

**MINUTES OF THE 2022 ANNUAL STOCKHOLDERS' MEETING OF  
PEPSI-COLA PRODUCTS PHILIPPINES, INC.**

Held virtually via <https://www.pepsiphilippines.com/AnnualStockholdersMeeting2022>  
on 29 June 2022 at 9:00 a.m.  
(Stockholders' Meeting No. 2022/2023-001)

**STOCKHOLDERS PRESENT**

Total No. of Issued and Outstanding Shares entitled to vote	3,693,772,279
Total No. of Shares of Stockholders Participating by Remote Communications	2,577,429,519
Total No. of Shares of Stockholders Voting <i>in absentia</i>	0
Total No. of Shares of Stockholders Present by Proxy	923,578,071
Total No. of Shares Present	3,501,007,590
Percentage Present of the Total No. of Issued and Outstanding Shares entitled to vote	94.78%

**STOCKHOLDERS PRESENT (BY REMOTE COMMUNICATIONS AND BY PROXY)**

Lotte Chilsung Beverage Co. Ltd.  
Quaker Global Investments B.V.  
Johnathan Christian Henry Lalas

**DIRECTORS PRESENT**

Oscar S. Reyes	<i>Chairman and Independent Director</i>
Rafael M. Alunan III	<i>Vice-Chairman and Independent Director</i>
Frederick D. Ong	<i>Director and President and Chief Executive Officer</i>
Vishal Malik	<i>Director</i>
Yongsang You	<i>Director</i>

**OFFICERS PRESENT**

Francis S. Moral	<i>Chief Commercial Officer</i>
Ma. Vivian A. Cheong	<i>Chief Human Resources and Corporate Affairs &amp; Communications Officer</i>
Jin Pyo Ahn	<i>Chief Corporate Strategy Officer</i>
Agustin Sarmiento	<i>Head, Finance Controlling and Chief Risk Officer</i>
Aristedes H. Alindogan	<i>Area Commercial Head (Luzon 2)</i>
Lyndon J. Cuadra	<i>Area Commercial Head (Visayas)</i>
Ian E. Conlu	<i>Area Commercial Head (Mindanao)</i>
Reynaldo M. Israel	<i>National Key Accounts Head</i>
Kristine Ninotschka L. Evangelista	<i>Corporate Secretary</i>
Anna Raeza A. Lacadin	<i>Assistant Corporate Secretary</i>

**I. CALL TO ORDER**

The Chairman of the Board of Directors (the "*Board*") of Pepsi-Cola Products Philippines, Inc. (the "*Company*"), Mr. Oscar S. Reyes, called the meeting to order. The Corporate Secretary, Atty. Kristine Ninotschka L. Evangelista, recorded the minutes of the proceedings.

**II. CERTIFICATION OF NOTICE AND OF QUORUM**

The Corporate Secretary certified that, beginning 08 June 2022 the notice and agenda for the annual stockholders' meeting and the Definitive Information Statement as well as the procedures on participation by remote communications and by proxy, and on voting in absentia, were made available to the stockholders through the Company's website and by email to all stockholders of record as of record date who registered

to participate or vote upon the matters for approval in the meeting. The notice and agenda were also published on 17 May 2022 and 18 May 2022 in the business section of the Philippine Star and Business Mirror, in both print and online formats (*i.e.*, the physical copies of Philippine Star and Business Mirror, and on OneNews.ph and BusinessMirror.com.ph).

The Corporate Secretary also certified that there was a quorum to conduct business, there being a total of 3,501,007,590 shares represented, constituting 94.78% of the total outstanding capital stock of the Company, or more than 50% of the Company's total outstanding capital stock. This figure refers to the number of shares held by stockholders that had sent proxies, confirmed attendance, and completed registration prior to the finalization of the presentation slides for the meeting, and the actual number of shares represented at the meeting, based on the records generated from the online platform.

### **III. INSTRUCTIONS ON RULES OF CONDUCT AND VOTING PROCEDURES**

The Corporate Secretary reported that stockholders were furnished copies of the voting procedures and an explanation of the agenda items. Upon the Chairman's request, the Corporate Secretary explained the rules of conduct and voting procedures for the meeting.

The Corporate Secretary explained that, under the procedures on participation by remote communications and voting in absentia, the stockholders may send their questions or comments to corporatesecretary@pcppi.com.ph and that questions and comments received as of 8:30 a.m. will be read and answered during the discussion of the agenda item, "Other Matters".

The voting procedures provide that stockholders of record are entitled to one (1) vote per share, except in the election of directors where a stockholder may vote such number of shares as he or she holds on record multiplied by the number of directors to be elected (*i.e.*, nine (9) directors). The procedures permit stockholders participating by remote communications to vote through a digital ballot until the end of the meeting. The username and password to access the digital ballot were provided by email to the duly registered stockholders. Stockholders who appointed the Chairman as their proxy have cast their votes using their proxy forms.

The votes were tabulated by the Corporate Secretary. The Corporate Secretary reported that, at the end of the proxy validation process on 26 June 2022, 5:00 p.m., stockholders owning 3,500,707,586 voting shares representing 99.99% of the total voting shares represented in the meeting and 94.77% of the total outstanding voting shares have cast their votes on the items for consideration. The Corporate Secretary referred to this partial tabulation in reporting the voting results throughout the meeting. The remaining votes that were cast are now included and reflected in these minutes.

### **IV. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON 29 JUNE 2021**

The Chairman then proceeded with the approval of the minutes of the annual stockholders' meeting held on 29 June 2021.

The Corporate Secretary reported that the minutes of the meeting was attached to the Definitive Information Statement made available to the stockholders through the Company's website and by email to all stockholders of record as of record date who registered to participate or vote upon the matters for approval in the meeting. A copy of the minutes was also posted on the Company's website.

The Corporate Secretary presented Stockholders' Resolution No. 2022/2023-001, which was displayed on the screen, and reported the approval by the stockholders based on the votes received:

#### **Stockholders' Resolution No. 2022/2023-001**

**FOR APPROVAL BY THE STOCKHOLDERS AT THE 2023 ANNUAL STOCKHOLDERS' MEETING**

RESOLVED, that the stockholders of Pepsi-Cola Products Philippines, Inc. (the "*Corporation*"), approve, as they hereby approve, the minutes of the Corporation's Annual Stockholders' Meeting held on 29 June 2021.

Based on the votes received, the votes on the adoption of Stockholders' Resolution No. 2022/2023-001 were as follows:

<b>Vote</b>	<b>Number of votes</b>	<b>Percentage of shares represented</b>
For	3,501,007,588	99.999%
Against	0	0.00%
Abstain	0	0.00%
<b>Total</b>	<b>3,501,007,588</b>	<b>99.999%</b>

Given the voting results, the Chairman declared that the resolution is deemed adopted and the minutes of the Company's Annual Stockholders' Meeting held on June 29, 2021, is approved.

**V. REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER**

The President and Chief Executive Officer, Mr. Frederick D. Ong, reported on the results of the operations of the Company for the calendar year ended 31 December 2021 and the various initiatives undertaken by Management for the year.

Despite it being the second year of the pandemic Mr. Ong reported that the Company worked through the challenging circumstances and delivered good results for the year 2021 thanks to the hard work, dedication, and openness of the PCPPI team.

Mr. Ong reported that for 2021, the Company made PhP32.8 billion in revenues, PhP6.3 billion in gross profit, and PhP3 billion in earnings before interest, taxes, depreciation, and amortization. With a better portfolio mix and cost containment, net revenue realization increased to 3.5%. By the end of the year, the Company was able to decrease its fixed cost per 8oz by 6%, and its operating expenses by 3%. Total capital expenditures spend was only PhP2 billion, which is PhP1 billion less than was planned.

Mr. Ong also noted that the Company's brands remained strong by augmenting efforts to increase market shares and distribution. Sting led its Non-Carbonated Beverages ("*NCB*") portfolio achieving full year market share increase of 6.3% to 33% this year, while Gatorade and Mountain Dew continued to grow in their respective segments. The Company observed distribution improvements for its single-serve polyethylene terephthalate ("*PET*") and multi-serve PET products as well as in its grocery and convenience store channels. Mr. Ong stated that the Company was able to sustain its momentum from 2021 since it made a head start in 2022 for both carbonated soft drinks ("*CSD*") and NCB, with the first quarter volume surpassing the total sales results in 2021 and pre-pandemic 2019. The Company's leading brands Mountain Dew and Sting posted remarkable growths with 19% and 41% increases versus their 2021 rates, respectively. Mr. Ong then announced the return of Gatorade No Sugar and Pepsi Blue, for which increased brand promotions and activations will be employed to relaunch these products.

Mr. Ong reported the milestone acquisition of the Jollibee Group account led by its National Key Accounts Food Service Team in partnership with Pepsi Lipton International. The Company will begin to serve its own Lipton iced tea as the Jollibee Group's official iced tea product for all Chowking, Mang Inasal, and Greenwich establishments nationwide as well as the Jollibee chain in Visayas, with the Jollibee chain in Mindanao and Burger King establishments, soon to follow.

Mr. Ong also reported that line efficiencies were also improved in 2021 for the Company's returnable glass bottles and PET lines with productivity savings exceeding the target by PhP170 million. The Company is also making strategic investments to expand its CSD PET lines and is working on a new facility capable of producing more PETs catering to the Visayas-Mindanao market. In response to the growing PET market and its tolling costs, the Company's STRO Line 4 became fully operational in February 2021 and currently performs at 92% efficiency. Furthermore, all of the Company's manufacturing plants were issued Safety

Seal Certifications by the Department of Labor and Employment (“*DOLE*”), affirming compliance with general labor standards and occupational safety and health standards.

The Company has also embarked on transformative projects beginning 2021, to strengthen its business even after the pandemic. From a previous location-based organizational design, the Company now implements function-based reporting and structure. It has also (a) adopted a new Go-To-Market strategy, (b) began its design of a revenue management roadmap, and (c) launched Project Explorer which aims to optimize its networks and operation routes. For its digitization agenda, the Company has (d) transitioned to and stabilized an Enterprise Management System, (e) rolled-out an Information Security Plan that ensures the integrity of its information and systems; and (f) launched Project Track nationwide, which automates the Company’s time and attendance recording. For its continued fight against the risk of COVID-19, the Company continues to prioritize the health and safety of its employees by (g) keeping stringent health and safety protocols in place, (h) allowing flexible work arrangements, and (i) providing COVID-19-related benefits and assistance.

With these projects, the Company believes that it will be able to carry out a smarter, faster, and more efficient business. Mr. Ong highlighted that such aspirations for the Company also extend to its employees through programs that continue to develop talents in order to drive performance and engagement as well as cement the ICARE culture of Integrity and Innovation, Care and Respect, Excellence and Empowerment. The Company has implemented functional leadership, functional-based competency, and a standardized organization model. It has since ramped up its core values campaign by calibrating its performance review and promotion processes, and launched Pepsi University’s learning management system: Quick Leadership Know-How, which is a learning digital infrastructure that will provide employees with a resource library, training platform and on-demand learning sessions.

Mr. Ong also reported on the latest accolades gained by the Company for the execution of its programs, such as (1) “Best Change Management Initiative” for its organization transformation initiative – Project Swift; and (2) “Excellence in the Production of Learning Content” for its GREAT Playbook awarded by the Golden Globe Tigers Awards in a ceremony held in Kuala Lumpur, Malaysia. Mr. Ong said that these modest recognitions motivate the Company to always strive for excellence in serving all its stakeholders.

The Company has implemented several measures, in relation to its sustainability commitments of serving its communities and helping heal the planet. The Company in 2021 recycled as much as 182,000 cubic meters of water, and reduced parts of its plastic footprint through packaging innovations and light weighting. The Company also provided aid to the victims of Typhoon Odette, taken part in coastal clean-up drives and tree-planting activities in various parts of the country, and enlisted to be a partner for the Department of Education’s yearly Brigada Eskwela program.

Mr. Ong said that the Company’s 2021 performance is a testament to how it courageously rose from the impact of the pandemic. Although COVID-19 challenged the business and abruptly changed the market landscape, the Company was able to quickly respond, adapt, and think ahead to guard the sustainability and profitability of the business.

Mr. Ong concluded by stating that he looked forward to reaping the benefits of the Company’s transformation journey this 2022. In collaboration with Lotte and PepsiCo, Management will further work towards the achievement of the Company’s mid to long-term profitable growth so that it may ultimately realize its vision of being the leading beverage company in the country. Mr. Ong expressed his gratitude to the Company’s stockholders, customers, employees, as well as his fellow Directors, for their continued trust and support to the Company and encouraged everyone to keep the passion and momentum to build the Company of the future.

After the presentation of the Company’s corporate video, the Chairman stated that the President and Chief Executive Officer’s report on the results of the Company’s operations for calendar year ended 31 December 2021 was noted for the record.

## **VI. PRESENTATION OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

**FOR APPROVAL BY THE STOCKHOLDERS AT THE 2023 ANNUAL STOCKHOLDERS' MEETING**

The Chairman proceeded to the next agenda item, which was the presentation and approval of the Company's Annual Report and Audited Financial Statements ("*AFS*") for the calendar year ended 31 December 2021. The Corporate Secretary reported that copies of the AFS, which forms part of the Company's Annual Report, was attached to the Definitive Information Statement made available to the stockholders through the Company's website and by email to all stockholders of record as of record date who registered to participate or vote upon the matters for approval in the meeting.

The Corporate Secretary presented Stockholders' Resolution No. 2022/2023-002, which was displayed on the screen, and reported the approval by the stockholders based on the votes received:

**Stockholders' Resolution No. 2022/2023-002**

RESOLVED, that the stockholders of Pepsi-Cola Products Philippines, Inc. (the "*Corporation*") note, accept and approve, as they hereby note, accept and approve, the Corporation's Annual Report and Audited Financial Statements for the calendar year ended 31 December 2021.

Based on the votes received, the votes on the adoption of Stockholders' Resolution No. 2022/2023-002, were as follows:

<b>Vote</b>	<b>Number of votes</b>	<b>Percentage of shares represented</b>
For	3,501,007,588	99.99%
Against	0	0.00%
Abstain	0	0.00%
<b>Total</b>	<b>3,501,007,588</b>	<b>99.99%</b>

Given the voting results, the Chairman declared that Stockholders' Resolution No. 2022/2023-002 is adopted, and the Audited Financial Statements for the calendar year ended December 31, 2021, are approved.

**VII. RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT FOR THE PREVIOUS YEAR**

The Chairman proceeded to the next agenda item, which was the ratification of the acts of the Board of Directors and Management from the last annual stockholders' meeting held on 29 June 2021 to date.

The acts and resolutions of the Board of Directors include those of the Board Committees exercising powers delegated by the Board. These acts and resolutions are reflected in the minutes of the meetings, and include the election of officers and members of the Board Committees, appointment of authorized representatives for various transactions, treasury matters, contracts, and other material matters duly and timely disclosed to the Securities and Exchange Commission ("*SEC*") as well as posted on the Company's website. The material matters disclosed to the SEC are also set out in the Company's Annual Report, attached to the Definitive Information Statement that was made available to the stockholders through the Company's website and by email to all stockholders of record as of record date who registered to participate or vote upon the matters for approval in the meeting.

The acts of Management include acts that the Company's officers performed to implement the resolutions of the Board of Directors or the Board committees, or in connection with the Company's general conduct of business.

The Corporate Secretary presented Stockholders' Resolution No. 2022/2023-003, which was displayed on the screen, and reported the approval by the stockholders based on the votes received:

**Stockholders' Resolution No. 2022/2023-003**

RESOLVED, that the stockholders of Pepsi-Cola Products Philippines, Inc. (the "*Corporation*") ratify and approve, as they hereby ratify and approve, all acts and resolutions of the Corporation's Board of Directors,

including those of the Board Committees, all acts of the Management, as well as all contracts and transactions entered into by the Corporation from the last Annual Stockholders' Meeting held on 29 June 2021 to date.

Based on the votes received, the votes on the adoption of Stockholders' Resolution No. 2021/2022-003 were as follows:

<b>Vote</b>	<b>Number of votes</b>	<b>Percentage of shares represented</b>
For	3,501,007,588	99.99%
Against	0	0.00%
Abstain	0	0.00%
<b>Total</b>	<b>3,501,007,588</b>	<b>99.99%</b>

Given the voting results, the Chairman declared that the resolution is deemed adopted; and acts and resolutions of the Company's Board of Directors, including those of the Board Committees, all acts of the Management, as well as all contracts and transactions entered into by the Company from the last Annual Stockholders' Meeting held on June 29, 2021, to date are approved and ratified.

#### **VIII. PRESENTATION OF THE PROPOSED AMENDMENT TO THE AMENDED ARTICLES OF INCORPORATION**

The Chairman proceeded to the next order of business, which was the presentation and approval of the proposed amendment to the Company's Amended Articles of Incorporation.

The Corporate Secretary confirmed that the proposed amendment to the Company's Amended Articles of Incorporation was approved by the Board of Directors in its meeting held on 09 December 2021; and gave a brief overview of the proposed amendments, which were outlined and discussed in the Definitive Information Statement.

The proposed amendment to the Amended Articles of Incorporation sought to reflect the prohibition against the involvement or participation of the Board of Directors in the determination of their remuneration or compensation, in compliance with Section 29 of the Revised Corporation Code, as required by the SEC. In this regard, the Twelfth Article of the Amended Articles of Incorporation was proposed to be amended to include a statement reflecting this rule.

The Corporate Secretary presented Stockholders' Resolution No. 2022/2023-004, which was displayed on the screen, and reported the approval by the stockholders based on the votes received:

#### **Stockholders' Resolution No. 2022/2023-004**

RESOLVED, that the stockholders of Pepsi-Cola Products Philippines, Inc. (the "Corporation") approve, as they hereby approve, the following amendment to the Corporation's Amended Articles of Incorporation:

"TWELFTH: xxx xxx xxx

(e) For as long as the Appointments remain effective, at any board of directors meeting of the Corporation, the affirmative vote of three-fourths or 75% of the directors shall be required for the validity of any of the following acts:

(10) Recruitment, hiring, or otherwise changing terms of employment (including compensation, severance, or termination) for the six (6) highest-paid executives, officers and/or directors of the Corporation other than such terms as recommended by the Nomination and Governance Committee and Compensation and Remuneration Committee of the

Corporation; **provided that no director shall be involved in deciding his or her own remuneration during his or her incumbent term;**

xxx

xxx

xxx”

Based on the votes received, the votes on the adoption of Stockholders' Resolution No. 2022/2023-004 were as follows:

<b>Vote</b>	<b>Number of votes</b>	<b>Percentage of shares represented</b>
For	3,501,007,588	99.99%
Against	0	0.00%
Abstain	0	0.00%
<b>Total</b>	<b>3,501,007,588</b>	<b>99.99%</b>

Given the voting results, the Chairman declared that the resolution is deemed approved, and the proposed amendment to the Twelfth Article of the Amended Articles of Incorporation is adopted.

#### **IX. PRESENTATION OF THE PROPOSED AMENDMENTS TO THE AMENDED BY-LAWS**

The Chairman proceeded to the next order of business, which was the presentation and approval of the proposed amendments to the Company's Amended By-Laws.

The Corporate Secretary confirmed that the proposed amendments to the Company's Amended By-Laws were approved by the Board of Directors in its meeting held on 09 December 2021, and gave a brief overview of the proposed amendments, which were outlined and discussed in the Definitive Information Statement.

The proposed amendments to the Amended By-Laws sought to reflect (a) the 21-day period required under SEC Memorandum Circular No. 3, Series of 2020 for the service of notice for stockholders' meetings, and (b) the prohibition against the involvement or participation of the Board of Directors in the determination of their remuneration or compensation, in compliance with Section 29 of the Revised Corporation Code, as directed by the SEC. In this regard, Article II, Section 3 and Article III, Sections 11 and 13 of the Amended By-Laws were proposed to be amended in compliance with these rules.

The Corporate Secretary presented Stockholders' Resolution No. 2022/2023-005, which was displayed on the screen, and reported the approval by the stockholders based on the votes received:

#### **Stockholders' Resolution No. 2022/2023-005**

RESOLVED, that the stockholders of Pepsi-Cola Products Philippines, Inc. (the "*Corporation*") approve, as they hereby approve, the following amendment to the Corporation's Amended By-Laws:

#### Article II STOCKHOLDERS

SECTION 3. Subject to the rule on proxies and information statements under pertinent laws and rules, notices of every annual or special meeting of Stockholders shall be mailed to the last known post office address of each Stockholder not less than **twenty-one (21) calendar** days prior to any such meeting, and in case of a special meeting such notice shall state the object or objects of the meeting. Notices of special meetings shall be sent by the person or persons issuing the call.

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#### Article III DIRECTORS

SECTION 11. The members of the Board of Directors, ~~the Corporate Secretary and the Assistant Corporate Secretary~~ shall be paid per diems, transportation and representation allowances and/or other similar compensation as the Board may determine and fix from time to time. The members of the Board of Directors, ~~as well as the Corporate Secretary and the Assistant Corporate Secretary,~~ may also be granted additional compensation in such amount and manner as the Board may from time to time fix and determine; provided, further, that the Directors who serve as independent directors, officers or employees of the Corporation may receive such additional compensation as the Board of Directors may determine; and provided, further, that Directors who are appointed to serve on the Executive Committee and other standing committees of the Corporation, may each be paid such additional compensation as the Stockholders may determine **at a regular or special meeting of the stockholders.**

**No director shall be involved in deciding his or her own remuneration during his or her incumbent term.**

xxx xxx xxx

SECTION 13. For so long as the Appointments remain effective, at any Board of Directors meeting of the Corporation, the affirmative vote of three-fourths or 75% of the directors shall be required for the validity of any of the following acts:

xxx xxx xxx

(10) Recruitment, hiring, or otherwise changing terms of employment (including compensation, severance, or termination) for the six (6) highest-paid executives, officers and/or directors of the Corporation other than such terms as recommended by the Nomination and Governance Committee and Compensation and Remuneration Committee of the Corporation; **provided that no director shall be involved in deciding his or her own remuneration during his or her incumbent term;**

xxx xxx xxx"

Based on the votes received, the votes on the adoption of Stockholders' Resolution No. 2022/2023-005 were as follows:

Vote	Number of votes	Percentage of shares represented
For	3,501,007,588	99.99%
Against	0	0.00%
Abstain	0	0.00%
<b>Total</b>	<b>3,501,007,588</b>	<b>99.99%</b>

Given the voting results, the Chairman declared that the resolution is deemed approved, and the proposed amendments to the Articles II and III of the Amended By-Laws are adopted.

## X. ELECTION OF DIRECTORS

The Chairman proceeded to the next order of business, which was the election of the members of the Board of Directors for the year 2022 to 2023.



**FOR APPROVAL BY THE STOCKHOLDERS AT THE 2023 ANNUAL STOCKHOLDERS' MEETING**

The Corporate Secretary read out the following names of the nine (9) nominees for election to the Board of Directors:

**FREDERICK D. ONG**  
**YONGSANG YOU**  
**YUN GIE PARK**  
**JIN PYO AHN**  
**JAY BUCKLEY**  
**PARINYA KITJATANAPAN**  
**VISHAL MALIK**  
**OSCAR S. REYES (Independent Director)**  
**RAFAEL M. ALUNAN III (Independent Director)**

The Corporate Secretary reported that the Chairman and Mr. Alunan have served on the Company's Board of Directors since 2007 and have consistently been re-elected until present, and have again been nominated to be elected this year. The Corporate Secretary noted that under the SEC's Code of Corporate Governance for Public Companies and Registered Issuers, if an independent director who has served for a cumulative term of nine (9) years from 2012 is intended to be re-elected to the Board of Directors, the Board shall provide meritorious justifications and seek stockholder approval during the annual stockholders' meeting.

In compliance with this requirement, the Board of Directors, through Mr. Ong, presented the following justifications for the nomination and re-election of the Chairman and Mr. Alunan as independent directors of the Company:

- (a) Messrs. Reyes and Alunan possess the necessary qualifications and stature which enable them to participate in the deliberations of the Company's Board of Directors competently and actively;
- (b) Messrs. Reyes and Alunan's service on the Company's Board since 2008 has not impaired their ability to act independently and objectively, as they are able to actively lead discussions and weigh differing perspectives on the Company's operations and organization during meetings of the Board of Directors and the committees;
- (c) Messrs. Reyes and Alunan also serve on the boards of other publicly-listed companies, public companies, non-profit organizations, and other entities, which provides them opportunities to gain a broad view of the Philippine economy and the business sector, including the latest developments thereon, thus ensuring that their perspectives on issues are not limited to the industry within which the Company operates. In this respect, and on the other hand, the other regular non-executive members of the Company's Board, who are based abroad, provide an in-depth commercial and technical, as well as global, view of the industry;
- (d) Messrs. Reyes and Alunan's extensive knowledge and understanding of the Company's business, operations, and organization allow them to: make insightful, constructive, and practicable comments on Management's plans and reports while at the same time staying mindful of the Company's past experiences, and ask the necessary questions and clarifications before approval or disapproval of proposed corporate acts; and
- (e) The other regular non-executive members of the Company's Board of Directors have had relatively shorter terms and do not serve on the Board for long durations, which ensure that different perspectives and an appropriate balance of skills and experience are always present in the composition of the Company's Board of Directors.

The Chairman confirmed that the Nomination and Governance Committee of the Board of Directors had passed upon the qualifications and business experience of all nine (9) nominees, including the two (2) nominees for independent director, and ascertained that the nominees possess all the qualifications and suffer none of the disqualifications for election to the Board of Directors. The Nomination and Governance

Committee had approved and certified their inclusion in the Final List of Candidates for election to the Board of Directors for the year 2022 to 2023. The Chairman also confirmed that all the nominees had given their consent to their respective nominations.

The Chairman then requested the Corporate Secretary to report on the results of the voting for the election of the directors. The Corporate Secretary reported and certified that, based on the votes received, each of the nominees for directors has garnered at least 3,500,707,587 votes, which is greater than majority of the outstanding stock of the Company. The final number of votes garnered by each nominee are as follows:

Nominee	Votes		
	For	Against	Abstain
Frederick D. Ong	3,500,707,587	0	0
Yongsang You	3,500,707,587	0	0
Yun Gie Park	3,500,707,587	0	0
Jin Pyo Ahn	3,500,707,587	0	0
Jay Buckley	3,500,707,587	0	0
Parinya Kitjatanapan	3,500,707,587	0	0
Vishal Malik	3,500,707,587	0	0
Rafael M. Alunan III	3,500,707,596	0	0
Oscar S. Reyes	3,500,707,587	0	0

The Corporate Secretary presented Stockholders' Resolution No. 2022/2023-006, which was displayed on the screen, and reported the approval by the stockholders based on the votes received:

#### **Stockholders' Resolution No. 2022/2023-006**

RESOLVED, that the stockholders of Pepsi-Cola Products Philippines, Inc. (the "Corporation") elect, as they hereby elect, the following nominees as members of the Board of Directors of the Corporation for the year 2022 to 2023:

1. FREDERICK D. ONG
2. YONGSANG YOU
3. YUN GIE PARK
4. JIN PYO AHN
5. JAY BUCKLEY
6. PARINYA KITJATANAPAN
7. VISHAL MALIK
8. OSCAR S. REYES (Independent Director)
9. RAFAEL M. ALUNAN III (Independent Director)

Given the voting results, the Chairman declared that all nine (9) nominees are elected as members of the Company's Board of Directors for the year 2022 to 2023.

#### **XI. APPOINTMENT OF EXTERNAL AUDITOR FOR 2022 TO 2023**

The Chairman proceeded to the appointment of the Company's external auditor for the year 2022 to 2023. He requested the incumbent Chairman of the Board's Audit Committee, Mr. Alunan, to convey the recommendation of the Committee on the external auditor to be appointed for the year 2022 to 2023.

Mr. Alunan reported that the Audit Committee had reviewed the performance of the Company's present external auditor, R.G. Manabat & Co. (a member firm of the KPMG network of independent firms affiliated), over the past year and is satisfied with its performance. Mr. Alunan confirmed that the Board of Directors is endorsing the re-appointment of R.G. Manabat & Co. as the Company's external auditor for the year 2022 to 2023.

**FOR APPROVAL BY THE STOCKHOLDERS AT THE 2023 ANNUAL STOCKHOLDERS' MEETING**

The Corporate Secretary presented Stockholders' Resolution No. 2022/2023-007, which was displayed on the screen, and reported the approval by the stockholders based on the votes received:

**Stockholders' Resolution No. 2022/2023-007**

RESOLVED, that the stockholders of Pepsi-Cola Products Philippines, Inc. (the "*Corporation*") approve, as they hereby approve, the appointment of R.G. Manabat & Co. (KPMG Philippines) as the Corporation's external auditor for the year 2022 to 2023.

Based on the votes received, the votes on the adoption of Stockholders' Resolution No. 2022/2023-007 were as follows:

<b>Vote</b>	<b>Number of votes</b>	<b>Percentage of shares represented</b>
For	3,501,007,588	99.99%
Against	0	0.00%
Abstain	0	0.00%
<b>Total</b>	<b>3,501,007,588</b>	<b>99.99%</b>

Given the voting results, the Chairman declared that the resolution is deemed approved, and R.G. Manabat & Co. (KPMG Philippines) is re-appointed as the Company's external auditor for the year 2022 to 2023.

**XII. OTHER MATTERS**

The Chairman asked the stockholders if there were any matters that they would like to take up at the meeting, or if there were any questions regarding the earlier agenda items. There being no other such matters, he requested the Corporate Secretary to read out the questions and comments sent through email, together with the names of the stockholders who sent them. The Chairman requested Mr. Ong to respond to the questions. The Chairman further noted that any questions and comments not taken up during this meeting will be responded to by email.

Mr. Sheryll H. Elic asked if the new normal changed the way the Company operated. Mr. Ong responded that the Company had been in a transformation journey even before the COVID-19 pandemic. Thus, the Company saw the pandemic as an opportunity to evolve. Amidst the crisis, it was able to augment its line capacity, build new lines, complete its digitization and enterprise management system, and engage in more sustainable business practices. With the health and safety of its people remaining as the Company's utmost priority, Mr. Ong said that the Company has further strengthened its health and safety measures. From achieving herd immunity in the workplace, Mr. Ong reported that the Company is also working on reaching its target for booster shots. Mr. Ong reiterated that 100% of the Company's manufacturing plants have been issued Safety Seal certifications by the DOLE, this being a testament to the Company's commitment in safeguarding the health of its employees, business partners and customers against COVID-19. According to Mr. Ong, the foregoing is all part of the corporate-wide effort to enhance productivity and efficiency, as well as align with the Company's principles of innovation, resilience, and growth.

The next question came from Ms. Melode F. Sevilla-Cequina who had two questions about (a) the Company's financial situation given the pandemic; and (b) the Company's initiatives for economic recovery. Mr. Ong responded that the Company had a strong start for its brands this year than in 2021. As the government continues to ease pandemic restrictions, the Company has observed a recovery in consumer spending. This gradual resumption of social and economic activities has helped boost the Company's sales in the first quarter of 2022. The Company however continues to face challenges, particularly due to the rise of commodity prices. Nonetheless, the Company is handling these by finding all means to drive productivity and efficiencies to counter such headwinds. Mr. Ong stated that Management is doing its best to provide its products with the least impact on price. As a way to better hit the Company's targets this year, Management has also resolved to implement various brand initiatives to meet the growing consumer demand while helping strengthen the business of its partner distributors. Mr. Ong affirmed the Company's dedication to drive sustainable and profitable growth, in line with its vision to be the leading beverage company in the Philippines.

The last question was asked by Ms. Eliza L. Salvador, who inquired on (a) how the Company has attained its goal of becoming stewards of the environment; and (b) what its sustainability initiatives for the year are. Mr. Ong responded by affirming the Company's commitment to create a positive impact on the society and the environment. Mr. Ong reported that the Company has participated in nationwide calls for environmental action through efforts such as Earth Hour, Arbor Day, World Water Day, and World Environment Day. The Company is also reinforcing its commitment to reduce energy consumption and plastic use.

## **XII. ADJOURNMENT**

There being no further business to discuss, the Chairman adjourned the meeting and informed the stockholders that the minutes of the meeting will be posted on the Company's website within five (5) business days.

Kristine Ninotschka L. Evangelista  
Corporate Secretary

Attest:

Oscar S. Reyes  
Chairman