

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF  
**PACIFIC ONLINE SYSTEM CORPORATION**

Held on 27 May 2022, 11:00 AM  
via Videoconference  
(in accordance with SEC regulations on Meetings by Remote Communication)

TOTAL NUMBER OF SHARES OUTSTANDING	895,330,946
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	714,906,770

Before the start of the meeting, the following members of the Board of Directors present were introduced:

WILLY N. OCIER  
JACKSON T. ONGSIP  
TARCISIO M. MEDALLA  
HENRY N. OCIER  
ARMIN ANTONIO B. RAQUEL SANTOS  
LAURITO E. SERRANO  
MA. GRACIA M. PULIDO TAN

The presence of the following officers of the Corporation was likewise acknowledged:

JASON C. NALUPTA (Corporate Secretary)  
ANN MARGARET K. LORENZO (Assistant Corporate Secretary)  
MARIA NERIZA C. BANARIA (Chief Financial Officer)

Other Executive Officers of the Corporation and Representatives of Reyes Tacandong & Co., the Corporation's External Auditor, were likewise in attendance.

**CALL TO ORDER**

After the Invocation and the National Anthem, the Chairman, Mr. Willy N. Ocier, called the meeting to order and presided over the same. The Chairman explained that the meeting is being held in a virtual format to avoid organizing indoor mass gatherings to help curb the spread of COVID-19. The Corporate Secretary, Jason C. Nalupta, recorded the minutes of the proceedings.

Before proceeding with the items in the meeting's agenda, the Chairman requested for a brief moment of silence to remember Atty. Regina Reyes-Mandanas, a former member of the Corporation's Board, who passed away earlier in the month. The Chairman went on to thank Atty. Reyes-Mandanas for her years of dedicated service to the Corporation.

**CERTIFICATION OF QUORUM**

Upon the request of the Chairman, the Corporate Secretary certified that, based on the Certification of Mailing, notices of the meeting were sent to all shareholders of record as of April 15, 2022 in accordance with the provisions of the By-Laws. The Corporate Secretary likewise stated that he had with him the Certification of Sending of Notices. The

Chairman instructed the Corporate Secretary to ensure that the Certificate attesting to the mailing of notices to the original Minutes of the Meeting shall form part of the records of the meeting.

The Corporate Secretary then certified that, based on the register of attendees and proxies as tabulated by with the assistance of a third-party auditor, Ms. Cristina Castro Naguit, out of the Eight Hundred Ninety-Five Million Three Hundred Thirty Thousand Nine Hundred Forty-Six (895,330,946) shares of the total outstanding capital stock of the Corporation, Seven Hundred Fourteen Million Nine Hundred Six Thousand Seven Hundred Seventy (714,906,770) shares, representing 79.85% of the total outstanding capital stock of the Corporation were present in person or otherwise represented by proxy. Accordingly, the Secretary certified that a quorum existed for the transaction of the business at hand.

## **RULES OF CONDUCT AND VOTING PROCEDURES**

The Chairman then informed the Body that, while the meeting is being held in a virtual format, the Corporation has strived to provide the shareholders the opportunity to maximize their participation in the meeting. He then requested that the rules of conduct and procedures for the meeting be presented.

The Host explained as follows:

1. The rules of conduct and procedures are set forth in the Information Statement and in the Notice of Annual Stockholders' Meeting, in accordance with the rules of the SEC.
2. Because Pacific Online values its stockholders and encourages their participation at this meeting, it has set up facilities to afford all stockholders the opportunity to be heard.
3. Stockholders' questions on matters to be taken up during the meeting were sent to the email address set up for the purpose. Questions can still be sent to the same address during the course of the proceedings.
4. Management will reply via e-mail to questions and comments received but not taken up during the meeting.
5. Stockholders' questions on matters to be taken up during the meeting were sent to: [corporatesecretary@pacificonline.com.ph](mailto:corporatesecretary@pacificonline.com.ph)
6. Management will reply via e-mail to questions and comments received but not taken up during the meeting.
7. For each agenda item to be taken up, resolutions will be proposed for adoption by the stockholders. Each proposed resolution will be shown on the screen as the same is being taken up.

## **APPROVAL OF MINUTES OF 2021 ASM**

The Chairman informed the Body that the first item in the agenda is the reading and approval of the minutes of the last Annual Stockholders' Meeting held on 28 May 2021.

Upon request by the Chairman, the Secretary explained that the minutes of the last stockholders' meeting was immediately made available for the stockholders to view soon after the last meeting when it was posted on the Corporation's website. A link to the said Minutes in the Information Statement sent to the stockholders prior to the meeting.

The Corporate Secretary then presented the Resolution as proposed by Management, and based on the votes received, reported the approval by the stockholders of the following Resolution:

“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of PACIFIC ONLINE SYSTEMS CORPORATION held on May 28, 2021 is hereby approved.”

The votes for the Resolution on the approval of the Minutes of 2019 Annual Stockholders' Meeting are as follows:

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Approval of Minutes of the Previous Meeting of Stockholders	714,906,770 (79.85% of Total Outstanding Shares)	0	0

## **PRESIDENT'S REPORT AND PRESENTATION OF FINANCIAL STATEMENTS**

The Chairman then informed the Body that the next item in the agenda is the approval of the operations and results for the year 2021. He explained that copies of the Information Statement with the Annual Report were sent to the stockholders prior to the meeting and posted in the Corporation's website. He further noted that the Annual Report contains summaries of operations and the Audited Financial Statements for Year 2021.

Upon the request of the Chairman, the Corporation's President, Mr. Jackson T. Ongsip, presented the Message to the Shareholders as follows:

“2021 was a year of synergy and strategic collaboration for Pacific Online. Your Company focused on maximizing strengths and streamlining operations in order to thrive as a lean enterprise during the second year of the COVID-19 pandemic.

Despite the continuing effects of the pandemic and operating under limitations, Pacific Online showed significant recovery, driven largely by improvements in lotto sales as a result of more robust economic activities in 2021. The higher revenues, coupled with our thrust to control expenses through cost-efficiency measures enabled the Company to better adapt to the changing business environment.

After decades of friendly competition as the lottery equipment lease providers in the Philippines, Pacific Online decided to strategically partner with Philippine Gaming Management Corporation and its system provider, International Lottery and Totalizator Systems Inc. for the PCSO Lottery System 2021 bid. We united in order to maximize the synergies resulting from having a single and transparent nationwide online lottery service for the country. This joint venture called PinoyLotto Technologies Corp. won the PLS Project, and has signed with the Philippine Charity Sweepstakes Office for the Five-Year Lease of the Customized PCSO Lottery System.

While the project is being deployed, it is expected that the current lottery system being provided by Pacific Online to PCSO will continue to be operational during this transition period and shift to the new system.

Your Company remains committed to its vision of being the partner of choice in the Philippine gaming industry. Pacific Online remains open to opportunities for growth through profitable investments and proactive business development that will increase the company's shareholder value for partners and investors alike.

Thank you for your continued support.”

The Chairman then thanked Mr. Ongsip and reminded the stockholders that all questions raised on the presentation, including the financial reports and results for 2021, if any, would be read and answered in the latter part of the proceedings.

Then, upon request of the Chairman, the Corporate Secretary presented the Resolution, as proposed by the Management, and based on the votes received, reported the approval of the stockholders of the following Resolution:

“RESOLVED, that the 2021 Annual Report on the operations of PACIFIC ONLINE SYSTEMS CORPORATION together with the Audited Financial Statements and accompanying notes thereto for the year ended December 31, 2021, be approved.”

The votes for the adoption of the Resolution for the approval of the Annual Report for the year ended 31 December 2021, together with the Audited Financial Statements for the Fiscal Year ended 31 December 2021, are as follows:

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Approval of 2021 Operations and Results and 2021 Audited Financial Statements	714,906,770  (79.85% of Total Outstanding Shares)	0	0

#### **RATIFICATION OF CORPORATE ACTS**

The next item in the agenda was the ratification of all acts of the Board of Directors and Officers of the Corporation, from the date of the last Annual Stockholders’ Meeting up to date of the present meeting.

Upon the Chairman’s request, the Corporate Secretary explained that the Board and Management sought the stockholders’ ratification for all the acts of the Board of Directors and Officers of the Corporation, from 28 May 2021 until the present date. The summary of the acts of the Board of Directors for ratification are (i) approval of Audited Financial Statements; (ii) Approval of Quarterly Financial Statements; (iii) Appointment of Officers; and (iv) Organization of Board Committees.

The Corporate Secretary then explained that ratification is also sought for all the acts of Management performed in accordance with the resolutions of the Board and the By-Laws from 28 May 2021 up to the date of the present meeting.

The Corporate Secretary then presented the Resolution, as proposed by Management, and based on the votes received, reported the approval by the stockholders of the following resolution:

“RESOLVED, that all acts of the Board of Directors and Officers of PACIFIC ONLINE SYSTEMS CORPORATION from the date of the last stockholders’ meeting on May 28, 2021 up to the date of this meeting, are hereby confirmed, ratified and approved.”

The votes for the adoption of the Resolution for the ratification of the acts and resolutions of the Board of Directors and Officers of the Corporation are as follows:

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Ratification of Corporate Acts	714,906,770 (79.85% of Total Outstanding Shares)	0	0

## **ELECTION OF DIRECTORS**

The Chairman announced that the next item in the agenda is the election of the members of the Board of Directors for the ensuing year and until the next election. He explained that as disclosed in the Information Statement, the Board of Directors is composed of nine (9) members. But due to the untimely passing of one of the nominees, Atty. Reyes-Mandanas, only eight (8) members of the Board will be voted for with one (1) seat for a nominee to be screened at a later time by the Corporation's Corporate Governance Committee.

The Chairman then requested Mr. Laurito E. Serrano of the Corporate Governance Committee to announce the candidates for election as members of the Board.

Mr. Serrano explained that the Corporate Governance Committee deliberated on and approved the list of nominees for election to the Board and that the said list, with the nominees' business experience, qualifications, and affiliations were presented in the Information Statement. Mr. Serrano then went on to present the nominees to the Body for their consideration.

Upon request of the Chairman, the Secretary reported that each nominee garnered the votes as presented to the Body on screen. He further certified that the votes garnered by each nominee are sufficient to elect them. He then presented the Resolution on the election of the nominees to the Board, as proposed by Management, and based on the votes received, reported the approval of the following Resolution:

“RESOLVED, to elect the following nominees, receiving the votes indicated opposite their names, as directors of PACIFIC ONLINE SYSTEMS CORPORATION for the year 2022-2023, to serve as such until their successors shall have been duly elected and qualified:”

<b>Nominees</b>	<b>No. of Votes Received</b>
Mr. Willy N. Ocier	714,906,770 (79.85%)
Mr. Jackson T. Ongsip	714,906,770 (79.85%)
Mr. Tarcisio M. Medalla	714,906,770 (79.85%)
Mr. Henry N. Ocier	714,906,770 (79.85%)
Mr. Armin Antonio B. Raquel Santos	714,906,770 (79.85%)
Mr. Laurito E. Serrano ( <i>Independent</i> )	714,906,770 (79.85%)
Atty. Maria Gracia Pulido Tan ( <i>Independent</i> )	714,906,770 (79.85%)
Atty. Roberto C.O. Lim ( <i>Independent</i> )	714,906,770 (79.85%)

The President then thanked the shareholders for their continued trust and support in the Board of Directors.

## **APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman announced that the next item in the agenda is the appointment of the Corporation's external auditor for Year 2022. He requested the Chairman of the Audit Committee, Mr. Serrano, to explain this item.

Mr. Serrano announced that the Audit Committee has recommended, and the Board of Directors has endorsed for the consideration of the stockholders, the re-appointment of Reyes Tacandong & Co. as the Corporation’s external auditor for Year 2022. Mr. Serrano explained the Reyes Tacandong & Co. is one of the leading auditing firms in the country and is accredited by the Securities and Exchange Commission to act as external auditor for publicly-listed companies.

The Corporate Secretary, upon the request of the Chairman, presented the Resolution as proposed by Management, and based on the votes received, reported the approval by the stockholders of the following Resolution:

“RESOLVED, that PACIFIC ONLINE SYSTEMS CORPORATION (the ‘Corporation’) hereby approves the appointment of Reyes Tacandong & Co. as the Corporation’s external auditor for Year 2022.”

The votes for the adoption of the Resolution for the re-appointment of Reyes Tacandong & Co. as the Corporation’s external auditor for Year 2022 are as follows:

<b>AGENDA ITEM</b>	<b>VOTES IN FAVOR</b>	<b>VOTES AGAINST</b>	<b>ABSTAIN</b>
Appointment of Reyes Tacandong & Co. as External Auditor for 2022	714,906,770 (79.85% of Total Outstanding Shares)	0	0

## **OTHER MATTERS**

After confirming with the Corporate Secretary that there are no other remaining matters on the agenda, the Chairman requested the Host to read aloud the questions and comments sent by the stockholders.

The Host explained that the first question was sent in by one of the early registrants. The question was: “what is the outlook for Pacific Online given the current business environment?” The Chairman then requested the President, Mr. Ongsip to answer and the latter stated that the leasing of COVID-19 related restrictions helped propel the Corporation’s industry forward. LOTTO sales were increasing and reached pre-pandemic levels during in the past few months leading up to the meeting. He stated that Management foresaw the trend to continue throughout the year so long as spikes in COVID-19 infections remain controlled. On the other hand, KENO has not been able to recover. Given this, Management has mutually agreed with PCSO to no longer renew the KENO Lease Agreement as of March 31, 2022.

The Host then read the next question as follows: “what is the impact of the Pinoylotto Joint Venture on Pacific Online? May we please request Mr. Ongsip to respond?” Mr. Ongsip responded that Pacific Online, together with its joint venture partner, Philippine Gaming Management Corporation, was able to secure the bid award for the nationwide lottery service for the country. This is a Php5.8 billion revenue project that Management is working on to develop and to operate a new system in the next 5 years. Management believes that this will spur the growth of the Company. As Management exercises prudence, it would explore and venture into other opportunities in the industry that will redound to the Corporation’s shareholders and other stakeholders’ benefit.

## **ADJOURNMENT**

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

ATTESTED BY:

**WILLY N. OCIER**  
Chairman

**JASON C. NALUPTA**  
Corporate Secretary

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