

# **ROBINSONS RETAIL HOLDINGS, INC.**

## **MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS**

**MAY 28, 2018, 3:00 P.M.**

**Crowne Plaza Manila Galleria, Quezon City, Metro Manila, Philippines**

### **DIRECTORS PRESENT:**

- |                            |   |   |
|----------------------------|---|---|
| 1. John L. Gokongwei, Jr.  | - | Director,                                       |
| 2. James L. Go             | - | Director and Vice Chairman                      |
| 3. Lance Y. Gokongwei      | - | Director and Chairman                           |
| 4. Robina Y. Gokongwei-Pe  | - | Director, President and Chief Executive Officer |
| 5. Lisa Y. Gokongwei-Cheng | - | Director  |
| 6. Antonio L. Go           | - | Independent Director                            |

### **ALSO PRESENT:**

- |                                  |   |  |
|----------------------------------|---|--|
| 1. Atty. Rosalinda F. Rivera     | - | Corporate Secretary  |
| 2. Atty. Gilbert S. Millado, Jr. | - | Assistant Corporate Secretary and General Counsel              |
| 3. Bach Johann M. Sebastian      | - | Senior Vice President, Chief Strategist and Compliance Officer |

## **1. PROOF OF NOTICE OF THE MEETING AND EXISTENCE OF A QUORUM**

The Corporate Secretary, Atty. Rosalinda F. Rivera, certified that notice of the meeting was sent by the Transfer Agent, Rizal Commercial Banking Corporation, to the stockholders of record as of April 23, 2018 at their addresses as appearing on their records and that a quorum was present by the presence, in person or by proxy, of shareholders entitled to vote which represent 78.77% of the outstanding capital stock of the Corporation. The meeting was called to order at 3:00 p.m. by Mr. Lance Y. Gokongwei, who presided thereat as Chairman of the meeting and Atty. Rosalinda F. Rivera, Corporate Secretary, recorded the minutes of the proceedings as Secretary of the meeting.

## **2. READING AND APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS HELD ON JUNE 27, 2017**

Copies of the minutes of the annual meeting of the stockholders held on June 27, 2017 were distributed together with the Annual Report to the stockholders present. Upon a duly seconded motion, the reading of the minutes was waived and there being no corrections, the minutes were approved by stockholders holding 1,019,979,033 common shares which represent 73.64% of the total outstanding capital stock of the Corporation. No stockholders voted against the approval of the minutes of the annual meeting of the stockholders held on June 27, 2017 and no stockholders abstained from voting.

## **3. PRESENTATION OF ANNUAL REPORT AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE PRECEDING YEAR**

The President and Chief Executive Officer, Ms. Robina Y. Gokongwei-Pe, presented a report on the results of operations of the Corporation and financial performance as reflected in the audited financial statements for the fiscal year ended December 31, 2017. A copy of the report of the President and Chief Executive Officer is attached as Annex "A" and made an integral part hereof.

After the report, there being no questions from the floor, on motion made and duly seconded, the report of the President of the Corporation for the fiscal year ended December 31, 2017 was noted and the audited financial statements for the same year were approved by stockholders holding 1,018,814,513 common shares which represent 73.56% of the total outstanding capital stock of the Corporation. No stockholder voted against the approval of the report and the audited financial statements and stockholders holding 1,164,520 common shares which represent 0.08% of the total outstanding capital stock of the Corporation abstained from voting.

#### 4. ELECTION OF BOARD OF DIRECTORS

The names of the incumbent members of the Board of Directors are as follows:

1. John L. Gokongwei, Jr.
2. James L. Go
3. Lance Y. Gokongwei
4. Robina Y. Gokongwei-Pe
5. Lisa Y. Gokongwei-Cheng
6. Faith Y. Gokongwei-Lim
7. Hope Y. Gokongwei-Tang
8. Antonio L. Go – Independent Director
9. Roberto R. Romulo – Independent Director

The Chairman declared the table open for the nomination of the members of the Board of Directors. The following were nominated for election as member of the Board of Directors:

1. John L. Gokongwei, Jr.
2. James L. Go
3. Lance Y. Gokongwei
4. Robina Y. Gokongwei-Pe
5. Lisa Y. Gokongwei-Cheng
6. Faith Y. Gokongwei-Lim
7. Hope Y. Gokongwei-Tang
8. Antonio L. Go – Independent Director
9. Roberto R. Romulo – Independent Director

The nominees for election as members of the Board of Directors of the Corporation received the following number of votes:

Nominee	Votes in Favor		Votes Against		Votes Abstaining	
	Number of shares	% to outstanding	Number of shares	% to outstanding	Number of shares	% to outstanding
1. John L. Gokongwei, Jr.	907,285,093	65.51%	106,241,120	7.67%	6,452,820	0.47%
2. James L. Go	913,637,213	65.97%	106,241,120	7.67%	100,700	0.01%
3. Lance Y. Gokongwei	950,141,945	68.80%	69,736,388	5.04%	100,700	0.01%
4. Robina Y. Gokongwei-Pe	913,637,213	65.97%	106,241,120	7.67%	100,700	0.01%
5. Lisa Y. Gokongwei-Cheng	945,082,877	68.24%	63,169,036	4.56%	11,727,120	0.85%
6. Faith Y. Gokongwei-Lim	957,508,121	69.13%	56,018,092	4.04%	6,452,820	0.47%
7. Hope Y. Gokongwei-Tang	958,585,941	69.21%	56,018,092	4.04%	5,375,000	0.39%
8. Antonio L. Go	1,014,425,773	73.24%	178,260	0.01%	5,375,000	0.39%
9. Roberto R. Romulo	1,014,255,133	73.23%	348,900	0.03%	5,375,000	0.39%

Thereafter, upon motion duly made and seconded, the nominations for the members of the Board of Directors were closed. There being no other nominations, the Chairman directed the Secretary to cast all affirmative votes on favor of all the directors nominated who are hereby elected as directors for the ensuing year and until their successors are elected and qualified, namely:

1. John L. Gokongwei, Jr.
2. James L. Go
3. Lance Y. Gokongwei
4. Robina Y. Gokongwei-Pe
5. Lisa Y. Gokongwei-Cheng
6. Faith Y. Gokongwei-Lim
7. Hope Y. Gokongwei-Tang
8. Antonio L. Go – Independent Director
9. Roberto R. Romulo – Independent Director

## **5. APPOINTMENT OF EXTERNAL AUDITOR**

Upon motion duly made and seconded, stockholders holding 1,014,604,033 common shares which represent 73.26% of the total outstanding capital stock of the Corporation approved the appointment of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the current fiscal year. No stockholder voted against the appointment and stockholders holding 5,375,000 common shares which represent 0.39% of the total outstanding capital stock of the Corporation abstained from voting.

## **6. APPROVAL OF THE ISSUANCE OF UP TO 191,489,360 PRIMARY SHARES AS PAYMENT FOR THE SHARES OF RUSTAN SUPERCENTERS, INC. (RSCI)**

On March 23, 2018, the Corporation and Mulgrave Corporation B.V. (MCBV) entered into Sale and Purchase Agreement under the terms of which the Corporation has agreed to purchase a total of 34,968,437 common shares of RSCI, representing 100% of the issued and outstanding capital stock of RSCI. MCBV is a wholly owned member of Dairy Farm International Holdings Limited group of companies.

In consideration for the sale of the shares of RSCI, RRHI has agreed to issue 191,489,360 common shares of its authorized but unissued capital stock to MCBV as payment for the transaction. These shares represent 12.15% of the total issued share capital of RRHI on a fully diluted basis.

The value of the proposed transaction is approximately PhP18 billion. The purchase price was determined based on a discounted free cash flow multiple.

The transaction also involves certain members of the Gokongwei family agreeing to sell some of their shares to GCH Investments Pte Ltd., a wholly-owned subsidiary of Dairy Farm Group, which will result in the Gokongwei family effectively owning 51% and the Dairy Farm Group 18.25% of the expanded capital of RRHI post completion.

The proposed transaction is expected to enhance the competitiveness of RRHI's supermarket business.

Mr. Bach Johann M. Sebastian, Senior Vice President, Chief Strategy Officer and Compliance Officer presented the results of the fairness opinion and valuation report of the independent financial advisor, BPI Capital Corporation ("BPI Capital"). Mr. BJ Sebastian reported on the valuation methods made by BPI Capital which are Net Asset Value, Comparable Public Company Analysis and Comparable Transaction Analysis. The valuation methods are in accordance with the Philippine Securities and Exchange Commission's guidelines on the conduct of valuation and issuance of fairness opinion under the 2015 SRC Rules which states that the independent financial advisor shall adopt more than one valuation methodology and compare the values derived using methodologies to minimize the risk that the opinion is unreliable.

Upon application of the different methodologies prescribed, BPI Capital's opinion was that RSCI's common shares is fairly valued within the range of about PhP15-29 billion or around PhP400-430 per share. This is the equity value acquisition price of RSCI which has been determined to be PhP18 billion and BPI Capital considers it fair.

After the report, a question was raised by a shareholder on the use of the retained earnings of the Corporation for the acquisition of the shares of RSCI. In reply, the Chairman said that should the acquisition be approved by the Philippine Competition Commission, Dairy Farm Group wants to be paid in shares and have a continuing partnership with RRHI.

Upon motion duly made and seconded, stockholders holding 928,976,453 common shares which represent 67.07% of the total outstanding capital stock of the Corporation approved the issuance of up to 191,489,360 primary shares as payment for the shares of RSCI. Stockholders holding 85,627,580 common shares which represent 6.18% of the total outstanding capital stock

voted against the approval of the issuance of the primary shares as payment for the shares of RSCI and stockholders holding 5,375,000 common shares which represent 0.39% of the total outstanding capital stock of the Corporation abstained from voting.

**Shareholders Resolution**  
**Approval of the acquisition of Rustan Supercenters, Inc. (RSCI)**

“RESOLVED, that Robinsons Retail Holdings, Inc. (the “Corporation”) hereby approves the issuance of 191,489,360 primary shares to Mulgrave Corporation B.V. as payment for the purchase of 100% of the capital stock of Rustan Supercenters, Inc.”

**7. RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES, OFFICERS AND MANAGEMENT SINCE THE LAST ANNUAL MEETING**

Upon motion duly made and seconded, all the acts of the Board of Directors and its committees, officers and management of the Corporation for the period beginning from the last annual meeting of the stockholders up to the current annual meeting of the stockholders, as duly recorded in the corporate books and records of the Corporation were confirmed and ratified by stockholders holding 1,013,289,513 common shares which represent 73.16% of the total outstanding capital stock of the Corporation. No stockholder voted against the ratification of corporate acts and stockholders holding 6,689,520 common shares which represent 0.48% abstained from voting.

**8. CONSIDERATION OF SUCH OTHER MATTERS AS MAY PROPERLY COME DURING THE MEETING**

A question was raised by a shareholder on the Tax Reform package 2 after its approval and asked for the Corporation’s comments regarding the matter. In reply, the Chairman said that the Corporation is supportive of the proposed reform and said that in general it is fair as it will level up the playing field for various corporations and industries within the Philippines. The shareholder also asked if the Corporation has concerns on the issue about the removal of tax incentives under the tax reform package. The Chairman replied that RRHI has no operations availing of such incentives and therefore the Corporation will not be affected. Another shareholder raised a question on which company has the bigger stake in the Rustan acquisition. The Chairman replied that prior to the acquisition, Mulgrave Corporation B.V. owns the 100% stake in RSCI and after the approval of the Philippine Competition Commission, RRHI will subsequently own 100% of RSCI.

Before the meeting was adjourned, the Chairman announced that the Board of Directors had approved a cash dividend in the amount of SEVENTY TWO CENTAVOS (₱0.72) per share from the unrestricted retained earnings of the Corporation as of December 31, 2017, to all stockholders of record as of June 18, 2018 and payable on July 12, 2018.

**9. ADJOURNMENT**

There being no further business to transact, upon motion duly made and seconded, the meeting was adjourned.

**ROSALINDA F. RIVERA**  
Corporate Secretary

ATTEST:

(original signed)  
**LANCE Y. GOKONGWEI**  
Chairman