

**DRAFT
FOR SHAREHOLDERS' APPROVAL**

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

20 May 2015 at 2:00 p.m.
at the Ballroom, City of Dreams Manila
Parañaque City, Metro Manila

TOTAL NUMBER OF SHARES OUTSTANDING	286,983,410
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	211,424,823

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

WILLY N. OCIER
MANUEL A. DE LEON
CARMELITA D.L. CHAN
TARCISIO M. MEDALLA
HENRY N. OCIER
FREDERIC C. DYBUNCIO
JERRY C. TIU
WILSON L. SY
LAURITO E. SERRANO

The presence of the following executive officers of the Corporation were likewise acknowledged:

JASON C. NALUPTA
RHEDERICK B. INCIONG
VIRGINIA V. ABO-HAMDA
ROMEO J. ROQUE, JR.
MISCHEL GABRIELLE E.Y. OCIER
MARY ANNE B. BUGARING
IRENE L. BAUTISTA
LUCILA A. TAGUBA (Lucky Circle Corporation)
ANTONIO P. REYES (Total Gaming Technologies, Inc.)

CALL TO ORDER

The Chairman, Mr. Willy N. Ocier, called the meeting to order and presided over the same. The Assistant Corporate Secretary, Mr. Jason C. Nalupta, recorded the minutes of the proceedings.

CERTIFICATION OF QUORUM

Upon the request of the Chairman, the Assistant Corporate Secretary certified that, based on the certification of the courier service engaged by the Corporation, notices of the meeting were sent to all shareholders of record as of 20 April 2015 in accordance with the provisions of the By-Laws. The Chairman instructed the Assistant Corporate Secretary to append the Certificate attesting to the mailing of notices to the original Minutes of the Meeting.

The Assistant Corporate Secretary certified that, based on the register of attendees and proxies as tabulated by the Corporation’s Stock Transfer Agent, out of the Two Hundred Eighty Six Million Nine Hundred Eighty Three Thousand Four Hundred Ten (286,983,410) shares of the total outstanding capital stock of the Corporation, Two Hundred Two Million Two Hundred Fifty Thousand One Hundred and Seventy (202,250,170) shares were represented by proxy and holders or Nine Million One Hundred Seventy Four Thousand Six Hundred Fifty Three (9,174,653) shares were present in person, or a total of Two Hundred Eleven Million Four Hundred Twenty Four Thousand Eight Hundred Twenty Three (211,424,823) shares, representing 73.67% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

APPROVAL OF THE PREVIOUS MINUTES

Upon motion duly made and seconded, the reading of the minutes of the previous Annual Shareholder’s Meeting of 23 May 2014 was dispensed with and the same was approved as circulated, with the shareholders voting as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	211,424,823	0	0

The following resolution was likewise approved:

“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of Pacific Online Systems Corporation held on 23 May 2014 be approved.”

MANAGEMENT REPORT ON 2014 OPERATIONS AND RESULTS

At the request of the Chairman, Ms. Mischel Gabrielle E.Y. Ocier, Corporate Planning Specialist of the Corporation, presented the highlights of the Corporation’s operations for Year 2014, and reported as follows:

Since Pacific Online Systems Corporation’s (POSC) inception in 1996, the company has focused on serving its principal client, the Philippine Charity Sweepstakes Office (PCSO), in distributing its lottery products across the archipelago.

In fact, PCSO’s aggregate nationwide sales of Lotto and Keno handled by POSC hit P15.2 billion in 2014, up 7 percent from the previous year, thus setting a record high for your company. The consolidated revenues increased to P1.7 billion in 2014, up 6 percent from P1.6 billion the previous year. The company’s net income likewise jumped from P325 million in 2013 to P366.5 million 2014, resulting in a 13 percent upswing.

This year, however, marks a crossroad for the company as we look back on where we came from, and envision where we want to go. We are challenged by the prospects of growth in gaming, and with that initiative, we are gaming forward.

Over the past decade we have laid the groundwork for the aggressive expansion of lottery terminals in the Visayas and Mindanao regions to distribute PCSO’s lottery products. The company rolled out 4,036 terminals in 2014, representing an 8.5 percent rise from 3,719 terminals in 2013.

The company also proactively addressed the need for customer engagement by introducing new variants of Scratchit!™ KaskaSwerte (“scratch for luck”) instant tickets every year. In 2014, the “Pusoy Dos”, “Lucky Horse”, and “Spicy Hot” variants were launched, thereby offering the market a 14-game roster of instant tickets.

Pacific Online’s subsidiary, Total Gaming Technologies, Inc. (TGTI), closed 2014 with a 43.2 percent rise in Keno sales. The growing awareness of Keno as a profitable complementary product to Lotto and Scratchit!™ is due to TGTI’s aggressive Keno retailer recruitment program. A total of 330 terminals were installed in 2014, capping the year end with 1,261 terminals, or a growth of 23 percent compared to 1,029 terminals in 2013.

To continue POSC’s growth and performance, the company will capitalize on the collaboration of gaming and technology. We believe the success of both depends on each other. As an equipment and system integrator, POSC is a technology-driven company at its core. Aside from its service to the PCSO, it is concurrently upgrading its back-end infrastructure to provide efficient service to its clients, and to prepare for future business expansion.

Pacific Online is also currently working to reinforce its operating credentials through compliance with world-class standards set by the International Organization for Standardization (ISO). Our target is to receive the ISO 9001 (Quality Management System standard) and ISO 27001 (Information Security Management standard) certification in 2015.

We believe these efforts are indications that we are gaming forward, and forward is the direction to the future. We are not solely a gaming supplier; we are also investing in technology so that we can churn out cash for our stakeholders and shareholders through gaming.

Finally, we will continue to sharpen our capabilities and accelerate our readiness for the future of gaming.

Together with our board of directors, management, and employees, we thank you for your support.

Thereafter, the Chairman opened the floor for questions to be raised on the report on the Corporation’s operations. No questions, however, were raised by the shareholders present on the reports on the Corporation’s operations and its Audited Financial Statements. No questions having been raised, the President’s Report for the year ended December 31, 2014 together with the Audited Financial Statements for the Fiscal Year ended December 31, 2014, upon motion duly made and seconded, were approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2014 Operations and Results and 2014 Audited Financial Statements	211,424,823	0	0

The following resolution was likewise approved:

“RESOLVED, that the President’s Report on Pacific Online Systems Corporation’s Operations and Results for 2014, together with the Audited Financial Statements for the year ended December 31, 2014, be approved.”

RATIFICATION OF CORPORATE ACTS

The next item in the agenda was the ratification of the corporate acts.

After the motion to confirm, ratify, and approve all the acts of the Board of Directors and Officers of the Corporation from the date of the last meeting up to date of the present meeting was duly made and seconded; the Chairman opened the floor for issues to be taken up pertaining to the ratification of all corporate acts. No questions or issues, however, were raised about the corporate acts. Accordingly, motion was then approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of Corporate Acts	211,424,823	0	0

The following resolution was likewise unanimously approved:

“RESOLVED, that all acts of the Board of Directors and Officers of Pacific Online Systems Corporation from the date of the last meeting of the shareholders on 23 May 2014 up to the date of this meeting, are hereby confirmed, ratified and approved.”

ELECTION OF DIRECTORS

The Chairman announced that the next item in the agenda is the election of the members of the Board of Directors for the ensuing year. He noted that the profiles of those nominated for election as members of the Board were included in the Company’s Information Statement as well as in the Annual Report. The information included their age, nationality, qualifications dates of first appointment and other directorships in publicly-listed companies.

After their nominations were duly made and seconded from the floor, the following stockholders receiving the votes indicated opposite their names were elected as directors for the year 2015-2016, to serve as such until their successors shall have been duly elected and qualified:

	No. of Votes Received
WILLY N. OCIER	211,424,823
MANUEL A. DE LEON	211,424,823
CARMELITA D.L. CHAN	211,424,823
FREDERIC C. DYBUNCIO	211,424,823
TARCISIO M. MEDALLA	211,424,823
LAURITO E. SERRANO	211,424,823
HENRY N. OCIER	211,424,823
JERRY C. TIU	211,424,823
WILSON L. SY	211,424,823

Messrs. Serrano, Tiu and Sy were elected to serve as the Corporation’s Independent Directors.

APPOINTMENT OF EXTERNAL AUDITOR

The Body next considered the appointment of the Corporation’s external auditors for Year 2015-2016. The Chairman announced that the Corporation’s Audit Committee has recommended, and the Board of Directors has endorsed for the consideration of the shareholders, the re-appointment of R.G. Manabat & Co. as the Corporation’s external auditor for Year 2015-2016.

No questions or objections having been raised by the shareholders present despite opportunity having been given by the Chairman, the proposal to re-appoint R.G. Manabat & Co. as the Corporation’s external auditor for Year 2015-2016 was approved by the shareholders as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of R.G. Manabat & Co. as External Auditor for 2015-2016	211,424,823	0	0

The stockholders likewise unanimously approved the following resolution:

“RESOLVED, that the auditing firm of R.G. Manabat & Co., be appointed as the Company's external auditor for the year 2015-2016.”

ADJOURNMENT

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

Attested by:

WILLY N. OCIER
Chairman

JASON C. NALUPTA
Assistant Corporate Secretary