

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

Mandani Bay Show Gallery,
Mandani Bay Avenue corner F.E. Zuellig Avenue, Mandaue City, Cebu,
Held on May 3, 2019 at 8:30 AM

Stockholders Present

No. of Outstanding and Voting Shares: 2,604,292,701
Percentage of Total: 75.94%

Directors Present

Mr. Frank S. Gaisano	Chairman of the Board and Chief Executive Officer
Mr. Manuel C. Alberto	President and Chief Operating Officer
Ms. Margaret G. Ang	Director
Mr. Edward S. Gaisano	Director
Mr. Jack S. Gaisano	Director
Mr. Guillermo L. Parayno, Jr.	Independent Director
Mr. Ricardo Nicanor N. Jacinto	Independent Director

Officers Present

Mr. Joselito G. Orense	Treasurer and Chief Financial Officer
Atty. Vincent E. Tomaneng	Corporate Secretary and Chief Legal Counsel
Atty. Tara Tsarina B. Perez-Retuya	Assistant Corporate Secretary and Compliance Officer

1. Call to Order

The Metro Retail Stores Group, Inc. ("MRSGL" or the "Corporation") Annual Stockholders' Meeting was called to order by the Chairman and Chief Executive Officer, Mr. Frank S. Gaisano. He welcomed the stockholders, investors, officers, and guests to the Corporation's Annual Stockholders' Meeting for 2019.

2. Proof of Notice of the Meeting and Existence of Quorum

The Corporate Secretary, Atty. Vincent E. Tomaneng, certified that written notices of the time,



date, place, and purpose of the Annual Stockholders' Meeting were sent out to all stockholders of record as of April 1, 2019. The said notice was also published on April 5, 2019 in the Manila Bulletin, a newspaper of general circulation in the Philippines.

Of the 3,429,375,000 outstanding common shares of MRSGI as of record date, April 1, 2019, a total of 2,604,292,701 shares or 75.94% thereof were present in person or were represented by proxies. The Corporate Secretary certified that there was a quorum for the transaction of all matters in the agenda.

3. Chairman's Message

The Chairman, Mr. Frank S. Gaisano, started his speech by welcoming the attendees to the 2019 Annual Stockholders' Meeting of MRSGI, and proceeded to report to the stockholders of MRSGI's accomplishments for the year 2018, to wit:

1. Year-end net profit of ₱965.4 million despite the fire that burned the flagship store in Ayala Center Cebu at the beginning of the year;
2. Steady same store sales growth of 5.1% and 110 basis points improvement in same store gross profit margins versus 2017;
3. Broke ground for Super Metro Hypermarket in Leyte and opened Metro Department Store and Supermarket at Ayala Malls Feliz in Pasig City and at Ayala Capitol in Bacolod City;
4. Total of 54 stores across Luzon and the Visayas as of present;
5. Entered into a joint venture agreement with the Province of Samar to develop a mixed use property to house another Metro Department Store and Supermarket; and
6. Re-opening of Metro Ayala Center Cebu Supermarket in December 2018.

The Chairman also informed the stockholders of MRSGI's commitments for the year 2019, such as:

1. Focus on building on its current business, and staying at the competitive forefront of retail shopping excellence;
2. Complete the restoration of the Metro Department Store in Ayala Center Cebu by the end of 2019; and
3. Continue MRSGI's corporate social responsibility by opening up employment opportunities, contributing to locales' economic activities, and driving various social responsibility programs in the communities where MRSGI is present.

Finally, the Chairman expressed his gratitude to the stockholders, the Board of Directors, business partners, and customers for their continued faith and support in MRSGI.

4. Voting Procedures

For agenda items that required the shareholders' approval, the Corporation has engaged the services of RCBC Stock Transfer Department to verify, validate and certify the voting results of the Annual Stockholders' Meeting.

Proxy forms were sent out to all stockholders of record as of April 1, 2019 together with the Notice and Agenda for the Annual Stockholders Meeting. The Stockholders were provided with the ballots for them to vote on the items requiring the approval of the Stockholders. The ballots

were then collected prior to the start of the meeting and the votes were counted and verified by the representatives from RCBC.

The voting procedures for the election of the members of the Board of Directors stated that Stockholders shall have the right to vote the number of shares of stock standing, on record date, in his own name on the stock and transfer book of the Corporation; and such shareholder may vote such number of shares for as many individuals as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; Provided that, the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the stock and transfer book of the Corporation multiplied by the total number of directors to be elected.

5. Reading and Approval of the Minutes of the Annual Meeting of the Stockholders held on May 4, 2018

The Chairman proceeded with the approval of the minutes of the Annual Stockholders' Meeting held on May 4, 2018. The Corporate Secretary certified that the stockholders were provided with copies of the said minutes prior to the meeting. Upon motion made and duly seconded, the reading of the minutes was dispensed with. Thereafter, the Chairman asked if there were any questions on the minutes of the previous stockholders' meeting. Since none was raised, the Chairman then confirmed the shareholders' approval on the matter as follows:

Resolution No. S01-19

“**RESOLVED**, that the minutes of the previous Annual Stockholders' Meeting of Metro Retail Stores Group, Inc. held last May 4, 2018, be approved as it is hereby approved in toto.”

Vote	Number of Votes (One share-One vote)	Percentage of Shares Represented
Approve	2,604,139,690	75.94%
Disapprove	0	0%
Abstain	0	0%

6. President's Message

The Corporation's President and Chief Operating Officer, Mr. Manuel C. Alberto, also reported on the accomplishments of MRS GI for 2018 as follows:

1. Year-end net profit of P965.4 million;
2. Steady growth of 200 basis points in gross profit margins for the last two years;
3. Setting up of a temporary Metro Supermarket in a 900 sqm space at the ground floor of Ayala Center Cebu just after a few months after the fire incident which burned the store early January 2018;
4. Growth in store network, ending 2018 with 53 stores covering 434,364 sqm gross floor area; and

3
 

5. Received the Citations for Good Manufacturing Practice, or GMP, and the Hazard Analysis and Critical Control Points, or HACCP, from SGS Philippines.

Mr. Alberto recognized the Corporation's partners, shareholders, employees, and founders and leaders, who helped in making MRSGI a leading multi-format retailer in the country.

Mr. Alberto emphasized 2019's theme of *Growth through Operational Excellence and Quality Customer Service*, harping on MRSGI's core competencies as a retailer, with the following commitments:

1. To be responsive to the changing demands and lifestyles of its customers;
2. Keep the stores above par, ensuring that we offer the best variety, quality and value while upholding the good practices in manufacturing, supply chain management and safety;
3. Deploy long-term improvements in work processes, streamlining for more efficiency, competency and agility, while putting to work effective cost-cutting, resource management and overall retail strategies; and
4. Open more stores to expand our market.

7. Management Report and Approval of the Annual Report and the Audited Financial Statements for CY 2018

The Chairman continued by calling on MRSGI's Treasurer and Chief Financial Officer, Mr. Joselito G. Orense, to present the highlights of the Annual Report and the results of operations and the financial position of the Corporation. Mr. Orense started by discussing the financial highlights of MRSGI for the year 2018. He then reported on the results of MRSGI operations for the period ended December 31, 2018. He further reported the statement of financial position as of December 31, 2018. He ended the presentation by sharing the Corporation's key financial ratios for 2018. Mr. Orense then asked if there were any questions, and there being none, he relinquished the floor back to the Chairman. The Chairman asked if the shareholders have approved on the matter which the Corporate Secretary affirmed. There being no objection on the motion duly made and seconded, the following resolution is hereby approved:

Resolution No. S02-19

"RESOLVED, that the Annual Report and the Audited Financial Statements of Metro Retail Stores Group, Inc. for the period ended December 31, 2018, as audited by the Corporation's external auditor, SyCip Gorres Velayo & Co, be approved as it is hereby approved."

Vote	Number of Votes (One share-One vote)	Percentage of Shares Represented
Approve	2,601,874,690	75.87%
Disapprove	0	0%
Abstain	2,265,000	0.07%

4




8. Appointment of SyCip Gorres Velayo & Co. as External Auditor of the Corporation for the year 2019

The Chairman called on Mr. Guillermo L. Parayno Jr., Chairman of MRSGI's Audit and Risk Committee, to announce the firm nominated as the Corporation's external auditor for the year ending December 31, 2019.

Mr. Parayno then nominated and requested for approval on the appointment of the firm Sycip Gorres Velayo & Co. as MRSGI's external auditor for the year ending December 31, 2019. The Chairman asked the Corporate Secretary if the resolution has been approved by the shareholders. The Corporate Secretary disclosed the number of votes in favor of the agenda item as validated by the representatives from RCBC. Since there was no objection on the motion made and duly seconded, the following resolution has been approved:

Resolution No. S03-19

"RESOLVED, to approve the appointment of SyCip Gorres Velayo & Co. as the external auditor of Metro Retail Stores Group, Inc. (the "Corporation") for the year 2019, as endorsed by the Corporation's Audit and Risk Committee."

Vote	Number of Votes (One share-One vote)	Percentage of Shares Represented
Approve	2,604,139,690	75.94%
Disapprove	0	0%
Abstain	0	0%

9. Ratification and Approval of Previous Acts of the Directors, Committees, Officers, and Management of the Corporation

The Chairman advised the stockholders that the next item on the agenda is the approval and confirmation of all acts, resolutions, and proceedings of the Board of Directors, its Committees, Officers, and Management in the exercise of their duties and responsibilities for the period from May 4, 2018 until May 3, 2019.

There being no objections on motion duly made and seconded, the shareholders approved the following resolution:

Resolution No. S04-19

"RESOLVED, to approve all acts and resolutions of the Board of Directors and its committees, officers, and management of Metro Retail Stores Group, Inc., since the last annual stockholders' meeting up to the date of this meeting."

Vote	Number of Votes (One share-One vote)	Percentage of Shares Represented
Approve	2,601,874,690	75.87%
Disapprove	0	0%
Abstain	2,265,000	0.07%

10. Election of Directors

The next item in the agenda was the election of seven (7) members of the Board to fill up the seven (7) seats of the Board of Directors as provided in the Articles of Incorporation of the Corporation, who shall occupy their respective positions for one year and until their successors are duly elected and qualified. The Chairman requested the Corporate Secretary to read out the nominees for the current year's Board of Directors.

The Corporate Secretary explained that in accordance with the previously sent proxy statement and the Corporation's Amended Manual on Corporate Governance, the following were the individuals pre-screened, and determined to be qualified to be elected as members of the Board in accordance with the Corporation's By-Laws, and named in the Final List of Candidates for Directors submitted by the Nomination and Compensation Committee:

1. Mr. Frank S. Gaisano
2. Mr. Manuel C. Alberto
3. Ms. Margaret G. Ang
4. Mr. Jack S. Gaisano
5. Mr. Edward S. Gaisano
6. Mr. Ricardo Nicanor N. Jacinto
7. Mr. Guillermo L. Parayno, Jr.

There being no other nominees for the Board, the nominations for the directorship of MRS GI were closed. Thus, the Chairman formally announced all the seven (7) nominees as the duly elected Directors of MRS GI for the ensuing year and until their successors are duly elected and qualified, after the following resolution was passed:

Resolution No. S05-19

"RESOLVED, to elect the following directors of the Corporation to serve as such beginning today until their successors are duly elected and qualified:

- 1.) Frank S. Gaisano
- 2.) Manuel C. Alberto
- 3.) Margaret G. Ang
- 4.) Jack S. Gaisano
- 5.) Edward S. Gaisano
- 6.) Ricardo Nicanor N. Jacinto – Independent Director
- 7.) Guillermo L. Parayno, Jr. – Independent Director"

Messrs. Jacinto and Parayno were elected as independent directors in accordance with the rules of the Securities and Exchange Commission on the requirements on nomination and election of independent directors.

The Corporate Secretary recorded the votes for this agenda item, as verified by the representatives from RCBC, as follows:

	Approve	Disapprove	Abstain
Frank S. Gaisano	2,601,751,890	2,387,800	0
% of Shares Voted	75.87%	0.07%	0%
Manuel C. Alberto	2,586,271,590	17,868,100	0
% of Shares Voted	75.42%	0.52%	0%
Margaret G. Ang	2,584,594,790	19,544,900	0
% of Shares Voted	75.37%	0.57%	0%
Jack S. Gaisano	2,586,271,590	17,868,100	0
% of Shares Voted	75.42%	0.52%	0%
Edward S. Gaisano	2,586,271,590	17,868,100	0
% of Shares Voted	75.42%	0.52%	0%
Ricardo Nicanor N. Jacinto (Independent Director)	2,604,139,690	-	0
% of Shares Voted	75.94%	-	0%
Guillermo L. Parayno, Jr. (Independent Director)	2,604,139,690	-	0
% of Shares Voted	75.94%	-	0%

11. Other Matters

The Chairman then proceeded to open the floor for the transaction of other matters. The Corporate Secretary stated that there was nothing of particular importance that the Board has conveyed to discuss.


12. Adjournment

There being no other matters raised by the shareholders, upon motion duly made and seconded, the meeting was thereupon adjourned.

Prepared by:


ATTY. VINCENT E. TOMANENG
 Corporate Secretary

Attested By:


MR. FRANK S. GAISANO
 Chairman of the Board