May 2019

The meeting proceeded to the second item in the agenda, that is, the approval of the minutes of the Annual General Meeting of the Stockholders held on 9 May 2019. The Chairman requested the stockholders to peruse their copies of the minutes, which had been furnished them prior to the meeting. A copy of the same is attached to these minutes by reference.

Upon motion duly made and seconded, and there being no objections, the minutes of the Annual General Meeting of the Stockholders held on 9 May 2019 was unanimously approved.

3) President's Report

Upon the request of Atty. Formoso, the reading of the President's Report on the operations and performance of the Corporation for the year 2019 was dispensed with since copies of the same were furnished to the stockholders prior to the meeting. However, the slide presentation of the said report was projected before the stockholders during the meeting. A copy of the report is appended to these minutes by reference.

The report highlighted the following:

Financial and Operational Highlights

- Toll revenue of P6.2 billion, an increase of 2% due to increase in traffic volume by 3%
- Cost of service increased by 3% primarily on provision for resurfacing and maintenance obligation
- Operating expenses went up by 37% mainly for repair and maintenance and depreciation for toll equipment
- EBITDA increased by 1% to P4.9 billion
- Total Comprehensive Income increased by 2% to P3.1 billion
- The Company has total assets of P15.5 billion and total liabilities of P8.3 billion
- Total equity is at P7.2 billion, after dividend declaration of P2.6 billion during the year

Capital Expenditure Highlights

- Total capital expenditures during the year amounted to P229.1 million, mainly for TR4 project development costs, additional lanes, SLEX widening and DED of the Seamless Tollway project, as well as several toll equipment, office furniture and vehicles
- The Company also paid P430.9 million as down payment to TR4 contractors

4) Approval of the Acts of Management for the year ended 31 December 2019

Upon the request of the Chairman, the Assistant Corporate Secretary presented the Acts of Management for the year ended 31 December 2019. Copies of the presentation were furnished to the stockholders prior to the meeting, and a copy thereof is appended to these minutes by reference. The Corporate Secretary gave a brief summary of the acts of management for approval, as follows:

(i) Acts approved at the regular meeting of the Board held on 7 March 2019

- BD Res. No. 01-2019 – Approving the declaration of a cash dividend in the total amount of P1,196,250,000.00, to be paid out of the retained earnings of the Corporation as of 31 December 2018, and payable on 13 March 2019 to all shareholders of record as of the date of the approval of this resolution, in proportion to their respective shareholdings
- BD Res. No. 02-2019 – Approving the audited financial statements for the year ended 31 December 2018 and authorizing the Chairman, President and Treasurer to sign the Statements of Management Responsibility, and the President to sign the Authority to Print, and designating alternate signatories in the event of the inability of the main authorized signatories to timely sign the Statements of Management Responsibility
- BD Res. No. 03-2019 – Approval the setting of 31 March 2019 as the record date for the purpose of determining the stockholders entitled to notice of and attendance at the Annual General Meeting to be held on 9 May 2019

(ii) Acts approved at the organizational meeting held on 9 May 2019

- Electing the officers for the current year:
 - Ramon S. Ang – Chairman
 - Jose P. de Jesus – Vice Chairman
 - Shadik Wahono – President
 - Raoul Eduardo C. Romulo – Treasurer
 - Nadiya W. Stamboel – Chief Financial Officer (CFO)
 - Virgilio S. de Guzman – Deputy CFO and Deputy CIO
 - Cynthia M. Laureta – Corporate Secretary and Compliance Officer
 - Shaina Anella B. Ramirez – Assistant Corporate Secretary
 - Alvin B. Bugtas - Assistant Corporate Secretary
 - Patrick Philip L. Capulong – Alternate Assistant Corporate Secretary
- BD Res. No. 04-2019 – Appointing the following:
 - Cynthia M. Laureta – Compliance Officer
 - Raoul Eduardo C. Romulo – Corporate Information Officer (CIO)

➤ Virgilio S. de Guzman – Deputy CIO

- BD Res. No. 05-2019 – Appointing the chairpersons and members of the following committees:

<i>Corporate Committee</i>	<i>Governance</i>	
Chairperson	:	Jose Portugal Perez
Members	:	Consuelo Ynares-Santiago Mario K. Surio
<i>Audit and Risk Committee</i>	<i>Oversight</i>	
Chairperson	:	Consuelo Ynares-Santiago
Members	:	Jose Portugal Perez Jose P. De Jesus Mario K. Surio Fema C. Q. Piramide-Sayson
<i>Related Party Committee</i>	<i>Transaction</i>	
Chairperson	:	Jose Portugal Perez
Members	:	Consuelo Ynares-Santiago Jose P. De Jesus
<i>Finance Committee</i>		
Chairperson	:	Lorenzo G. Formoso III
Members	:	Nadiya Stamboel Paola Sherina A. Alvarez

- BD Res. No. 06(a)-2019 to 6(x)-2019 – Granting general authority for the Company to engage in transactions in the routine and ordinary course of business of the Company and designating the authorized signatories and setting the signing parameters for the said transactions

(iii) Acts approved at the regular meeting held on 28 August 2019

- BD Res. No. 7-2019 – Approving the declaration of a cash dividend in the total amount of P1,377,500,000.00 to be paid out of the retained earnings of the Corporation as of 31 July 2019, and payable on 12 September 2019 to all shareholders of record as of the date of the approval of the resolution
- BD Res. No. 8-2019 – Approving the supplemental capital expenditure (CAPEX) budget for the year 2018, in the amount of P556,577,200.67

(iv) Acts approved at the regular meeting held on 28 November 2019

- BD Res. No. 9-2019 – Approving the increased O&M Fee payable to Manila Toll Expressway Systems, Inc. (MATES) and the Amended O&M Fee Agreement from PhP680,000,000.00 to PhP700,000,000.00 for a period of 2 years, commencing 1 January 2020 until 31 December 2021
- BD Res. No. 10-2019 – Approving the capital expenditures (CAPEX) and operating expenditures (OPEX) budget of the Corporation for the year 2020

- BD Res. No. 11-2019 – Authorizing the renewal of the Salary Loan Facility with the Bank of Commerce, designating the signatories of the Corporation therefor

The stockholders are requested to approve the above enumerated acts of the Board and management, through the following resolution:

SH Res. No. 01-2020 (SH AGM 07-28-20)

“RESOLVED, that the stockholders representing at least a majority of the issued and outstanding capital stock of the South Luzon Tollway Corporation (the ‘Corporation’) approve, as they so hereby approve, the acts of management and of the Board of Directors of the Corporation for the year ended 31 December 2019, as presented at the Annual Stockholders’ Meeting on 28 July 2020.”

5) Presentation and approval of the Audited Financial Statements for the year ended 31 December 2019

Ms. Noellie R. Majarucon presented the audited financial statements for the year ended 31 December 2019, together with a summary of the significant items thereof. Copies of the audited financial statements and presentation were furnished the stockholders prior to the meeting, and are made integral parts of these minutes by reference.

Highlights of the statements of comprehensive income for the year ended 31 December 2019 are as follows:

- Traffic volume up by 3%
- Higher toll revenue by 2%
- Increase in cost and expenses mainly due to higher repair and maintenance of toll road and equipment by P65.2 million and depreciation by P27.4 million
- Higher interest expense and financing charges by P33.1 million offset by higher interest and other income by P126.5 million
- Higher provision for income tax due to higher taxable income
- Increase in EBITDA – 1%
- Total comprehensive income increased by 2%

Highlights of the financial position for the year ended 31 December 2019 are as follows:

- Increase in cash - net cash generated from operations of P4.2 billion, less total capex of P229.1 million, advances to contractors of P451.4 million and dividend payment of P2.6 billion
- Increase in receivables mainly on ROW advances of P65.4 million
- Decrease in concession rights - toll road capex of P118.3 million offset by amortization of P 559.3 million
- Increase in property and equipment of P110.8 million offset by depreciation of P99.7 million
- Increase in advances to contractors mainly pertain to payment for TR4 project

- Liabilities and Equity:
 - Movement in long-term debt – reclassification of retail bonds due in 2020
 - Higher noncurrent provision for resurfacing – additional accrual for 5 year forecast
 - Net decrease in retirement liability – fund payout to retired employees
 - Net increase in retained earnings of P568.3 million pertain to net income of P3.1 billion, offset by dividend declaration of P2.6 billion

Lastly, it was reported that the Company is compliant with its financial covenants as at and for the period ended 31 December 2019.

After the report, the Chairman of the Audit Committee, Hon. Consuelo Ynares-Santiago, manifested that the Audit Committee has reviewed the audited financial statements and is recommending its approval by the stockholders.

Upon motion duly made and seconded, and there being no objections, the following resolution was unanimously approved and adopted:

SH Res. No. 02-2020 (SH AGM 07-28-20)

“RESOLVED, that the stockholders representing at least a majority of the issued and outstanding capital stock of the South Luzon Tollway Corporation (the ‘Corporation’) approves, as it so hereby approves, the Audited Financial Statements of the Corporation for the year ended 31 December 2019, as presented to the Board at its regular meeting held on 3 March 2020;

RESOLVED FURTHER, that the Board authorizes, as it so hereby authorizes: (1) the Chairman, Mr. Ramon S. Ang, the President, Mr. Shadik Wahono, and the Treasurer, Mr. Raoul Eduardo C. Romulo, to sign, execute and deliver the Statement of Management’s Responsibility for Financial Statements and the General Representation Letter and the Statement of Management’s Responsibility for Annual Income Tax Return; and (2) the aforesaid Treasurer to sign the Authority to Print the Independent Audit Report;

RESOLVED FINALLY, that in the event of the inability of any of the above designated officers to timely sign the Statement of Management’s Responsibility for Financial Statements and the Statement of Management’s Responsibility for Annual Income Tax Return, the Board designates, as it so hereby designates any two (2) Group A-1, or any one (1) Group A-1 with any one (1) Group A-2 of the following officers and persons as signatories under the Group appearing before their names:

Group A-1	Group A-2
Ramon S. Ang Aurora T. Calderon Ferdinand K. Constantino Lorenzo G. Formoso III Joseph N. Pineda	Shadik Wahono Dodik Marseno Catur Utomo

as signatories to the aforesaid Statements of Management's Responsibility."

6) Election of Directors for the Current Year

The meeting proceeded to the election of directors for the current year. The Corporate Secretary informed the Board that there are eleven (11) Board seats, two (2) of which are reserved for the Independent Directors and the remaining nine (9) Board seats are allocated among the principal shareholders, with their respective nominees as follows:

Republic of the Philippines : Two (2)

Antonette C. Tionko
Paola Sherina A. Alvarez

MTD Manila Expressways, Inc. : Seven (7)

Ramon S. Ang
Shadik Wahono
Jose P. de Jesus
Mario K. Surio
Lorenzo G. Formoso III
Nadiya W. Stamboel
Fema C. Q. Piramide-Sayson

Independent Directors : Two (2)

Justice Jose Portugal Perez
Justice Consuelo Ynares-Santiago

Atty. Ramirez further explained that the Information Statement circulated to the stockholders provided the names of the nominees for election as independent directors of the Board of Directors and they are Consuelo M. Ynares-Santiago and Jose Portugal Perez. She likewise informed the stockholders that all the named independent directors comply with the mandatory requirements imposed by the Securities and Exchange Commission.

A motion was made for the above-named nominees be unanimously elected as directors of the Corporation for the ensuing year until their successors are elected and qualified, and (that the votes of the stockholders present and represented by proxies be distributed and recorded accordingly.

Upon nominations duly made and seconded, and there being no objections, the following were elected as directors of the Corporation for the current year, to serve as such until their successors are duly elected and qualified:

Ramon S. Ang
Jose P. de Jesus
Ery Shadik Wahono
Mario K. Surio

Lorenzo G. Formoso III
Nadiya W. Stamboel
Fema C. Q. Piramide-Sayson
Antonette C. Tionko
Paola Sherina A. Alvarez
Jose Portugal Perez
Consuelo Ynares-Santiago

6) Appointment of external auditor for the financial year ending 31 December 2020

The meeting proceeded to the appointment of the external auditor for the financial year ending 31 December 2020. Hon. Consuelo Ynares-Santiago, chairperson of the Audit Committee, manifested that the committee is recommending the appointment of the auditing firm Reyes Tacandong & Co. as the external auditors of the Corporation for the financial year ending 31 December 2020.

Upon motion duly made and seconded, there being no objections, the following resolution was unanimously approved and adopted by the stockholders representing at least a majority of the issued and outstanding capital stock of the Corporation:

SH Res. No. 03-2020 (AGM 07-28-20)

“RESOLVED, that stockholders representing at least as majority of the issued and outstanding capital stock of the South Luzon Tollway Corporation (the ‘Corporation’) appoint, as they so hereby appoint, the auditing firm of Reyes Tacandong & Co. as the external auditor of the Corporation for the audit of the financial statements of the Corporation for the financial year from 1 January to 31 December 2020.”

7) Adjournment

There being no other matters to discuss, the meeting was adjourned.

The voting results for each Agenda Item is set out in the attached Annex “A” hereof.

ATTEST:

RAMON S. ANG
Chairman/Director

SHAINA ANELLA B. RAMIREZ
Assistant Corporate Secretary

Voting Results of each Agenda Item of the
Annual Meeting of the Stockholders of
South Luzon Tollway Corporation
held on 28 July 2020

Agenda Item	Percentage of Outstanding Shares Voted For the Approval of the Agenda Item
Approval of the Minutes of the Annual General Meeting of the Stockholders held on 9 May 2019	100%
Approval of the Acts of Management for the year ended 31 December 2019	100%
Approval of the Audited Financial Statements for the year ended 31 December 2019	100%
Election of the Board of Directors For each of Ramon S. Ang, Jose P. de Jesus, Ery Shadik Wahono, Mario K. Surio, Lorenzo G. Formoso III, Nadiya W. Stamboel, Fema C. Q. Piramide-Sayson, Antonette C. Tionko, Paola Sherina A. Alvarez, Consuelo M. Ynares-Santiago, and Jose Portugal Perez	100%
Appointment of External Auditors	100%