

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

Held on 26 May 2023, 11:00 AM
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	675,661,028

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

WILLY N. OCIER
JACKSON T. ONGSIP
RAUL B. DE MESA
TARCISIO M. MEDALLA
HENRY N. OCIER
ARMIN ANTONIO B. RAQUEL SANTOS
ROBERTO V. ANTONIO
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)
MISCHEL O. MENDOZA (Chief Risk 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

The President and Chief Executive Officer, Mr. Jackson T. Ongsip, acting as the Chairman of the Stockholders' Meeting on behalf of the Chairman of the Board of Directors, Mr. Willy N. Ocier, called the meeting to order and presided over the same. The Corporate Secretary, Mr. Jason C. Nalupta, recorded the minutes of the proceedings.

CERTIFICATION OF NOTICE AND QUORUM

Upon the request of the Chairman of the Meeting, the Corporate Secretary certified that notices of the meeting were sent to all shareholders of record as of 24 April 2023 in accordance with the provisions of the By-Laws. The Chairman of the Meeting then instructed the Corporate Secretary to ensure that the Certificate attesting to the mailing of notices shall form part of the records of the meeting.

Thereafter, the Corporate Secretary 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 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, Six Hundred Seventy-Five Million Six Hundred Sixty-One Thousand and Twenty Eight (675,661,028) shares, representing 75.46% 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 Body was apprised 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
- 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 2022 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 27 May 2022.

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 also given 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 27 May 2022 is hereby approved.”

The votes for the Resolution on the approval of the Minutes of 2022 Annual Stockholders’ Meeting are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	675,661,028 (75.46% of Total Outstanding Shares)	0	0

PRESIDENT’S REPORT AND PRESENTATION OF FINANCIAL STATEMENTS

The Chairman of the Meeting then informed the Body that the next item in the agenda is the approval of the operations and results for the year 2022. 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 2022.

Upon the request of the Chairman of the Meeting, the Corporation's Chief Risk Officer, Ms. Mischel O. Mendoza, presented the Report to the Shareholders as follows:

Pacific Online Systems Corporation strengthened as it navigated tough situations over the last 26 years. After the pandemic and related setbacks, your Company is now on a steady course towards recovery and aims to deliver consistent returns.

Revitalized economic activities due to our country's resilience to the COVID-19 pandemic resulted in higher lotto sales and improved the revenues of your Company for 2022. The higher revenues were largely driven by multiple high jackpot prizes for lotto games throughout the year and the return of players in outlets nationwide. In fact, the December 2022 year-to-date lotto sales of P8.5 billion already surpassed the pre-pandemic 2019 sales of P7.1 billion.

This was achieved despite the lapse of the Equipment Lease Agreement (ELA) of Total Gaming Technologies Inc. (TGTI) with the Philippine Charity Sweepstakes Office (PCSO) effective April 1, 2022. In response, Pacific Online heightened cost efficiency measures to offset the absence of revenues from KENO operations.

Furthermore, your Company continues to focus on enhancing operations and achieving results as a leaner organization. Pacific Online actively pursues opportunities for growth through profitable investments that will increase shareholder value for its many stakeholders.

As you all may already be aware of, Pacific Online strategically invested in PinoyLotto Technologies Inc. or PinoyLotto, the joint venture for the nationwide lottery system of PCSO. Our critical participation in PinoyLotto provides your Company recurring income for the next 5 years. Pacific Online owns 50% of the joint venture, which will start commercial operations in the last quarter of 2023.

After incurring losses for three (3) consecutive years, we are pleased to announce that your Company turned profitable and produced a net income of P191.0 million and total revenues of P519.0 million for 2022. On the back of these results, we are happy to announce the resumption of our dividend payments. We recently declared cash dividends amounting to 10 cents per share or a total of P89.5 million.

It is only fitting that we thank our dedicated employees, diligent management team, exemplary directors, and loyal stockholders for making this turnaround possible. We also wish to thank everyone who trusted and supported Pacific Online in the past years despite the many challenges.

Our vision remains – to be the Gaming Partner of Choice. We look forward to the day that we can all meet again in person safely and without hesitation, and achieve much more success together.

The Chairman thanked Ms. Mendoza for the report and reminded the stockholders that all questions raised on the presentation, including the financial reports and results for 2022, if any, would be read and answered in the latter part of the proceedings.

Then, as requested by the Chairman of the Meeting, 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 2022 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 2022, be approved.”

The votes for the adoption of the Resolution for the approval of the Annual Report for the year ended 31 December 2022, together with the Audited Financial Statements for the Fiscal Year ended 31 December 2022, are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2022 Operations and Results and 2022 Audited Financial Statements	675,661,028 (75.46% 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 request of the Chairman of the Meeting, 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 27 May 2022 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 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 added 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 27 May 2022 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 27 May 2022 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	675,661,028 (75.46% of Total Outstanding Shares)	0	0

ELECTION OF DIRECTORS

The Chairman of the Meeting 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.

At this juncture, the Chairman of the Meeting expressed his gratitude to the Lead Independent Director, Mr. Laurito E. Serrano, who has completed his nine-year term as one of the Company’s Independent Directors. He acknowledged his valuable contribution and wisdom that propelled the Company to where it is now.

Upon request of the Chairman of the Meeting, 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 2023-2024, to serve as such until their successors shall have been duly elected and qualified:”

Nominees	No. of Votes Received
Mr. Willy N. Ocier	675,661,028 (75.46%)
Mr. Jackson T. Ongsip	675,661,028 (75.46%)
Mr. Raul B. De Mesa	675,661,028 (75.46%)
Mr. Tarcisio M. Medalla	675,661,028 (75.46%)
Mr. Henry N. Ocier	675,661,028 (75.46%)
Mr. Armin Antonio B. Raquel Santos	675,661,028 (75.46%)
Mr. Joseph T. Chua (<i>Independent</i>)	675,661,028 (75.46%)
Atty. Maria Gracia Pulido Tan (<i>Independent</i>)	675,661,028 (75.46%)
Mr. Roberto V. Antonio (<i>Independent</i>)	675,661,028 (75.46%)

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

APPOINTMENT OF EXTERNAL AUDITOR

The Chairman of the Meeting announced that the next item in the agenda is the appointment of the Corporation’s external auditor for Year 2023.

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 2023. He 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 of the Meeting, 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 2023.”

The votes for the adoption of the Resolution for the re-appointment of of Reyes Tacandong & Co. as the Corporation’s external auditor for Year 2023 are as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of Reyes Tacandong & Co. as External Auditor for Year 2023.	675,661,028 (75.46% 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: “How is the current lottery revenue of Pacific Online compared to pre-pandemic times?” The Chairman responded that the Company achieved 20% higher revenues in 2022 compared to 2019 due to the easing of quarantine restrictions in different LGUs, and consequent reversion of lottery sales to pre-pandemic levels.

The Host then stated the next question as follows: “What are your plans this 2023?” Mr. Ongsip responded “We are currently transitioning into the new lottery system under PinoyLotto Technologies, with operations scheduled to begin in the last quarter of 2023. Pacific Online has a 50% share in this joint venture with Philippine Gaming Management Corp. (PGMC) and International Lottery and Totalizator Systems (ILTS). Pacific Online stands to derive 50% earnings from this business.”

The other questions sent in by the shareholders have been noted and will each be responded to by email.

ADJOURNMENT

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

Attested By:


JACKSON T. ONGSIP
Chairman of the Annual Stockholders' Meeting


JASON C. NALUPTA
Corporate Secretary