

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF  
PACIFIC ONLINE SYSTEMS CORPORATION

Held on 28 June 2024, 2:00 PM  
via Zoom Webinar  
(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	712,219,939

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

WILLY N. OCIER  
ARMIN ANTONIO B. RAQUEL SANTOS  
RAUL B. DE MESA  
TARCISIO M. MEDALLA  
HENRY N. OCIER  
MISCHEL GABRIELLE O. MENDOZA  
MARIA GRACIA M. PULIDO TAN  
ROBERTO V. ANTONIO  
JOSEPH T. CHUA

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 and Treasurer)  
CHRISTOPHER C. VILLAFLOR (Chief Operating Officer)  
ANNA JOSEFINA G. ESTEBAN (Chief Audit Executive)  
MICHELLE T. HERNANDEZ (Compliance Officer)

Other executive officers of the Corporation and representatives of Reyes Tacandong & Co., the Corporation's External Auditor, were likewise in attendance.

The stockholders who attended were:

Abigail Siy  
Marian Pena representing Eastern Securities and Development Corporation  
Julius Sanvictores  
Rainier Ronda

**CALL TO ORDER**

The Chairman, Mr. Willy N. Ocier, called the meeting to order and presided over the same. The Chairman welcomed the stockholders who joined in the live broadcast and also acknowledged the shareholders who have opted to participate in the meeting by sending their proxies. The Corporate Secretary, Jason C. Nalupta, recorded the minutes of the proceedings.

**PROOF OF NOTICE OF MEETING**

Upon the request of the Chairman, the Corporate Secretary certified that notices of the meeting were sent to all shareholders of record as of 15 May 2024, in accordance with the provisions of the By-Laws.

**CERTIFICATION OF QUORUM**

The Corporate Secretary then certified that, based on the register of attendees and proxies as tabulated with the assistance of a third-party auditor, Ms. Cristina Castro Naguit, out of the Eight

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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 Twelve Million Two Hundred Sixty Three Thousand Nine Hundred Thirty-Nine (712,263,939) shares, representing 79.55% 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. 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.
- 3. Management will reply via e-mail to questions and comments received but not taken up during the meeting.
- 4. Stockholders’ questions on matters to be taken up during the meeting were sent to: [corporatesecretary@pacificonline.com.ph](mailto:corporatesecretary@pacificonline.com.ph)
- 5. Management will reply via e-mail to questions and comments received but not taken up during the meeting.
- 6. 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 2023 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 26 May 2023.

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 was included 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 26 May 2023 is hereby approved.”

The votes for the Resolution on the approval of the Minutes of 2023 Annual Stockholders’ Meeting are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	712,263,939  (79.55% 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 2023. 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 2023.

Upon the request of the Chairman, the Corporation's President and Chief Executive Officer, Mr. Armin Antonio B. Raquel Santos, presented the Report to the Shareholders as follows:

"2023 was a major milestone year for Pacific Online Systems Corporation.

In the last quarter of 2023, Pacific Online officially marked the end of its over 2 decades relationship with the Philippine Charity Sweepstakes Office (PCSO) as the latter's equipment lessor for its online lottery operations, principally in the Visayas-Mindanao regions.

Pacific Online, however, has not totally severed its ties with PCSO as simultaneous with the switching-off of its Visayas-Mindanao online lottery network was the hand-over to a new, nationwide network called the 'Philippine Lottery System' (PLS) provided by PinoyLotto Technologies Corp., a joint venture corporation 50% owned by our Company. Our participation in the joint venture assures us with steady income for the next 5 years. Our business partners in this undertaking are Philippine Gaming Management Corp. (PGMC) and International Lottery & Totalizator Systems, Inc. (ILTS), which, together, were the previous equipment provider of the PCSO for its Luzon lottery.

PinoyLotto successfully launched the Philippine Lottery System which is a new unified and centralized online lottery system with 6,500 terminals installed nationwide.

Pacific Online, together with the other operating subsidiaries, generated total revenues of ₱601.6 Million for the year-ended 31 December 2023. Revenues increased by ₱82.5 Million or 16% from revenues for the same period in 2022 amounting to ₱519.1 Million, mainly because of the improvement in lotto sales during the first nine months of the year due to the more open economy for 2023 with the return of normal face-to-face activities and the easing of COVID quarantine restrictions.

The cost of services and administrative expenses for the year increased due to the higher costs of software license fees in line with the higher lotto sales from January to September 2023. In addition, with the commencement of nationwide operations of PinoyLotto effective 1 October 2023, higher costs for repairs and maintenance, depreciation, and travel have been incurred in relation to the new lottery system and the start of operations.

Pacific Online's net income increased by ₱83.8 Million or 44% in 2023, from ₱191.1 Million in the previous year to ₱274.9 Million. The growth in sales as well as the rise in other income through mark-to-market gains on the company's trading investments were more than enough to offset the increase in operational expenses.

With exploring other gaming opportunities constantly in mind, Pacific Online has also entered into another new endeavor with the PCSO. On 30 August 2023, after going through a selection process, Pacific Online signed a Memorandum of Agreement with the PCSO for a 1-year Test-Run of a web-based application betting platform (WABP) more commonly referred to as 'E-Lotto'. This test run was launched successfully on 15 December 2023, a first-ever official PCSO E-Lotto project. This project is aimed at delivering the same favorite lottery games on a new online platform for ease of use and convenience of players.

With the test-run for E-Lotto nearing its sixth month, the PCSO, on 27 May 2024, decided to make the new betting platform permanent and announced the conduct of a public bidding for the Procurement of 5 years lease for the WABP/ E-



Lotto, which the Company participated in. We are pleased to announce that on 19 June 2024, Pacific Online received notice from the PCSO informing the Company that the PCSO Board of Directors has approved the recommendation of the Special Bids and Awards Committee declaring Pacific Online as the Single Calculated and Responsive Bid for the said Project, with award being made in favor of the Company for the total contract price of Four Billion Eighty-Eight Million Pesos (P4,088,000,000.00).

In closing, on behalf of Pacific Online Systems Corporation, I would like to express my sincere gratitude to our distinguished Board of Directors for their wisdom and guidance, our hardworking employees for their commitment and hard work, and our esteemed shareholders for their continued support and confidence. Our future is brighter, together with the combined efforts of all of our stakeholders, and with your steadfast support, we are on track to delivering the goals we have established towards a solid and sustainable business.”

The Chairman then thanked Mr. Raquel Santos and reminded the stockholders that all questions raised on the presentation, including the financial reports and results for 2023, 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 Management, and based on the votes received, reported the approval of the stockholders of the following Resolution:

“RESOLVED, that the 2023 Annual Report on the operations of **PACIFIC ONLINE SYSTEMS CORPORATION** together with the Audited Financial Statements and accompanying notes thereto for the year ended 31 December 2023, be approved.”

The votes for the adoption of the Resolution for the approval of the Annual Report for the year ended 31 December 2023, together with the Audited Financial Statements for the Fiscal Year ended 31 December 2023, are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2023 Operations and Results and 2023 Audited Financial Statements	712,263,939  (79.55% 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 the 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 26 May 2023 until the present date. The corporate acts include those items entered into in the ordinary course of business and with those of significance having been covered by appropriate disclosures.

The Corporate Secretary also explained that ratification is also sought for all the acts of Management performed in accordance with the resolutions of the Board, the Board Committees and the By-Laws from 26 May 2023 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 26 May 2023 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:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of Corporate Acts	712,263,939 (79.55% 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.

The Corporate Secretary explained that the Corporate Governance Committee deliberated on and approved the list of nominees for election to the Board and that said list, with the nominees’ business experience, qualifications, and affiliations were presented in the Information Statement. The Corporate Secretary 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 on the resolution below. He further certified that the votes garnered by each of the nominees 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 2024-2025, to serve as such until their successors shall have been duly elected and qualified:

Nominees	No. of Votes Received
Mr. Willy N. Ocier	712,263,939
Mr. Armin Antonio B. Raquel Santos	712,263,939
Mr. Raul B. De Mesa	712,263,939
Mr. Tarcisio M. Medalla	712,263,939
Mr. Henry N. Ocier	712,263,939
Ms. Mischel Gabrielle O. Mendoza	712,263,939
Atty. Maria Gracia M. Pulido Tan ( <i>Independent Director</i> )	712,263,939
Mr. Roberto V. Antonio ( <i>Independent Director</i> )	712,263,939
Mr. Joseph T. Chua ( <i>Independent Director</i> )	712,263,939

The Chairman 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 2024.

The Corporate Secretary announced that the Audit Committee has pre-screened and 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 2024. He explained that 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 2024.”**

The votes for the adoption of the Resolution for the re-appointment of Reyes Tacandong & Co. as the Corporation’s external auditor for Year 2024 are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Reyes Tacandong & Co. as External Auditor for Year 2024	712,263,939  (79.55% 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 noted that the first question was sent in by one of the early registrants. The question was: “What is the status of the PinoyLotto joint venture?” Mr. Raquel Santos responded to that question as requested by the Chairman: “The launch of the new PLS system under PinoyLotto Technologies Corporation was done on 1 October 2023. It was a successful switchover to the new system and we have installed 6,500 terminals nationwide.”

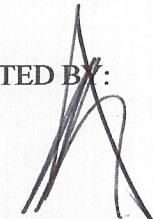
The Host then read out the next question as follows: “Now that you received the Notice of Award from PCSO, what would this entail for the coming launch of the new Elotto system?” Mr. Raquel Santos responded “Since we already have an existing system, upgrades need to be implemented, as well as set up some facilities for the back-end support. Your company is working tirelessly to prepare the necessary requirements to hit these milestone requirements of PCSO.”

The Host then read the last question as follows: “Where can I play ELotto?” Mr. Raquel Santos responded “You may access the ELotto platform through elotto.pcs.gov.ph which is currently live.”

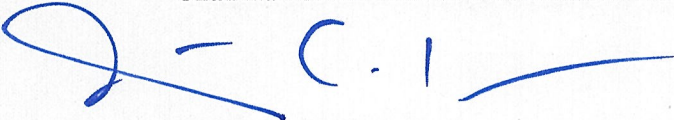
**ADJOURNMENT**

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

ATTESTED BY:



**WILLY N. OCIER**  
Chairman of the Annual Stockholders’ Meeting



**JASON C. NALUPTA**  
Corporate Secretary