

**MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF  
FIRST PHILIPPINE HOLDINGS CORPORATION  
HELD AT THE ROCKWELL TENT, ROCKWELL CENTER  
J.P. RIZAL AVENUE, MAKATI CITY  
ON MAY 26, 2014**

---

The annual meeting of the stockholders of First Philippine Holdings Corporation (“Corporation”) was held at 10:00 a.m. on May 26, 2014 at the Rockwell Tent, Rockwell Center, Makati City. The following Directors were present at the meeting:

Present:           Mr. Oscar M. Lopez  
                      Mr. Federico R. Lopez  
                      Mr. Manuel M. Lopez  
                      Amb. Cesar B. Bautista  
                      Mr. Arthur A. De Guia  
                      Mr. Peter D. Garrucho, Jr.  
                      Mr. Oscar J. Hilado  
                      Mr. Elpidio L. Ibañez  
                      Mr. Eugenio L. Lopez III  
                      Chief Justice Artemio V. Panganiban  
                      Mr. Francis Giles B. Puno  
                      Mr. Ernesto B. Rufino, Jr.  
                      Mr. Juan B. Santos  
                      Mr. Washington Z. Sycip

Absent:            Mr. Augusto Almeda-Lopez

**CALL TO ORDER**

The meeting was called to order by Mr. Federico R. Lopez, Chairman of the meeting. The minutes of the proceedings were recorded by Mr. Enrique I. Quiason, Corporate Secretary.

**PROOF OF NOTICE**

The Secretary reported that notices of the annual meeting of the stockholders had been sent to the stockholders of the Corporation. He had executed a certification to that effect. The Chairman directed the Secretary to append the said certification to the minutes of the meeting.

## **DETERMINATION OF QUORUM/GROUND RULES**

The Secretary reported that out of the 552,771,958 common shares issued and outstanding, there were present either in person or represented by proxy 411,261,210 shares of the common stock representing 74.40% of the outstanding voting stock of the Corporation. There being a quorum, the Chairman of the meeting declared the meeting open for the transaction of business. A few of the proxies submitted and validated carried approvals for, abstentions or opposition to some of the matters to be discussed during this meeting. While the abstentions or opposition are not significant and will not affect the results of the voting, they will nevertheless be made part of the records and noted for each item under consideration.

For fair, orderly, and efficient proceedings, the Corporate Secretary advised that the following ground rules were going to be observed during the meeting:

(a) Each stockholder shall be allowed one (1) vote per share. In case of election of directors, a shareholder is allowed to cumulate his votes;

(b) A stockholder who wishes to take the floor must identify himself and direct his question to the Chairman. If he is a holder of a proxy, he is to state this fact and the name of the stockholder who granted him the proxy. He must first be recognized by the Chairman before he can have the floor;

(c) Questions or comments from the floor will be entertained subject to the following:

(i) Only questions or comments relevant to the particular item in the agenda being discussed will be allowed;

(ii) To give equal chance to everyone – a stockholder can ask one (1) question or give one (1) comment. If there are questions or comments which could not be entertained on the floor, a stockholder may submit his/her position in writing to the Office of the Corporate Secretary within five (5) days from today;

(d) A stockholder shall be given, at most, two (2) minutes to ask a question or to discuss his comments;

(e) Voting shall be by viva voce. The stock transfer agent shall assist in the recording of votes.

The Chairman may waive or allow exceptions to the foregoing rules if, in his judgment, he deems it necessary or proper under the circumstances. Any person who fails to follow the foregoing guidelines may be declared out of order and barred from further participation in the proceedings or escorted from the venue.

The Corporate Secretary reminded everyone to observe proper decorum and due courtesy during the meeting.

## **APPROVAL OF MINUTES OF PREVIOUS MEETING**

On motion made and seconded, the reading of the minutes of the Annual Stockholders Meeting held last May 27, 2013, copies of which had earlier been circulated to the stockholders, was dispensed with, and the minutes were approved as recorded.

Stockholders representing 410,828,727 shares or 74.32% of the shares present or represented at the meeting voted in person or by proxy in favor of approving the minutes of the annual stockholders meeting held on May 27, 2013. No stockholder abstained from voting on this particular matter.

## **THE CHAIRMAN'S REPORT**

Mr. Federico R. Lopez, the Chairman & Chief Executive Officer, then rendered his annual report, thus -

*“The legendary Chief Executive of Procter & Gamble (P&G) RR Deupree, who led the company through the turbulent 1930’s depression and World War II, liked to say of P&G that “you can take away our money, our buildings, and our brands but if you left us our people we could rebuild everything in less than a decade”. Today’s P&G executives like to refer to Deupree’s words as a testament to an organization that’s always been driven by purpose and guided by values.*

Much of Deupree’s words remind me of our own history at First Philippine Holdings (FPH) over the last 50+ years and how many of our own closely-held values have guided us through dangerous pathways, coursing the ups and downs of Philippine history. But every time it looked like all had been lost as a result of upholding those values, our family has many times shown a resilience that continually propels us to build back stronger than before.

When my father, our Chairman Emeritus Oscar M. Lopez, led our group through the process of identifying our core Lopez values a few years ago, we initially thought it would be a wordsmithing exercise; a search for nice sounding phrases that echo of motherhood and love of God and country. The process took several months and for many of us involved reflection, self-examination and understanding our

history and how we got here. When we were done, we discovered many truths about FPH and our DNA.

Today that deeper understanding of who we are is not only a source of pride but also both a rudder and a compass by which we steer your company towards growth amidst the many challenges it brings. Those seven values: A Pioneering Entrepreneurial Spirit, Business Excellence, Unity, Nationalism, Social Justice, Integrity and a concern for Employee Welfare and Wellness today are more than just words to us.

These values are always being put to the test as FPH and its affiliates in the broader Lopez group go about their business. Last year there could not have been a greater test than the onslaught of history's most powerful storm ever to hit land, Typhoon Yolanda, internationally known as Haiyan. The typhoon knocked out the entire 506 MW of capacity running at First Gen's EDC geothermal plants in Leyte as well as all forms of communication, electricity, water and emergency services on the island. We hadn't heard from our employees in the immediate aftermath of the storm and we would later discover that not a single one of them, their families or their homes was spared from the destruction.

All that would have been enough to leave lesser companies stunned, paralyzed and cowering inward. But much of what transpired in the early days after the storm would show just how deeply ingrained those core values are in the way FPH does business.

Days before Yolanda hit land, our construction subsidiary First Balfour, positioned its heavy equipment such as bulldozers, dump trucks, boom trucks and backhoes in critical areas within the EDC plant sites, fully fuelled up and ready to run. Thus, immediately after the storm passed, they mobilized and cleared fallen trees, posts and debris blocking more than 15 kilometers of roads between Kananga and Ormoc City --- paving the way for movement of people, supplies and relief goods within that vital corridor.

Of course, our primary concern was for the safety of all our employees. However, in the immediate hours after the storm's passage, we heard nothing from any one in Leyte. The radio silence was deafening. Presuming the worst had happened, a rescue team bringing water and limited supplies was organized to motor from EDC Bacman in Sorsogon to make the crossing to Leyte and locate our employees there. Fortunately, in just a few days our teams accounted for every one of them, assessed their needs and quickly mobilized relief, emergency supplies and cash for them.

Many of those same employees, despite being victims themselves, and still without complete roofs over their heads, quickly bounced back to become the backbone of dramatic relief efforts on the island.

Five gensets and more than 22,435 liters of fuel were brought in to power two hospitals, the municipal halls of Ormoc and Kananga and the water district facilities of Ormoc, restoring water service to close to 80% of the city.

Various FPH and Lopez group companies mobilized and hired jet aircraft, heavy-lift helicopters and a handful of the largest capacity landing barges in the country in what was probably the most extensive logistical relief and rescue effort ever mounted by a private sector entity. That effort mobilized relief goods, supplies and medical assistance from EDC, ABS-CBN's Sagip Kapamilya and the Department of Social Welfare and Development (DSWD) that would ultimately provide more than 10.7 million meals to more than a million affected lives in the weeks immediately following the storm. But more than sheer numbers, I like to tell our people that our group's ability to have mobilized a well-oiled logistical operation in the air, at sea and on the ground in the early days after Yolanda was priceless and provided hope to a devastated community precisely when they so needed it most.

Of course, behind the high drama of rescue and relief efforts, management and employees at EDC completely restored 530 MW of available capacity in our Leyte geothermal plants. Five months earlier than planned. In addition, we will rebuild our plants and inventory of spares to be better prepared should, God forbid, similar events come our way again in the future.

Today, we continue to be the national government's development sponsors in both Ormoc City and Kananga as well as District 2 of Leyte, helping rebuild their schools with stronger designs and providing training that will help the people of Kananga become certified masons, electricians, carpenters, plumbers and welders. We will equip them with skills that will not only be needed for the massive rebuilding of their devastated province but could also be the means to reinvent their lives away from the low wage agriculture and fisheries that keep so much of Leyte mired in poverty. Who knows, maybe we can help them turn this crisis into a golden opportunity to rebuild their lives stronger and better than before.

The response of our group of companies to Yolanda demonstrates the deeper purpose and values that has and will continue to drive FPH and the Lopez group into the future. They are values that do not only show up in times of adversity but in every strategic or tactical decision we make for our various businesses daily.

There's a common purpose that inspires everything we do at FPH and that is to *"uplift lives through key industries and infrastructure that advance national development"*. It was present when my grandfather, Eugenio Lopez Sr., acquired Meralco from its American owners in 1961 and built it into the largest Filipino-run electric

utility with a power supply and service standards that could have supported the country's pre-martial law potential as an Asian powerhouse. It was there as he established the country's first oil transport pipeline in 1969 and the country's first transformer manufacturing facility in 1970. It was there when my father brought FPH back into power generation with the oil-fired Bauang Private Power Plant in 1995; but most especially when we ushered in clean natural gas from Malampaya into the Philippine energy mix as we anchored half the field's demand by building the country's most efficient power plants, Sta. Rita and San Lorenzo, in 2000 and 2002 respectively.

Although we have only recently articulated FPH's vision and values in words, they have always been with us through two generations and continue to gather strength among the third generation of leaders at the helm today. I can see it as we build the San Gabriel and Avion power plants that will catalyze the importation of Liquefied Natural Gas into the Philippine energy mix before this decade is over. I can see it driving us as we build one of Southeast Asia's largest wind farms in Burgos, Ilocos Norte before the summer of next year. I can also feel it propelling us in the same way that my grandfather brought Meralco to new heights; we will bring EDC and Filipino geothermal expertise to new lands and the global arena.

Our core businesses are geared to support our country's potential as it takes its place among the world's fastest growing economies. In like manner, First Balfour is in the midst of transitioning its capabilities towards the need for world class construction and energy services here in the country that can match and support First Gen's growth aspirations in power and energy. We envision that synergies between First Balfour and the First Gen companies will deepen in the coming years and will be nothing but beneficial for both companies. Our property subsidiary First Philippine Industrial Park is in expansion mode and hopes to keep pace with the growing demand from foreign investors for quality sites to locate their manufacturing operations in Asia. Philippine demographics today make us one of the youngest with a median age of 23 and the 12th most populous nation on the planet. The fact that more than 61% of our population today is of working age puts us squarely in place to reap the so-called demographic dividend. Of course that can only happen if the Philippines educates the youth properly and supports the right conditions that create quality jobs even for the swelling number of unskilled workers that seek to join the labor force each year. FPIP has taken on that mission of creating a park that will attract and enable foreign manufacturers to utilize the best resources our country has to offer by locating their factories here in the Philippines. It's not farfetched for us to imagine the day when Filipino workers need not go abroad to find work and families can grow up together because everyone has access to excellent jobs right here.

Of course a vibrant economy must have quality spaces where you can live, work and play. Better yet, why not integrated real estate developments where you can do all three! That's precisely the niche where our commercial and residential property arm Rockwell Land has built its brand. Today, it's not only capitalizing on its initial success in this space but moving prudently into mid-market developments as well.

This past year did not lack of challenges for us to beat, and beat them we did! I believe that the coming years will validate much of the careful and deliberate thought and planning we've undertaken to prime our platform of businesses for success. I have no doubt of the upward trajectory of our bottom-line in the years to come, but what is even more certain is that our growth will always be underpinned by the vision we share for a better country and a better world. One that's "powered by good".

## **THE PRESIDENT'S REPORT**

Mr. Elpidio L. Ibañez, President & Chief Operating Officer of the Corporation, was given the floor and rendered his report, thus -

"Mr. Chairman Emeritus,  
Mr. Chairman,  
Fellow Shareholders,

As they say: when it rains it pours. The year 2013 was what I would call a "stress test" for FPH and its subsidiaries. We encountered setbacks on several fronts, such as the unforeseen circumstances that prolonged the rehabilitation of our Bacon-Manito (Bacman) plant in Albay; the transformer fire in the San Lorenzo plant in Batangas; and, of course, the damage sustained by Unified Leyte, whose production was reduced to zero after a direct hit from Typhoon Yolanda.

These challenges posed a vital question: "Do our business operations have the structures and systems in place to survive such dire circumstances?" The year 2013 was a test of our resilience and cohesiveness as a group, and I am happy to say that we passed this test. Everyone—wherever they may be in the organization—faced this "stress test" and proved that we are an organization that's "built to last".

The challenges do not end there, however. There will always be more ahead, and we will continue to face these challenges head-on. The task now is to anticipate and pre-empt the disruptive effects that unforeseen events may have on our operations.

Amid all the damage that we sustained, we pulled out all the stops to get our plants running as soon as possible. We ordered one 20 MW generator for Bacman Unit 3—which has been running since June 2013 – as well as two new turbines for Units 1 and 2. For San Lorenzo, meanwhile, we commissioned the world’s largest aircraft, the Antonov 225, in order to expedite the delivery of a replacement transformer for Unit 60. It arrived in November 2013, four months ahead of schedule and, the following month, Unit 60 was back in operation.

In Leyte, partial re-commissioning of the Upper Mahiao and the Optimization plants was achieved as early as late November; while, as of March 2014, all units of the Tongonan and Malitbog plants and two units of the Mahanagdong plant have been successfully re-energized. Thanks to swift and purposive actions, EDC has energized 100% of our Leyte plants five months ahead of schedule.

Our risk management efforts—which we have been undertaking for many years now—proved to be effective. For instance, while some of our plants suffered a significant amount of damage, we did the right thing by making sure that they were well-insured and well-structured. Thanks to the Group’s foresight and investment in the right instruments, we have a big chance of recovering a major part of the damage and, hopefully, even some lost revenue from business interruptions.

Even then, we remain conservative with our assumptions. We have only booked a \$1 million advance indemnity payment. The bulk of our insurance claims will only be recognized when we receive the proceeds. Thus, the numbers for 2013 already show most of the losses but not the possible recoveries. This means that, for your Company, there remain some upsides.

Despite the setbacks, we managed to perform reasonably well. First Philippine Holdings (FPH) generated a consolidated net income of ₱6.6 billion for the year ended December 31, 2013, a 60% decrease from the ₱16.5 billion in 2012. Net income attributable to equity holders of the Parent amounted to ₱2.4 billion, in contrast to last year’s ₱9.2 billion. This was primarily due to the absence of the previous year’s gains on the sale of Meralco shares and on the fair value re-statement of our investment in Rockwell Land. The First Gen group suffered from the temporary shutdown of San Lorenzo’s Unit 60, lower revenues from ancillary services and WESM by FG Hydro, and Energy Development Corporation’s (EDC) foreign exchange losses on long term debt and the effect of typhoon Yolanda. Likewise, First Philippine Industrial Park (FPIP) generated lower land sales in 2013. These were, however, partially offset by the higher contribution of Rockwell Land’s residential development on account of higher sales and construction completion of on-going

projects and the increase in revenues of First Balfour on its construction contracts.

### ***Continued Growth***

In 2013, we further cemented our position as one of the biggest players in the nation's energy landscape. **First Gen** broke ground on the San Gabriel Power Plant, which, upon the completion of all phases, will be producing a total of 1,300MW of natural gas power. Under the auspices of the **Energy Development Corporation (EDC)**, the First Gen group progressed on the Burgos Wind Farm, which is set to commence initial commercial operations in late 2014. We have also expanded its capacity from 87MW to 150MW.

We have much to look forward to in real estate as well. The income booked by **First Philippine Industrial Park (FPIP)** was strong, even when compared to the banner year that 2012 was. Moreover, we were able to expand FPIP's landbank by 30 hectares on top of the 60 hectares last 2012. Meanwhile, **Rockwell Land** in 2013 once more broke new ground, with its expansion into the middle market through 53 Benitez, all the while enhancing its position in the luxury market, thanks to the Proscenium. Rockwell has also expanded to Cebu in 2014, with the groundbreaking of 32 Sanson. While we expect some softening in the sector in the coming years, Rockwell has prudently prepared itself by selecting its projects with a strategic view in mind.

Another small victory I'd like to note: While the electrical manufacturing was off to a very slow start in the first three quarters of 2013, it made a resurgence in the last quarter and earned upwards of PhP100 million, thanks to the higher sales volume of distribution transformers. As a result, the prospects of **First Philec** have improved significantly, signaling better times ahead for that sector.

### ***First Quarter Results for 2014***

The unaudited consolidated net income for the first quarter of 2014 amounted to ₱2.7 billion, lower by 29% or ₱1.1 billion from last year's ₱3.8 billion. The decline was mainly due to higher expenses and finance costs, and foreign exchange losses. Similarly, net income attributable to Parent was lower by 42% at ₱1.0 billion from ₱1.8 billion last year. General and administrative expenses increased due to higher taxes, licenses and insurance of EDC, fees for the full restoration of the damaged EDC power plants and the construction of San Gabriel and Avion projects. The availment of new loans during the intervening period resulted in higher finance cost this year. In addition, foreign exchange losses resulted from the Group's foreign currency denominated loans. These were partially offset by the better results of: (1) the gas plants, on account of lower plant operations and maintenance expenses and the thermal performance upgrade; (2) the hydropower business due to higher delivered energy

and ancillary service revenues; (3) the real estate business on the back of Rockwell's revenues from condominium units, including accretion from interest income; and (4) First Balfour's construction contracts."

**PRESENTATION & APPROVAL OF THE  
MANAGEMENT REPORTS AND  
RATIFICATION OF THE BOARD APPROVAL OF  
THE AUDITED FINANCIAL STATEMENTS FOR  
THE PERIOD ENDED DECEMBER 31, 2013**

The Chairman said that copies of the management report, which include the audited financial statements for the calendar year ending December 31, 2013, were distributed to the stockholders prior to the meeting. He explained that the Board of Directors approved the audited financial statements last April 3, 2014. The Chairman inquired whether there were questions from the floor on the audited financial statements.

Mr. Rommel Songco inquired on the disclosure by First Gen on the acquisition of shares in Prime Terracota Holdings involving preferred shares in EDC. He asked for clarification if there will be any material changes in the financial statements of First Gen and FPH because of this transaction and for a discussion of its practical benefits.

Mr. Francis Giles Puno replied that in 2007, when FGen acquired EDC, it had a 40% direct ownership of EDC and had preferred shares as well. It was difficult for FGen to tap the widening banking market available for its projects because it had consolidated EDC. Hence, it restructured the transaction because it really only owns 40% of EDC and in order to deconsolidate EDC from its books. This had the benefit of being able to unlock the banking market available for the various projects within the group. A conglomerate has to rely a lot on the lending capacity of banks for its projects, so this did reap benefits. But since 2007, the company has been slowly acquiring and increasing interests in EDC to the point where today it has 50% ownership. In fact, even if the company did not unwind the structure, it has already reconsolidated EDC. Because it reconsolidated EDC in its books, it was felt that the structure was no longer necessary so it decided to reduce the complexity of the ownership structure of the group. In fact it does not only own 40% but 50% common shares plus the preferred shares. All it did was to unwind a structure where it was

originally a 40% common share owner. Due to that significant ownership and control, it essentially has direct ownership in EDC and by definition it would consolidate it moving forward.

Mr. Songco further asked for clarification whether EDC's results are already consolidated into FGen on a pro-rated basis. Mr. Puno confirmed the statement of Mr. Songco and further explained that, previously, the financial statements of FPH and FGen included equitized earnings of EDC. Management felt that it was not reflective of how the company is seen from a financial perspective especially now that with the larger ownership, it is really in control of EDC. Today, looking at the financials, e.g., the revenue side, the asset side, it is a lot clearer because it consolidates all of EDC into its books and also all of the other investments in FGen under the FPH consolidated financial statements. Essentially, there will be no material change.

Mr. Songco also inquired on the share buyback program. He said that the existing program lasts until July 2014, but in recent months, the stock price of FPH went down to really low levels and even up to now the share price of FPH is way below book value. He asked on the views of the program if it is something that the company is considering to trigger or extend.

Mr. Puno said that the company previously embarked on a share buyback two years ago where it bought 10% of the shares at about P55 per share so it was a good investment. When a share buyback is done, the company always has an option between buying back shares or infusing it into new investment. In making this decision, the question is if it is better to invest in an expansion or continue to buy back shares and at that time it was deemed better to buy back shares. It spent about P3 billion to buy back 10% of the company, so it was a good investment. Moving forward, it will still follow the same kind of decision making. Management also has to consider future projects under the FPH conglomerate as quite bright and has to strike a balance between buying back those shares and making investments that will generate more return over that of a buyback program. Mr. Puno also said that in all likelihood, the company will extend the buyback program beyond July 2014.

Mr. Jun Cabiling from Bangkal, Makati, asked Mr. Anthony Mabasa, the President of FPIC, about the situation in Bangkal, observing that there is still a fire truck on standby on site, and the status of the West Tower case. He also wanted to

compare Rockwell Land with one of its competitors that turned over units to owners with leak problems. He commented that there are so many heartbreaking calamities that struck the country that might be due to climate change.

The Chairman responded that the company is quite proud of the way it responded to the incident in Bangkal. Mr. Mabasa, reported that there is a bit of good news in Bangkal but he first gave an update that the team's work in restoring the West Tower is already complete. It did air and water tests, using standards based on the U.S. Environmental Protection Agency's (EPA). In both cases they have been meeting the standards. Today, there appears to be about 50 people who are currently living in West Tower occupying about 21 units, and several more are coming in and out. Some may have their own issues possibly on taxes and permits, but many are coming back. This is actually something the company would like to coordinate with Makati City particularly on the permit to re-occupy the building. This is probably why the fire truck is still there. He clarified that while it has finished its work on West Tower, it still continues to clean up Bangkal itself. The tests that the team does are being implemented by independent contractors and the samples are sent either to California in the U.S. or Kuala Lumpur, so everyone can be assured of the independence of the tests. The numbers being obtained recently outside of West Tower are that the hydro carbon is really very minimal but it still intends to have the place cleaned up. The city perhaps needs to formally acknowledge that the emergency has long been over and there is no longer any need for the fire trucks.

Mr. Nestor J. Padilla, President of Rockwell Land, said that, unfortunately, it is hard to predict where leaks are going to come from. In high rises, because there is a flat deck at the top, the most vulnerable are normally the units below the top of the building or on top of an open deck, and the second most vulnerable are leaks from the windows. Rockwell has almost perfected how to address leaks coming from the windows. It is the deck that is really problematic because when concrete is poured, it reacts differently to hot temperature. Very often, concrete pouring is best done via one coat. When there is a deck, there are instances when it cannot pour one coat and that is where the cracks come from. But the company assures its customers that it does not run away from its problems; whenever there is a leak, it goes in and solves the problem. This is the commitment Rockwell gives to its buyers.

Mr. Cabiling said that he has a problem with Meralco. He said that Meralco sent a notice of refund for deposit and he waited for three months to process it. But when he returned to Meralco to claim it, he was told that his refund was applied to his consumption. He was not using the unit where the refund was applied and the consumption of that unit only amounts to P5 per month, so it will take a long time before the whole amount of P700 refund will be consumed. He said that the Meralco consumers before did not experience problems like these. The Chairman said that the company is no longer in control of Meralco and asked Mr. Lito Santos if he could shed some light on it since he is very involved in the power industry. Mr. Lito Santos, Senior Vice President of FPH, said that, as far as he knows, a consumer has the option to get the refund in cash or to apply it in the bill. If Meralco is not advised of the consumer's option, they automatically apply it to the billing statement. If a consumer would like to get the refund in cash, then he has to ask Meralco to do that.

Mr. Robert Go, as an advocate of ecological conservation, suggested using biodegradable materials and not plastic as food containers. The Chairman noted the suggestion for next year.

As there were no other questions raised, the stockholders, on motion made and duly seconded approved the following resolution:

*“RESOLVED, That the Board of Directors’ approval of the Audited Financial Statements of the Corporation for the period ended December 31, 2013, be, as the same hereby is, confirmed, approved and ratified, and that the management reports for the period ended December 31, 2013, be, as they are hereby, approved.”*

Stockholders representing 366,987,324 shares or 66.39% of the shares present or represented at the meeting voted in person or by proxy in favor of the resolution while stockholders representing 42,876,523 shares or 7.76% of the shares present or represented at the meeting abstained from voting.

**RATIFICATION OF THE ACTS OF THE BOARD,  
THE EXECUTIVE COMMITTEE AND THE  
MANAGEMENT OF THE CORPORATION**

On motion made and duly seconded, the following resolution was approved by the stockholders:

*“RESOLVED, That all resolutions and acts of the Board of Directors and the Executive Committee as well as the acts and contracts entered into by the Management of the Corporation during the calendar year ended December 31, 2013 and up to the date of the meeting, and the Chairman and President’s Reports, be, as they are hereby, confirmed, ratified and approved.”*

The Secretary noted that the company received proxies with votes in favor, against and to abstain on the following items:

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Items entered into in the ordinary course of business with those of significance having been covered by the proper disclosures such as:			
a) The election of corporate officers	410,828,727 74.32%	0 %	0 %
b) Membership in the relevant committees such as the Executive Committee	410,828,727 74.32%	0 %	0 %
c) Designation of authorized signatories	410,828,727 74.32%	0 %	0 %
d) The exercise by FPH of the option to redeem all of its outstanding 43,000,000 Series B preferred shares	410,828,727 74.32%	0 %	0 %
e) The participation of FPH, through a consortium, in the pre-qualification and bidding for the financing, design, construction, operation and maintenance of the Mactan-Cebu International Airport Passenger Terminal rehabilitation and expansion project	410,828,727 74.32%	0 %	0 %
f) The execution of a Loan Agreement with BDO Unibank, Inc. for an aggregate principal amount of PhP5,000,000,000	410,828,727 74.32%	0 %	0 %
g) The declaration of cash dividends for common and preferred shares	410,828,727 74.32%	0 %	0 %
h) Opening of accounts with various banks	410,828,727 74.32%	0 %	0 %
i) Appointments in compliance with corporate governance policies	410,828,727 74.32%	0 %	0 %

## **ELECTION OF DIRECTORS**

The Secretary informed the Chairman that, according to Article II, Section 3 of the By-Laws, nominations for the election of Directors by the stockholders shall be submitted in writing to the nomination and election committee at least sixty (60) days before the scheduled date of the annual stockholders meeting. Nominations and elections of independent directors must also comply with Securities and Exchange Commission Circular No. 16. The Board, as recommended by the Nomination &

Election Committee, received within the said period nominations in favor of the following stockholders as Directors of the Corporation for the ensuing year:

Mr. Augusto Almeda-Lopez  
 Ambassador Cesar B. Bautista  
 Mr. Arthur A. De Guia  
 Mr. Peter D. Garrucho, Jr.  
 Mr. Oscar J. Hilado  
 Mr. Elpidio L. Ibañez  
 Mr. Eugenio L. Lopez III  
 Mr. Federico R. Lopez  
 Ambassador Manuel M. Lopez  
 Mr. Oscar M. Lopez  
 Chief Justice Artemio V. Panganiban  
 Mr. Francis Giles B. Puno  
 Mr. Ernesto B. Rufino, Jr.  
 Mr. Juan B. Santos  
 Mr. Washington Z. Sycip

It was advised that the Board of Directors, in its regular meeting on March 6, 2014, reviewed and favorably passed upon the qualifications and eligibility of the stockholders nominated as Directors for the ensuing year in accordance with the By-Laws and the Corporation’s Manual on Corporate Governance. Ambassador Cesar B. Bautista, Mr. Oscar J. Hilado, Chief Justice Artemio V. Panganiban, Mr. Juan B. Santos and Mr. Washington Z. Sycip are being nominated as independent directors.

It was duly moved and seconded that the fifteen stockholders who were nominated as directors for the ensuing year be declared elected as Directors for the fifteen board seats of the Corporation.

There being no objection, the Chairman directed the Secretary to cast the relevant votes in favor of the following stockholders duly nominated as Directors of First Philippine Holdings Corporation for the ensuing year and until their successors shall have been duly elected and shall have qualified. The votes for the directors were as follows:

	<b>FOR</b>	<b>WITHHOLD</b>	<b>ABSTAIN</b>
Election of Directors			
Oscar M. Lopez	398,016,440 72.00%	12,328,487 2.23%	483,800 0.09%
Augusto Almeda-Lopez	400,216,270 72.40%	10,128,657 1.83%	483,800 0.09%
Cesar B. Bautista	410,828,727 74.32%	0 %	0 %
Arthur A. De Guia	405,276,550 73.32%	5,552,177 1.00%	0 %
Peter D. Garrucho, Jr.	398,045,360 72.01%	12,783,367 2.31%	0 %
Oscar J. Hilado	398,317,700 72.06%	12,511,027 2.26%	0 %

Elpidio L. Ibañez	397,947,390 71.99%	12,881,337 2.33%	0 %
Eugenio L. Lopez III	400,700,070 72.49%	10,128,657 1.83%	0 %
Federico R. Lopez	405,001,920 73.27%	5,826,807 1.05%	0 %
Manuel M. Lopez	400,371,740 72.43%	10,456,987 1.90%	0 %
Artemio V. Panganiban	399,001,910 72.18%	11,826,817 2.14%	0 %
Francis Giles B. Puno	403,255,540 72.95%	7,573,187 1.37%	0 %
Ernesto B. Rufino, Jr.	403,253,120 72.95%	7,575,607 1.37%	0%
Juan B. Santos	410,828,727 74.32%	0 %	0 %
Washington Z. Sycip	396,296,690 71.69%	14,532,037 2.63%	0 %

It was also noted that Ambassador Cesar B. Bautista, Mr. Oscar J. Hilado, Chief Justice Artemio V. Panganiban, Mr. Juan B. Santos and Mr. Washington Z. Sycip were duly elected as independent directors.

### **AMENDMENT OF ARTICLE THIRD OF THE ARTICLES OF INCORPORATION**

The next item in the agenda is the amendment of Article Third of the Amended Articles of Incorporation which has been approved by the Board of Directors on March 6, 2014.

The Secretary explained that the amendment to Article Third of the Articles of Incorporation will reflect the complete address of the principal office of the corporation which is in compliance with SEC Memorandum Circular No. 6, Series of 2014 directing all existing corporations whose articles of incorporation indicate only a general address as their principal office address to indicate a specific address.

On motion made and duly seconded, the following resolution was unanimously approved by the stockholders:

*“RESOLVED, as it is hereby resolved, that, as recommended by the Board of Directors of First Philippine Holdings Corporation (the ‘Corporation’), the stockholders hereby confirm, ratify and approve the amendment of Article Third of the Amended Articles of Incorporation, as follows:*

***THIRD: That the principal office of the Corporation is located at the 6<sup>th</sup> Floor, Benpres Building, Exchange Road corner Meralco Avenue, Pasig City, Metro Manila, Philippines.***

*RESOLVED FINALLY, That in connection with the foregoing, the stockholders authorize and empower, as they hereby authorize and empower, the Board of Directors and/or the Management of the Corporation: (i) to incorporate such wordings in the Amended Articles of Incorporation; (ii) to file with the Securities and Exchange Commission (SEC) such documents as are required and necessary to effect the amendments in the Amended Articles; and (iii) to do or perform such other acts and things necessary to effect the amendments.”*

Stockholders representing 410,828,727 shares or 74.32% of the shares present or represented at the meeting voted in person or by proxy in favor of the resolution. No stockholder abstained from voting on this particular matter.

#### **AMENDMENT OF ARTICLE SEVENTH OF THE ARTICLES OF INCORPORATION**

The next item in the agenda is the amendment of Article Seventh of the Amended Articles of Incorporation which has been approved by the Board of Directors on March 6, 2014.

The Secretary explained that the amendment to Article Seventh of the Articles of Incorporation will reflect the reduction of the authorized capital stock to reflect the cancellation of the redeemed preferred shares of the corporation.

On motion made and duly seconded, the following resolution was unanimously approved by the stockholders:

*“RESOLVED, as it is hereby resolved, that, as recommended by the Board of Directors of First Philippine Holdings Corporation (the ‘Corporation’) the stockholders hereby confirm, ratify and approve the amendment of Article SEVENTH of the Amended Articles of Incorporation to reflect the reduction of the Authorized Capital Stock resulting from the cancellation of redeemed preferred shares, as follows:*

*SEVENTH: That the capital stock of the Corporation is Pesos: **Twenty Two Billion Eight Hundred Million (P22,800,000,000.00)**, Philippine currency, divided into:*

*(a) One Billion Two Hundred Ten Million (1,210,000,000) common stock (“Common Shares”) with a par value of Ten Pesos (P10.00) per share and*

*(b) **One Hundred Seven Million (107,000,000) preferred stock (“Preferred Shares”)***

**with a par value of One Hundred Pesos (100.00) per share.**

*RESOLVED FINALLY, That in connection with the foregoing, the stockholders authorize and empower, as they hereby authorize and empower, the Board of Directors and/or the Management of the Corporation: (i) to incorporate such wordings in the Amended Articles of Incorporation; (ii) to file with the Securities and Exchange Commission (SEC) such documents as are required and necessary to effect the amendments in the Amended Articles; and (iii) to do or perform such other acts and things necessary to effect the amendments.”*

Stockholders representing 410,828,727 shares or 74.32% of the shares present or represented at the meeting voted in person or by proxy in favor of the resolution. No stockholder abstained from voting on this particular matter.

#### **APPOINTMENT OF EXTERNAL AUDITORS**

On motion duly made and seconded, the stockholders ratified the Board approval to retain Sycip, Gorres, Velayo and Co., Certified Public Accountants, as the Corporation’s external auditors for the ensuing year.

Stockholders representing 405,128,767 shares or 73.29% of the shares present or represented at the meeting voted in person or by proxy in favor of the motion while stockholders representing 534,870 shares or 0.10% of the shares present or represented at the meeting voted against the motion, and stockholders representing 5,165,090 shares or 0.93% of the shares present or represented at the meeting abstained from voting.

#### **OTHER BUSINESS**

On other business, Mr. Robert Go asked about the company’s corporate social responsibility. He said that June 5, 2014 will be World Environment Day and he asked if the company has prepared any activity relative thereto. The Chairman said for June 5 the company has not specifically earmarked any activities; however, he can report about a number of environmental initiatives of the company. He said that for FPH, it is quite proud that, the company looks at its environmental responsibility and corporate social responsibility as something it does every day. A lot of activities being done are with subsidiaries, and the biggest one is EDC. The company’s concession areas occupy about 250,000 hectares all over the country or probably close

to 1% of its land mass so it is a very big responsibility for the company. Many of these are in the hinterlands and in beautiful areas that have a very unique biodiversity. In these areas, the company has also taken on conservation activities because for the geothermal fields, it is very important that the steam reservoirs get recharged. Aside from the fact that it re-injects the steam that it gets out in the first place to produce power, it also replants these concession areas with trees for massive reforestation. What happened during Yolanda was that it knocked down a lot of trees in the forests of Leyte but despite that the company is continuing to reforest again. This is the personal commitment of the Chairman Emeritus Oscar M. Lopez and the Chairman himself as well as for everybody else who will come after them - that they will take care of the environment. Once this is done by the company, it takes care of its business as well. It is a very virtuous cycle that happens between the company and the environment.

The company also has many programs in conjunction with the UP Institute of Biology whose people were marshalled throughout the sites not only in EDC but also in Pantabangan who were systematically mapping out the biodiversity in all of these different areas. He said that there was a saying that “you cannot protect what you don’t know” so the company has to understand what is there first. Because of this activity, they have discovered so many things that maybe many others would have just glossed over. It is a bit early, but they appear to have discovered a new species of rafflesia. Not only that, they have gotten the ability now and this is the very first time that they have the ability to study this species. They have discovered the smallest type of the largest flower in the world, and they have been able to observe it blooming and looking at the cycles and trying to understand how it got there in the first place. He said that he could go on and on about these things because this is the passion of the Chairman Emeritus and the Chairman himself. He added that the company has been doing many things for the marine environment as well in Batangas where it supported a lot of the community-based Bantay Dagat. A lot of them have no fuel to patrol so they could not protect a lot of the reefs today. The company was able to provide funds to help protect the biodiversity in Batangas.

## **ADJOURNMENT**

The Chairman inquired if there was any other business to be taken up. There being no further business to transact, the meeting was, on motion made and duly seconded, thereupon adjourned.

The company received proxies representing 366,731,334 shares, or 66.34% of the total outstanding shares, instructing the proxy holder, Chairman or Secretary to vote in favor of approving the adjournment, while stockholders representing 42,029,813 shares or 7.60% of the shares present or represented at the meeting abstained from voting.

**ENRIQUE I. QUIASON**  
Secretary

A T T E S T :

**FEDERICO R. LOPEZ**  
Chairman of the Board