

MINUTES OF THE MEETING OF THE STOCKHOLDERS OF  
WILCON DEPOT, INC.  
ZOOM WEBINAR  
JUNE 21, 2021 AT 9:00 AM

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**ATTENDANCE:**

TOTAL NUMBER OF SHARES REPRESENTED:	3,445,325,931*
ISSUED AND OUTSTANDING	4,099,724,116
PERCENTAGE OF SHARES REPRESENTED	84.04%

*\*(By Proxy -3,418,161,131; Registered Stockholder -27,164,800)*

**PROCEEDINGS OF THE MEETING**

**I. CALL TO ORDER**

Mr. Bertram B. Lim, Chairman, called the meeting to order and thereafter presided.

The following directors and officers of the Corporation were present:

Chairman Emeritus	Mr. William T. Belo
Chairman	Mr. Bertram B. Lim
President and CEO	Ms. Lorraine Belo - Cincochan
Treasurer	Mr. Mark Andrew Y. Belo
Chief Product Officer	Ms. Careen Y. Belo
Independent Director	Mr. Ricardo S. Pascua
Independent Director	Mr. Rolando S. Narciso
Independent Director	Mr. Delfin L. Warren
SEVP - COO	Ms. Rosemarie B. Ong
Corporate Secretary	Atty. Arthur R. Ponsaran
Asst. Corporate Secretary	Atty. Sheila P. Pasicolan-Camerino
VP - Investor Relations	Ms. Mary Jean G. Alger

**II. PROOF OF NOTICE**

The Corporate Secretary certified that notices of the meeting were sent to all stockholders of record of the Corporation on May 26, 2021, the date the Definitive Information Statement of the Corporation was uploaded. The notice was also published in two (2) newspapers of general circulation, in print and digital format in The Manila Times and Business Mirror on May 30 and 31, 2021.

**III. DETERMINATION OF QUORUM**

The Corporate Secretary certified that based on the record of attendance, stockholders representing **3,445,325,931** shares or 84.04% of the total issued and outstanding capital stock of the Corporation were present, by registered stockholders and by proxy, and that there was a quorum to consider the business stated in the agenda for the meeting.

#### **IV. APPROVAL OF MINUTES OF PREVIOUS MEETING**

The Management by appropriate motion proposed the approval of the minutes of the annual stockholders' meeting held on September 21, 2020. Considering that majority of the votes of the stockholders eligible to vote had already voted in favor of this agenda item, the motion was carried, and the minutes of the annual stockholders' meeting held on September 21, 2020 were hereby approved.

Summary of votes for this agenda item is as follows:

<b>VOTE</b>	<b>NUMBER OF VOTES</b>
FOR	<b>3,445,325,931</b> or 84.04%
AGAINST	0
ABSTAIN	0

#### **V. APPROVAL OF ANNUAL REPORT AND FINANCIAL STATEMENTS**

Proceeding with the agenda, Ms. Lorraine Belo- Cincochan, President - CEO, presented to the stockholders the Annual Report and the Audited Financial Statements as of December 31, 2020. Prior thereto, Mr. William T. Belo, Chairman Emeritus, also presented his message to the Stockholders.

The message, report and presentation of the Chairman Emeritus and President-CEO were attached to the meeting materials presented to the stockholders, are quoted in Annex "A" of the minutes.

The Management by appropriate motion proposed the approval of the Annual Report and approval of the Audited Financial Statements as of December 31, 2020. Considering that majority of the votes of the stockholders eligible to vote had already voted in favor of this agenda item, the Annual Report and the Audited Financial Statements as of December 31, 2020 included in the Annual Report were approved.

Summary of votes for this agenda item is as follows:

<b>VOTE</b>	<b>NUMBER OF VOTES</b>
FOR	<b>3,445,325,931</b> or 84.04%
AGAINST	0
ABSTAIN	0

#### **VI. RATIFICATION OF THE ACTS OF THE BOARD AND MANAGEMENT**

The Management by appropriate motion proposed the ratification of all acts of the Board and Management during the previous year. Considering that majority of the votes of the stockholders eligible to vote had already voted in favor of this agenda item, all acts of the Board of Directors and Officers of the Company during the previous year, from the date of the annual stockholders' meeting held on June 17, 2019 to date, as well as contracts and transactions entered into by the Company for the same period, all as reflected in the minutes of the Board of Directors, the Annual Report and the Audited Financial Statements as of December 31, 2020 were hereby approved and ratified.

Summary of votes for this agenda item is as follows:

VOTE	NUMBER OF VOTES
FOR	3,445,325,931 or 84.04%
AGAINST	0
ABSTAIN	0

## VII. ELECTION OF DIRECTORS

The Chairman thereafter proceeded with the elections of the members of the Board of Directors to serve for the term 2021-2022. Pursuant to the By-Laws, the nominations of directors were based on the recommendations of the Nomination Committee. The stockholders were previously given until June 7, 2021 to submit nominations to the Nomination Committee. Only nominations of the seven (7) incumbent directors were submitted and evaluated during the given period.

The following were nominated as directors:

Ms. Lorraine Belo-Cincochan  
Mr. Mark Andrew Y. Belo  
Ms. Careen Y. Belo  
Mr. Bertram B. Lim  
Mr. Ricardo S. Pascua  
Mr. Rolando S. Narciso  
Mr. Delfin L. Warren

In view of the fact that there were only seven (7) nominees to the seven (7) seats, a motion was made for the above-named nominees/incumbent directors to be elected as Directors of the Corporation.

Summary of votes:

Director Elected	Vote For	Vote Against	Abstain
Ms. Lorraine Belo-Cincochan	3,440,267,131	5,058,800	0
Mr. Mark Andrew Y. Belo	3,433,802,141	5,058,800	6,465,000
Ms. Careen Y. Belo	3,433,802,131	5,058,800	6,465,000
Mr. Bertram B. Lim	3,334,564,231	90,090,000	20,671,700
Mr. Ricardo S. Pascua	3,384,459,631	53,915,900	6,950,400
Mr. Rolando S. Narciso	3,417,566,331	7,573,300	20,186,300
Mr. Delfin L. Warren	3,425,139,631	0	20,186,300

Mr. Bertram B. Lim, Mr. Ricardo S. Pascua, Mr. Rolando S. Narciso and Mr. Delfin L. Warren were nominated and elected as Independent Directors.

## **VIII. APPOINTMENT OF EXTERNAL AUDITORS**

The Chairman informed the stockholders that the next item in the agenda was the designation of the Corporation's external auditors. Pursuant to the By-Laws, the nomination of Reyes Tacandong & Co., was endorsed to the stockholders based on the recommendation of the Audit Committee as well as of the Board of Directors.

The Management by appropriate motion proposed the designation and appointment of Reyes Tacandong & Co. as external auditors of the Company. Considering that majority of the votes of the stockholders eligible to vote had already voted in favor of this agenda item, the designation and appointment of Reyes Tacandong & Co. as the Company's external auditors was hereby approved.

Summary of votes for this agenda item is as follows:

<b>VOTE</b>	<b>NUMBER OF VOTES</b>
FOR	<b>3,438,860,931 or 83.88%</b>
AGAINST	6,465,000
ABSTAIN	14,121,300

## **IX. STOCKHOLDERS' QUESTIONS**

The Chairman inquired if there were other matters to be taken up at the meeting.

Thereupon, the Company's VP - Investor Relations, Ms. Mary Jean Alger presented the questions emailed by the stockholders as follows:

First question was about the ads in social media announcing the launching of the new online site: what is the company's ecommerce or online strategy? What products are being sold online, is it different from the products being sold in physical stores?

This was answered by the Company's SEVP - COO, Rosemarie B. Ong. She said that, she is very happy to share that it has been a very successful launch. The Company's brand ambassador, Luis Manzano, graced the launching, and it created a stir in social media. People now tend to go online and ecommerce to keep up with the times and to reach the customers despite the restrictions that we have until today. That being the case, the Company's strategy which is omnichannel is the integration of the Company's online store and physical store. This has been the best approach for Wilcon, wherein the Company's physical store and online platform complements and support each other with the store as the fulfillment center. The Company wants to differentiate itself to its competitors in terms of providing the seamless experience to its customers. And that being said, the transition to omnichannel allowed the Company to provide shopping options for its customers. Wilcon is present in everywhere, with the strong presence of its sixty - six (66) stores strategically located across the country, Wilcon online store can reach now wider market and works efficiently with the Company's operations as it provides the same features as its physical stores. Wilcon customers can navigate the online stores similarly as what they do in physical store. One thing good is that all categories in the physical store, can be found in the online store. In a nutshell, through

the Wilcon online store, Wilcon can address the needs of its customers especially during this pandemic. And it really complements the experience being provided in Wilcon's physical stores.

Second question was about the continuing store network expansion plan given that Wilcon now has an online store and that we are still in a pandemic.

The President-CEO of the Company answered that Wilcon will still be pursuing the 100-store network by 2025 plan despite the pandemic. For this year the Company is planning to open 9 stores and between 7 to 9 stores per year after until it reaches 100. While Wilcon has a new online site and hopes that it will be generating more sales from the site, but Wilcon's online site is part of Wilcon's omni-channel strategy and is complementary to its physical stores. So, because fulfillment is done through the stores, the more the bigger Wilcon's network, the better reach that Wilcon has.

Third question was about how has the competition changed during this pandemic and will there be a major change in the competitive landscape post-pandemic. The Company's SEVP - COO, Rosemarie B. Ong answered the question by saying that we know that the pandemic may have disrupted the way we conduct our business. But one thing sure, it urged us to think of ways and strategies on how to continually provide our products to our customers despite the restrictions. She is proud to say that Wilcon quickly responded in this highly disrupted time to survive and thrive. Even during pre-covid, when Wilcon did a scanning of the competitive landscape, Wilcon remained to be the market leader because it has the largest in size in terms of gross floor area and has the widest coverage in terms of geographic reach and because it has 66 stores today and still increasing the number of its stores. This pandemic has changed the way people do things, the way they work, the way they study, the way they socialize, and even the way they shop. Wilcon has introduced the channels and the different platforms that would help it connect with its customers because last year when Wilcon was asked to close, it cannot do an end-to-end service to its customers. And during these challenging times, Wilcon continues to innovate. It needs to continually navigate. The Company needs to plan and direct the best course of action, and the best route. Despite that, Wilcon navigates against the current. She said that, post covid, it would be the same as Wilcon does not have that close competition and because the market is still very fragmented, and it became even more fragmented during this time and probably even after covid.

Fourth question was about the change in the product mix change during this pandemic? Is Wilcon selling more furniture and appliances since there has been a slowdown in construction?

The President - CEO answered that in terms of sales growth, in 2020 after Wilcon re-opened its Luzon branches, appliances, furniture, furnishings, housewares had the highest growth rates and their contribution to total sales jumped and for appliances almost doubled. For the first quarter of this year, in terms of contribution to sales it is close to its pre-pandemic mix. Wilcon's core products all through this pandemic remained the tiles and flooring and sanitary wares and plumbing. There was a period that their share in revenues dropped but not low enough to significantly change the

sales mix. So even when construction slowed down, once Wilcon re-opened there were still customers who bought these products either to finish suspended projects or they did renovation work, small repairs and replacements. There were customers also who continued with their new builds since most of them have already planned and engaged contractors, etc. to do their projects. So, the Company saw a good pickup.

Fifth question was, what is the percentage contribution of Q1 2021 sales is through online. Ms. Jean Alger answered that Wilcon has re- launched its new e - commerce site only this May 28, 2021.

## **X. ADJOURNMENT**

There being no other matters or objections, the meeting on motion duly made was thereafter adjourned.

**[Sgd]**  
**ARTHUR R. PONSARAN**  
Corporate Secretary

ATTEST:

**[Sgd]**  
**BERTRAM B. LIM**  
Chairman