

CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.
 Minutes of the Special Stockholders' Meeting (via Remote Communication)
 Principal office at Stella Hizon Reyes Road, Bo. Pampanga, Davao City
 Held on 6 October 2020 at 11 a.m.

STOCKHOLDERS PRESENT:	NO. OF SHARES
UDENNA CORPORATION	1,275,384,598
represented by LEANDRO E. ABARQUEZ	
DENNIS A. UY	1
CHERYLYN C. UY	1
CHRYSS ALFONSUS V. DAMUY	1
EDUARDO A. BANGAYAN	1
MIGUEL RENE A. DOMINGUEZ	1
JESUS S. GUEVARA II	1
GENER T. MENDOZA	1
ARTHUR KENNETH L. SY	1
EFREN E. UY	1

Total	1,275,384,607
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Total number of shares outstanding	1,821,977,615
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Percentage of shares present in person or by proxy	70.87%
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ALSO PRESENT:

IGNACIA S. BRAGA IV
REYNALDO A. PHALA
LEANDRO E. ABARQUEZ
KATHERINE A. AGBAY
MA.HENEDINA V. SAN JUAN

I. CALL TO ORDER

The Chairman, **DENNIS A. UY**, called the meeting to order and presided over the same. The Corporate Secretary, **MA. HENEDINA V. SAN JUAN**, recorded the minutes of the meeting.

II. CERTIFICATION OF QUORUM

The Corporate Secretary said that based on the record of attendance, the stockholders attending the meeting in person and by proxy represent 1,291,270,000 Common Shares of the 1,821,977,615 outstanding capital stock of the Company, which constitutes 70.87% of the total outstanding capital of the Corporation as of Record Date of 15 September 2020. Thus the Corporate Secretary certified that a quorum was present for the transaction of any business.

III. REPORT OF PRESIDENT & CEO / MANAGEMENT REPORT FOR THE YEAR 2019

The President & CEO Chryss Alfonsus V. Damuy reported on the results of operations of the Company for the year 2019. Thereafter, the Corporation's Chief Financial Officer Ignacia S. Braga IV reported on the financial highlights for 2019.

After the reports of Mr. Damuy and Ms. Braga, there were questions from the stockholders on the Company's plans to manage leverage and interest costs; the Company's plans to improve shareholders' value; the Company's plans to modernize its fleet; the impact of Covid 19 on operations and businesses of the Chelsea Group; and the possible partnership with local or regional shipping and logistics players. The Company representatives responded to all questions from the stockholders and briefly discussed the same.

IV. MATTERS FOR STOCKHOLDERS' APPROVAL AND RATIFICATION

President & CEO Chryss Alfonsus V. Damuy explained that there are items requiring stockholders' approval in connection with the amendment of the Articles of Incorporation of the Corporation, namely:

- a. Increase in the Authorized Capital Stock of the Company from ₱2,000,000,000.00 to ₱3,500,000,000.00, divided into 3,490,000,000 Common Shares and 10,000,000 Preferred Shares, both with the par value of ₱1.00, and the amendment of the Seventh Article of Articles of Incorporation to effect this increase in the Authorized Capital Stock;
- b. Change in the feature of the Preferred Shares from Non-convertible to Convertible, and the Amendment of the Seventh Article of the Articles of Incorporation to effect the change in the feature of the Preferred Shares.

Ms. San Juan reported that of the votes submitted by stockholders online, an affirmative vote of at least 2/3 of the votes cast was received for the approval of the above items. Ms. San Juan reminded the stockholders present at the meeting and who have not voted, to cast their votes via email at SSM@chelsealogistics.ph until 2 p.m., by filling out and submitting the Proxy/Ballot Form.

Chief Financial Officer Ignacia S. Braga IV said that the next item on the Agenda for approval and ratification of the stockholders is the subscription by Udenna Corporation to additional Common Shares from the increase in the Authorized Capital Stock. Ms. Braga explained that of the increase in the Authorized Capital Stock, Udenna Corporation will subscribe to an additional 375,000,000 Common Shares, and of this subscription, 25% will be paid-up and the subscription price of ₱3.26 per share or the total amount of ₱305,625,000.00 will be paid through the conversion of the existing advances to the Company. Ms. Braga further explained that the subscription price was based on the 90-day VWAP from February 26 to July 9, 2020.

Ms. San Juan reported that of the votes submitted by stockholders online, an affirmative vote of the majority of the votes cast approved the above item.

Ms. Braga said that the next item on the Agenda for approval and ratification of the stockholders is the approval by the Board of Directors of the Subscription Agreement with Global Kingdom Investments for 500,000 Preferred Shares at the issue price of One Thousand Pesos (₱1,000.00) per share or the total subscription amount of P 500,000,000.00. Ms. Braga said that based on the Subscription Agreement which was approved by the Board of Directors on July 10, 2020, Global Kingdom will pay for its subscription in cash in 3 tranches: the first tranche of ₱100,000,000.00 was paid upon signing of the Subscription Agreement; the second tranche of ₱200,000,000 within 30 days from Stockholders' approval; and the third tranche of ₱200,000,000, upon approval by the Securities and Exchange Commission of the Amended Articles of Incorporation of the Company. Ms. Braga added that the features of the Preferred Shares subscribed by Global Kingdom are as follows:

- a. Earn cumulative cash dividend at a rate of 8% per annum payable upon the Board of Directors' approval and declaration;
- b. Convertible to Common shares at any time from the date of issuance up to the 5th anniversary date, at the option of the Subscriber, valued at the 90-day VWAP of the Company's Common shares at the Philippine Stock Exchange at the time of the signing of the Subscription Agreement, inclusive of any unpaid cumulative accrued dividends. If the Perpetual Preferred Shares are not converted to Common Shares by the Subscriber or redeemed by the Issuer by the end of 5 years, the cumulative cash dividend rate shall increase by 150 basis points, and an additional 100 basis points for each anniversary thereafter. The Subscriber shall be paid pro rata dividends earned at the time of the conversion;
- c. May be redeemed at the option of the Company at the end of 2 years from its issuance, or every year thereafter, at the net redemption price of 120% of the issue price, inclusive of cumulative cash dividends, paid or unpaid

Ms. San Juan reported that of the votes submitted by stockholders online, an affirmative vote of the majority of the votes cast approved the above item.

V. QUESTIONS FROM THE STOCKHOLDERS

The Chairman said that there were questions sent by the stockholders via email regarding the present state of the shipping and logistics industry with the Covid pandemic; the measures taken by Management to address the industry downturn; and the outlook for the next few months. President & CEO Mr. Damuy responded to all these questions from the stockholders and briefly discussed the same.

VI. ADJOURNMENT

There being no other matters to be discussed, upon motion duly made and seconded, the meeting was adjourned at 11.45 a.m.

CERTIFIED TRUE AND CORRECT:

MA. HENEDINA V. SAN JUAN
Corporate Secretary

ATTESTED:

DENNIS A. UY
Chairman