

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING  
of METRO RETAIL STORES GROUP, INC.**

Held via remote communication under the platform of  
Zoom Video Communications  
September 25, 2020 (Friday) at 9:00 A.M.

**Stockholders Present**

No. of Outstanding and Voting Shares:	2,662,665,848
Percentage of Total:	77.64%

**Directors Present:**

- |                               |   |
|-------------------------------|---|
| 1. Frank S. Gaisano           | Chairman of the Board and Chief Executive Officer |
| 2. Manuel C. Alberto          | President and Chief Operating Officer             |
| 3. Margaret G. Ang            | Director  |
| 4. Edward S. Gaisano          | Director  |
| 5. Jack S. Gaisano            | Director  |
| 6. Guillermo L. Parayno, Jr.  | Independent Director                              |
| 7. Ricardo Nicanor N. Jacinto | Independent Director                              |

**Officers Present:**

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

**1. Call to Order**

Before the start of the program, the Corporate Secretary, Atty. Vincent E. Tomaneng, asked the Zoom Video Communications Host, Mr. Jayson E. Golez, whether the attendees present today at the 2020 Annual Stockholders' Meeting of Metro Retail Stores Group, Inc. ("MRSGL" or the "Corporation") held via remote communication (the "ASM") can clearly hear and/or see the entire proceedings. Mr. Golez then replied in the affirmative and confirmed the same.

Thereafter, MRSGL Chairman and Chief Executive Officer, Mr. Frank S. Gaisano, welcomed all the stockholders, investors, officers, and guests to the ASM. He then introduced to the body the directors and officers of MRSGL. He stressed that the virtual ASM was necessitated by the Covid19 pandemic situation where physical gatherings are highly discouraged. He then formally called the meeting to order.

## 2. Proof of Notice of the Meeting, Voting Procedures, and Existence of Quorum

The Corporate Secretary certified that written notices of the time, date, place, and purpose of the ASM were sent to all stockholders of record as of August 27, 2020 by the following methods:

- a. Publication of the Notice of the ASM in the Business Sections of the Philippine Daily Inquirer and the Philippine Star (both newspapers of general circulation in the Philippines) in both print and online format on September 1 and 2, 2020;
- b. Disclosure of the ASM Notice on the Philippine Stock Exchange Portal; and
- c. Posting on the Corporation's website at [www.metroretail.com.ph](http://www.metroretail.com.ph)

He also told the body that the stockholders had been duly informed about the guidelines for participating via remote communication and the voting procedures as contained in the Notice of the ASM and as indicated in the Definitive Information Statement dated August 26, 2020 and made available to the stockholders through the PSE Edge Portal and the Corporation's website.

He then certified that out of the 3,429,375,000 outstanding common shares of MRSGL as of record date, August 27, 2020, a total of 2,662,665,848 shares or 77.64% thereof are present via remote communication, either personally or represented by proxies. The Corporate Secretary certified that there was a quorum for the transaction of all matters on the agenda.

## 3. Chairman's Message

The Chairman and CEO then proceeded with the delivery of his message. He started by thanking everyone for taking the time to attend the first ever virtual ASM of MRSGL and expressed his gratitude for the continued support given to MRSGL. He then reported to the stockholders, MRSGL's accomplishments for the year 2019, to wit:

1. Robust increase of 21.5% in year-end operating income in the amount of ₱1.06 billion;
2. Sales growth of 11.3% in the amount of ₱36.8 billion and a controlled operating expense increase of 9.3%;
3. Network-wide same store sales growth at 2.2%;
4. Implementation of margin enhancement program, improvement on pricing policies and merchandise assortment, OPEX management program, and other critical initiatives;
5. Store expansions in the Eastern and Western Visayas, as well as in Central Visayas; and
6. Re-opening of three (3) floors of its flagship Metro Department Store at Ayala Center Cebu.

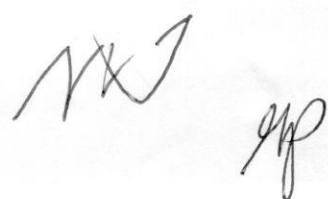
The Chairman also informed the stockholders of MRSGL's business continuity and risk management plans in the light of the Covid19 pandemic which are vital to ensure the health and safety of its employees, customers, and partners.

Despite the effects of the Covid19 pandemic, MRSGL remains firm in its commitment to serve the interest of its customers, employees, shareholders, and the general public.

## 4. Approval of the Minutes of the Annual Meeting of the Stockholders held on May 3, 2019

The Chairman proceeded with the approval of the minutes of the Annual Stockholders' Meeting held on May 3, 2019. The Corporate Secretary certified that copies of the said minutes were made available to the stockholders at the Corporation's website at [www.metroretail.com.ph](http://www.metroretail.com.ph).

The Chairman asked the Corporate Secretary if the proposed resolution has been approved by the shareholders. The Corporate Secretary disclosed the number of votes in favor of the said agenda item as validated by its Stock and Transfer Agent, RCBC. The Chairman then confirmed the shareholders' approval on the matter as follows:



**Resolution No. S01-2020**

“**RESOLVED**, that the minutes of the previous Annual Stockholders’ Meeting of Metro Retail Stores Group, Inc. held last May 3, 2019, be approved as it is hereby approved in toto.”

<b>Vote</b>	<b>Number of Votes (One share-One vote)</b>	<b>Percentage of Shares Represented</b>
Approve	2,662,660,848	77.64%
Disapprove	0	0%
Abstain	0	0%

**5. President’s Message**

The Corporation’s President and Chief Operating Officer, Mr. Manuel C. Alberto, also reported on the accomplishments of MRS GI for 2019. He emphasized that MRS GI is on track with its recovery as it pursues operational excellence, improving customer experiences, and delivering a wide assortment of quality merchandise at affordable prices. He also mentioned the awards reaped by MRS GI such as the 2019 Regional Retailer of the Year at the 21<sup>st</sup> Outstanding Filipino Retailers Awards conferred by the Philippine Retailers Association and the DTI, as well as the first retailer with Hazard Analysis and Critical Control Points and Good Manufacturing Practices for its 3 stores.

He reported on the launching of the Corporation’s e-commerce initiatives like the Click&Pick, Call&Pickup, and Text&Pickup programs, and the on-line market platform “shop.themetrostores.ph”.

A workforce rationalization and rental concession efforts, among others, will be implemented in the course of the next twelve (12) months to ensure the Corporation’s viability and to strengthen its competitiveness in the “new normal”.

Lastly, Mr. Alberto thanked the Corporation’s partners, shareholders and customers, its own people or retail front liners, and its founders who continue to push the Corporation as it moves towards success amidst uncertain and volatile times.

**6. Management Presentations and Approval of the Annual Report and the Audited Financial Statements for CY 2019**

The Chairman continued by calling on MRS GI’s Treasurer and Chief Financial Officer, Mr. Joselito G. Orense, to present the Annual Report and the Audited Financial Statements of MRS GI for 2019.

Mr. Orense started by discussing the financial highlights of MRS GI for the year 2019. He then reported on the results of MRS GI operations for the period ended December 31, 2019. He further reported the statement of financial position as of December 31, 2019. He ended the presentation by sharing the Corporation’s key financial ratios for 2019.

The Chairman asked the Corporate Secretary if the proposed resolution has been approved by the shareholders. The Corporate Secretary disclosed the number of votes in favor of the said agenda item as validated by RCBC. The Chairman then confirmed the shareholders’ approval on the matter as follows:



**Resolution No. S02-2020**

“**RESOLVED**, that the Annual Report and the Audited Financial Statements of Metro Retail Stores Group, Inc. (the “Corporation”) for the period ended December 31, 2019, as audited by the Corporation’s external auditor, SyCip Gorres Velayo & Co, be approved as it is hereby approved.”

<b>Vote</b>	<b>Number of Votes (One share-One vote)</b>	<b>Percentage of Shares Represented</b>
Approve	2,661,793,678	77.62%
Disapprove	0	0%
Abstain	867,170	0.03%

**7. Appointment of SyCip Gorres Velayo & Co. as External Auditor of the Corporation for the year 2020**

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, 2020.

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, 2020.

The Chairman asked the Corporate Secretary if the proposed resolution has been approved by the shareholders. The Corporate Secretary disclosed the number of votes in favor of the said agenda item as validated by RCBC. The Chairman then confirmed the shareholders’ approval on the matter as follows:

**Resolution No. S03-2020**

“**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 2020, as endorsed by the Corporation’s Audit and Risk Committee.”

<b>Vote</b>	<b>Number of Votes (One share-One vote)</b>	<b>Percentage of Shares Represented</b>
Approve	2,662,660,848	77.64%
Disapprove	0	0%
Abstain	0	0%

**8. General 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 and resolutions of the Board of Directors, its Committees, Officers, and Management in the exercise of their duties and responsibilities for the period from May 4, 2019 until September 25, 2020.

The Chairman asked the Corporate Secretary if the proposed resolution has been approved by the shareholders. The Corporate Secretary disclosed the number of votes in favor of the said agenda item as validated by RCBC. The Chairman then confirmed the shareholders’ approval on the matter as follows:

**Resolution No. S04-2020**

“**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.”

<b>Vote</b>	<b>Number of Votes (One share-One vote)</b>	<b>Percentage of Shares Represented</b>
Approve	2,661,793,678	77.62%
Disapprove	0	0%
Abstain	867,170	0.03%

**9. Election of Directors**

The next item in the agenda is 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 names of the nominees for the current year’s Board of Directors.

The Corporate Secretary informed the assembly that in accordance with the previously sent proxy statement and the Corporation’s 3<sup>rd</sup> Amended Manual on Corporate Governance, the following are 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. Frank S. Gaisano
2. Manuel C. Alberto
3. Margaret G. Ang
4. Jack S. Gaisano
5. Edward S. Gaisano
6. Ricardo Nicanor N. Jacinto
7. Guillermo L. Parayno, Jr.

The Chairman asked the Corporate Secretary if the proposed resolution has been approved by the shareholders. The Corporate Secretary disclosed the number of votes in favor of the said agenda item as validated by RCBC:

	<b>Approve</b>	<b>Disapprove</b>	<b>Abstain</b>
Frank S. Gaisano	2,656,698,549	3,301,000	-
% of Shares Voted	77.47%	0.10%	0.00%
Manuel C. Alberto	2,656,928,089	4,191,759	-
% of Shares Voted	77.48%	0.12%	0.00%
Margaret G. Ang	2,653,001,789	8,118,059	-
% of Shares Voted	77.36%	0.24%	0.00%
Jack S. Gaisano	2,656,969,089	4,191,759	-
% of Shares Voted	77.48%	0.12%	0.00%
Edward S. Gaisano	2,656,928,089	4,191,759	-
% of Shares Voted	77.48%	0.12%	0.00%
Ricardo Nicanor N. Jacinto (Independent Director)	2,657,028,089	4,191,759	-

	<b>% of Shares Voted</b>	<b>77.48%</b>	<b>0.12%</b>	<b>0.00%</b>
Guillermo L. Parayno, Jr. (Independent Director)		2,657,028,089	4,191,759	-
	<b>% of Shares Voted</b>	<b>77.48%</b>	<b>0.12%</b>	<b>0.00%</b>

Based on the above voting results and there being no other nominees to the Board, Chairman formally announced that all of the above seven (7) individuals are duly elected as Directors of MRS GI for the ensuing year and until their successors are duly elected and qualified. Thus:

**Resolution No. S05-2020**

**“RESOLVED**, to elect the following directors of Metro Retail Stores Group, Inc. 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 for nomination and election of independent directors.

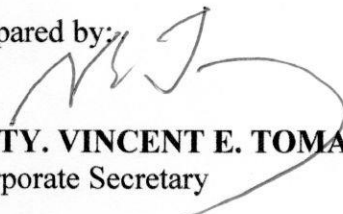
**10. Other Matters**

The Chairman then proceeded to discuss the transaction of other matters. The Corporate Secretary stated that there was nothing of particular importance that the Board has conveyed to discuss. Further, the Corporate Secretary informed the body that there will be no open forum during the ASM as indicated in the 2020 Definitive Information Statement. The stockholders, may however, send their questions about the ASM and the Corporation to its Investor Relations Officer at [jj.moreno@metroretail.ph](mailto:jj.moreno@metroretail.ph) and/or [joseph.magnabihon@metroretail.ph](mailto:joseph.magnabihon@metroretail.ph). They will reply accordingly.


**11. Adjournment**

There being no other matters to be discussed, the meeting was thereupon adjourned.

Prepared by:

  
**ATTY. VINCENT E. TOMANENG**  
Corporate Secretary

Attested By:

  
**MR. FRANK S. GAISANO**  
Chairman of the Board