

DRAFT ONLY
SUBJECT TO FURTHER REVISIONS AND APPROVAL AT THE
NEXT ANNUAL STOCKHOLDERS' MEETING

**MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF
FIRST PHILIPPINE HOLDINGS CORPORATION
HELD AT THE PHILIPPINE STOCK EXCHANGE CENTRE AUDITORIUM
GROUND FLOOR, PSE CENTRE, EXCHANGE ROAD, PASIG CITY
ON MAY 23, 2016**

The annual meeting of the stockholders of First Philippine Holdings Corporation (“Corporation”) was held at 10:00 a.m. on May 23, 2016 at the Philippine Stock Exchange Centre Auditorium, Ground Floor, PSE Centre, Exchange Road, Pasig City. The following Directors were present at the meeting:

Present: Mr. Federico R. Lopez
Mr. Augusto Almeda-Lopez
Mr. Ferdinand Edwin S. CoSeteng
Mr. Peter D. Garrucho, Jr.
Mr. Oscar J. Hilado
Mr. Elpidio L. Ibañez
Chief Justice Artemio V. Panganiban
Mr. Francis Giles B. Puno
Mr. Ernesto B. Rufino, Jr.
Mr. Juan B. Santos

Also Present: Ms. Rizalina G. Mantaring

Absent: Mr. Oscar M. Lopez
Amb. Manuel M. Lopez
Mr. Eugenio L. Lopez III
Mr. Washington Z. Sycip

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 and that he had executed a certification to this 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 553,943,031 common shares issued and outstanding, there were present either in person or represented by proxy 380,286,662 shares of the common stock representing 68.65% 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 an opposition to some of the matters to be discussed during the meeting. It was noted that while the abstentions or opposition were not significant in number and would not affect the results of the voting, these 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 except for the matters covered by proxies which will be polled. The stock transfer agent shall assist in the recording of votes.

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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 THE PREVIOUS MEETING**

On motion made and seconded, the reading of the minutes of the Annual Stockholders Meeting held last May 25, 2015, copies of which had earlier been circulated to the stockholders, was dispensed with, and the minutes were approved as recorded.

Stockholders representing 356,110,504 shares or 93.64% 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 25, 2015. The company received zero shares voting against this particular matter.

THE CHAIRMAN'S REPORT

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

Six years ago we decided to express in a few words the vision of First Philippine Holdings Corp., which is: *“Uplifting lives through key industries and infrastructure that advance national development.”*

Today, we live in an era where change hurtles at us with blinding speed. Corporations and business models come and go. The average life span of a Fortune 500 corporation has now shortened from 67 years in the 1920's to a mere 12 to 15 years. And more critically, we see a fragile world pummeled everyday by climate events.

How then do we “uplift lives” in such a massively disrupted world? Just last March 2016, I sat with a crowd of over 700 other people here in Manila listening to Al Gore weave his two-hour presentation on the state of the global climate. I was particularly struck as he emphasized this point: *“All our infrastructure was built for a world*

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that's now changing." Immediately, images of our typhoon-damaged plants in Leyte flooded my mind.

I'm sure you all remember, when Typhoon Yolanda hit in November 2013, much of what worked for four decades, particularly at our geothermal plants, was overwhelmed by a force no one had ever seen before. The forces unleashed by climate change are now more powerful than they've ever been, which compels that we build stronger as we move forward in this changed world. But the phrase also rings true from yet another perspective: now, more than ever, the world needs to rapidly switch to a new energy paradigm if we want to keep the planet inhabitable in the near future and for centuries to come.

Almost no one today doubts that climate change is exacerbated by human activity. Global average temperatures are rising and this is leading to more severe weather occurrences throughout the world. According to the US-based National Oceanic and Atmospheric Administration (NOAA):

- The year 2015 is now the hottest year on historical record globally and it has edged out the previous record of 2014 by a wide margin (+0.16°C, to be precise)
- Fifteen of the sixteen hottest years on record globally have occurred after the year 2000
- January 2016 was the hottest January on record; February 2016 was the hottest February, and March 2016 was, likewise, the hottest March ever recorded;
- In the latest global climate report released just last week, April 2016 was also the hottest April on record; it's the 5th consecutive month that the global monthly temperature departure from average has surpassed 1.0°C; and also the 12th consecutive month that a monthly global temperature record was broken—the longest such streak in the 137 years of record keeping.

So, it should come as no surprise if 2016 shatters 2015's record as well.

The world is now 1°C warmer than it was in pre-industrial times (the mean global temperature then was 13.7°C), which means we only have 0.5° - 1°C to go before we exceed the Paris COP 21 commitment of restraining the average global temperature rise to less than 2°C from what it was in pre-industrial times. Beyond this threshold, scientists acknowledge that the world becomes extremely dangerous for its inhabitants and Yolanda will be nothing compared to what we will see then. It is now undeniable that human-induced climate change is here and just this slight one-degree change has already produced a highly disrupted, extreme-weather world.

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With our current trajectory, more than half the species on earth today could be wiped out before the end of the century. Many scientists are calling this the sixth era of mass extinction over the last 450 million years; the other five occurred way before humans were around. The main difference between this and the other five is how rapidly the extinction is occurring today because of man-made climate change.

As far back as 1981, then NASA Climatologist James Hansen was already advocating that the earth's atmospheric concentration of CO₂ should not go beyond 350 parts per million (ppm) if we are to maintain the stable climate that human civilization has been accustomed to over the last 11,000 years. But in 1985, when global CO₂ concentrations breached this number, the target was reset to 450 ppm and a maximum temperature rise of 1.7°C from pre-industrial times. His view then, shared by many other scientists and being borne out by what we are seeing in the news everyday, is that a 1.7 or 2°C target is already a "disaster scenario" which will bring us back to conditions that existed 125,000 years ago where sea levels were 4-6 meters higher than today.

Many experts believe that even if all the COP 21 targets are met, we're still headed for a world that's 2.5-3°C warmer. This is probably why the charismatic Christiana Figueres, who led the Paris climate talks, believes that despite its rousing success, COP21 is only the first step; much, much more still needs to be done.

This year, carbon concentration already stands at 407.57 ppm and we're no longer likely to see it go below that in our lifetimes. The world has already used up 90 percent of that grudgingly revised carbon budget and, at current accelerating emission rates, we will likely use up the rest by 2020 or shortly thereafter. Yet the energy infrastructure being built today still threatens to "lock-in" these deadly carbon emission patterns decades into the future. CO₂ stays in the atmosphere for thousands of years. The later we all take action in reducing carbon emissions, the more difficult, drastic, and impossible those reductions will be. Much of the warming already occurring will trigger widespread tipping points and feedback loops on ecosystems that cannot be reversed and will exacerbate climate change even more. The world has much less time to act than previously believed.

Fatih Birol, Chief Economist of the normally conservative International Energy Agency (IEA), was quoted in an article by The Guardian following the agency's release of the *World Energy Outlook* report in November 2011: "*The door is closing. I am very worried — if we don't change direction now on how we use energy, we will end up beyond what scientists tell us is the minimum [for safety]. The door will be closed forever.*"

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The same article from The Guardian continued with this: *“Yet, despite intensifying warnings from scientists over the past two decades, the new infrastructure even now being built is constructed along the same lines as the old, which means that there is a “lock-in” effect — high-carbon infrastructure built today or in the next five years will contribute as much to the stock of emissions in the atmosphere as previous generations. The “lock-in” effect is the single most important factor increasing the danger of runaway climate change.”*

What’s even more disturbing is that our country and millions of less fortunate Filipino families are bearing, and will continue to bear, a disproportionate share of the devastation being wrought on the planet by climate change. In a report by *Germanwatch*, which releases the *Global Climate Risk Index* yearly, the country that suffered the most weather-related disasters during the 20-year period 1995-2014 was none other than the Philippines (the Philippines recorded 337 events, Vietnam - 225, Bangladesh - 222).

We can see why it’s no coincidence that four of the five most powerful and destructive typhoons to hit the country happened in the last five years. Indeed, climate change is a disruptive force on the environment that carries ripple effects on everything: from public safety and infrastructure; food, water, and energy production; on controlling diseases and poverty alleviation; and really, life as we know it on our planet. If any country in the world has a stake in seeing global carbon emissions reduced, it’s the Philippines, where millions more innocent lives will be destroyed or lost if the march towards a warmer world cannot be stopped. With our subsidiary, Energy Development Corporation, having literally been at the center of events in 2013, we witnessed firsthand the devastation and suffering wrought on so many lives in the days, months, and years following Yolanda. That experience will always be a force that quietly but intensely guides how we move forward as a business group.

Climate change doesn’t only bring more powerful typhoons but also drier summers. The disruption of the earth’s water cycles with just a 1°C warming so far is already wreaking tremendous devastation. I’m sure you’re all aware of the massive wildfires in Canada that have already displaced more than 90,000 people, destroyed more than 400,000 acres of forest, and will cost insurers upwards of US\$ 9 Billion. The massive forest fires are being fought by no less than 500 firefighters, 19 helicopters (four of them heavy-lift), 31 air tankers, 44 pieces of heavy equipment and 88 fire engines. Despite the enormity of resources deployed, the blaze is expected to continue on for several more months.

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Closer to home, these past few months, we've seen how drought from abnormally hot weather severely reduced agricultural food supply in several provinces, 18 of them now under state of calamity--Palawan, Guimaras, Iloilo, Cebu, Bohol, Negros Occidental, Zamboanga del Norte, Bukidnon, Davao del Sur, Davao Oriental, North Cotabato, General Santos City, South Cotabato, Sultan Kudarat, Sarangani, Basilan, Maguindanao, and Butuan City; wildfires also burned hundreds of hectares of forests in Mt. Kitanglad, Mt. Banahaw, Mt. Kanlaon, and Mt. Apo, even threatening our power facilities in the latter. Fortunately, there was no damage and no lives lost but drought and wildfires were yet another warning of how a climate changed planet could strike us.

Disaster preparedness and response must now become a prime area of competence and expertise. It's not just a question of how well we can do it but also how seamlessly we coordinate and integrate this capability with that of our host communities, as well as local and national governments and other private companies. Climate change adaptation isn't something you can do alone but within the context of wider and smarter collaboration with everyone else.

The Philippines performed a crucial role in the recent Paris COP 21 climate talks, chairing the Climate Vulnerable Forum (CVF)--an international partnership of countries highly vulnerable to climate change, and the V20--the group of finance ministers representing twenty of the most vulnerable nations in the world. Both the CVF and the V20 provided the much-needed emotional plea for a decarbonized world and although the agreements reached in Paris were dramatic, experts know they are still not enough. The world is still in dire need of more such voices to turn the tide in time to avert a global catastrophe. Sadly, however, the country's credibility was built on the backs of thousands of Filipino lives, homes, and livelihoods that have already been lost and destroyed by climate change. The power of that voice grows only if we show the will to decarbonize our own economy. Conversely, that power dies when our actions are not consistent with that voice. We have no choice but to start walking that talk if we want the rest of the world to heed those urgent calls.

There are times when I hear otherwise responsible quarters from the business sector and our power industry reason that since the Philippines is responsible for only 0.3 percent of global carbon emissions we have the right to continue building more coal-fired power plants. Doing so, the argument goes, will help us reduce power costs, create more jobs, and allow the Philippines to catch-up with other nations and industrialize. That way of thinking could have passed muster a decade ago. However, given what we know about global climate today, that assertion, even if we choose to adopt such a parochial--Philippines only--perspective, is downright thoughtless

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and unconscionable. For every avoidable ton of carbon spewed into the air reverberates onto millions of vulnerable Filipino lives with an impact that's disproportionate with the rest of the world. Meeting the economy's power demand with more coal-fired plants today means "locking-in" those high-carbon emissions for decades. And more time wasted changing course only means more lives lost, devastated, and more of our world vanishing, never to be recaptured again. This is a pivotal time in the history of the world and so much depends on us thinking and rowing in the same direction, taking responsibility for our respective piece of the biosphere and doing our share no matter how small. Business-as-usual is a sure road to disaster. These are extraordinary times that call for extraordinary change and everyone must shift to thinking about the quickest route to a decarbonized economy. The technology to do this is already here. It's just our mindsets and our conversations that need to be transformed. It is our aim that FPH and its subsidiaries will be among the bright navigating beacons of Philippine industry, lighting pathways towards a decarbonized economy. It will not be easy; we will have to explore many roads not yet taken and new business models that challenge old paradigms. This is precisely how opportunities will be created and won. I'm hopeful that soon, more in the Philippine business sector will move toward those junctions where their economic interests converge with that of society and the environment as well.

We are setting a higher bar for ourselves but, for us, it cannot be any other way. We will help power our nation's growth ambitions yet achieve this in ways that recognize the need for a livable Philippines and a livable planet. **TODAY, LET ME STATE UNEQUIVOCALLY AND FOR THE RECORD THAT FPH AND ITS SUBSIDIARIES WILL NOT BUILD, DEVELOP, OR INVEST IN ANY COAL-FIRED POWER PLANT. I'M CERTAIN THAT WITHOUT HAVING TO LOOK TOO FAR, THIS COUNTRY ALREADY HAS ENERGY ALTERNATIVES THAT DO NOT MORTGAGE THE FUTURE OF OUR CHILDREN AND THE FUTURE OF OUR PLANET.**

I believe the pioneering entrepreneurial spirit to accomplish this is alive and well at First Philippine Holdings and the Lopez Group. It is something we have done in the past and something we will, with certainty, do again. Times may be tough but we are a business group that shines when faced with that combination of challenge and purpose. We have the opportunity to address one of the most pressing needs of our times. We cannot ask for more.

Thank you and we look forward to your companionship on what will be an exhilarating and purpose-filled journey that reinvents how we will "uplift lives" towards a more sustainable future. ☺

THE PRESIDENT'S REPORT

Mr. Francis Giles B. Puno, President & Chief Operating Officer of the Corporation, was given the floor and rendered his report, thus -

Over the last five years, we brought a crucial question to the fore: Do we at First Philippine Holdings (FPH) have a portfolio of businesses that we can consider as core and, if we do, what will it take to grow these businesses and create concrete value for our shareholders? Our performance in 2015 indicates that, indeed, we have what it takes to do so and gives credence to the fact that our companies continue to be on the right track towards sustainable growth.

2015 was a challenging year for many of our subs. FPH's consolidated bottomline dropped by 16% from PHP 14.6 billion to PHP 12.2 billion in 2015. Net income attributable to the parent dipped slightly by 4% from PHP 5.6 billion to PHP 5.4 billion in 2015.

However, we prefer to focus on Recurring Net Income attributable to FPH since this eliminates one-off gains or losses and, therefore, is a better measure of our performance.

I am pleased to inform you that despite the increasingly competitive operating environment, our Recurring Income in 2015 grew by almost 11% to PHP 5.2 billion from PHP 4.7 billion in the previous year. If we consider the five-year period from 2010 to 2015, FPH's Recurring Earnings shows an upward trajectory, increasing on a compounded annual growth rate of 35% from PHP 1.2 billion in 2010 to PHP 5.2 billion in 2015. On an earnings per share basis, from PHP 2.18 per share in 2010 it grew by 4.3 times to PHP 9.30 in 2015. This story of growth permeates the whole FPH organization, including certain subsidiaries that were once contributing Recurring Earnings below PHP 50 million.

2010 marked the beginning of our efforts to reinvigorate our company's future. Under the leadership of our Chairman, we zeroed in on the three pillars of Strategic Clarity, Synergy, and Talent Centricity. These three pillars enabled us to redefine and refocus the strategies of our subsidiaries. We engaged the entire organization in putting more focus on their customers' needs and pain-points, and assisted in sharpening existing business models with the goal of finding ways to make them repeatable and predictable successes. These efforts will continue throughout the following years as we aim to scale up the operations of our subsidiaries. The more we become

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synchronized, the better our ability to define the sandboxes that we can thrive in.

Sector Performance

Our power generation platform, through First Gen, delivered steady Recurring Income of PHP4.4 billion in 2015 from PHP4.3 Billion in the previous year. This was mainly due to the higher earnings contributions of the gas plants offset by the lower contributions of EDC and First Gen Hydro. The Gas Plants continued to perform consistently, reflecting its higher dispatch and lower financing costs, and showed an increase of PHP 385 million or 12% in earnings from PHP 3.14 billion in 2014 to PHP 3.53 billion in 2015. However, EDC's Recurring Earnings went down slightly by PHP 43 million or 1.5% from PHP 2.74 billion to PHP 2.70 billion in 2015 due to higher direct costs, operating expenses, and finance costs. First Gen Hydro also had a lower earnings contribution due to the higher income taxes after the expiration of its income tax holiday in April 2014.

Over the last five years, First Gen's Recurring Earnings increased meaningfully by a compounded rate of 19%. We expect earnings growth to be sustained with the completion of the new 97 MW Avion and 414 MW San Gabriel gas-fired plants in 2016. Both of these plants are already contributing to the grid and are in their final phases of commissioning.

Our real estate portfolio's Recurring Earnings decreased by approximately PHP 120 million or 7% from PHP1.72 billion in 2014 to PHP 1.60 billion in 2015. First Philippine Industrial Park's PHP 112 million drop in Recurring Earnings from PHP 417 million to PHP 305 million in 2015 were due to lower land sales and higher land development costs. Rockwell Land Corporation reported fairly steady Recurring Earnings of PHP 1.3 billion in 2015 and 2014. The consistent earnings were driven by its increasing residential condominium sales and income from office and retail leasing, serviced apartments, and lower interest expense for the period. Over the last five years, First Philippine Industrial Parks' Recurring Earnings increased at a respectable compounded rate of 7% while Rockwell's Recurring Income grew at an impressive compounded rate of 27%.

In manufacturing, our transformer subsidiaries under First Philec posted an increase in Recurring Income of 24% or PHP 79 million to PHP 404 million in 2015 arising from higher sales volumes for its distribution and pad-mounted transformers, as well as more efficient operations.

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Our experience with our electrical sector shows that, with the right ingredients, we can propel our companies to deliver sustainable and predictable growth in earnings. The electrical sector of First Philec embarked on an organizational renewal program that required it to rationalize operations and processes with the intent of creating better value products and services for the customer. The result? Recurring Income increased at a compounded rate of 32%, ending 2015 at PHP 404 million from a base of PHP 102 million in 2010.

In construction and other services, First Balfour's Recurring Income decreased by 20% from PHP 368 million in 2014 to PHP 293 million in 2015 due to lower project margins. However, its geothermal drilling subsidiary, ThermaPrime, continued to post increasing returns from a Recurring Income of PHP 332 million in 2014 to PHP 400 million in 2015 as a result of the full year utilization of the two company-owned rigs. By refocusing the direction of First Balfour including its investment in ThermaPrime, its Recurring Income grew 19 times from PHP 36 million in 2010 to PHP 693 million in 2015 (equivalent to a compounded rate of 81%). First Balfour's remarkable earnings growth was made possible by its expansion strategy of entering into new niche markets and product lines, and by successfully unleashing the value of synergies within the FPH Group.

This year, we were less burdened with losses coming from our solar and pipeline businesses which contributed to the improvement in our earnings. In the past, the losses coming from these businesses were masking the positive performance of our other subs. While our solar subsidiaries received favorable arbitration rulings, there have been no collections on the awards. We are exerting efforts to put a close on these issues and to realize as much value in these investments in the near term. Similarly, for First Philippine Industrial Corporation, which is our oil pipeline business, FPH has continued to extend assistance from the time the pipeline incident occurred in 2010. For 2016, we are working on the partial recovery of these cash advances.

Poised for Growth

We continue to strengthen synergies within the FPH Group. In 2015, the most visible manifestation of our efforts to reinforce synergy was our move to our new head office at the Rockwell Business Center here in Pasig city. The new office space, with its design elements, will hopefully bring the vision of synergy, collaboration, knowledge sharing, and enterprise thinking to life. This move will also allow us to redevelop our one hectare property in Ortigas by constructing a new office bloc that will eventually be our permanent headquarters.

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We hope to complete the redevelopment of this property by 2021 as it will also be a source of recurring cash flow for FPH.

FPH's commitment to its leadership development was supported by programs like executive coaching and training which included a scaling-up conference that allowed our subs to define what their long-term Big Hairy Audacious Goals are. Recognizing the importance of people in our success, we have undertaken rigorous annual talent reviews so that we can develop and assign our people where they can add greater value.

Our desire to do good extends beyond the boundaries of our operations. Our Corporate Social Responsibility (CSR) programs are well established across the organization. Two of the major programs that we support show that our vision of uplifting lives goes beyond our businesses. The OML Center for Climate Change strives to create a "Center of Excellence" by generating science-based solutions in the areas of climate change adaptation and disaster risk management. Through Ang Misyon, which caters to the disadvantaged Filipino youth, we seek to provide avenues for igniting social change and youth development through the pursuit of excellence in classical music.

In 2012, we made a bold claim by adopting the tagline, "Powered by Good". Doing so made us reflect on our very essence as a company and has given us a clearer definition of what we can and cannot engage in. It has defined our boundaries, yet it has also broadened our horizons. Powered by Good has become the running thread that binds all of our companies and has bolstered pride among our employees.

In the coming years, as we scale up our operations, we will continue with our deliberate choice to mindfully work together towards the common good. This is precisely the reason why we have focused our power generation investments in providing clean and affordable electricity to the Filipino consumers. It is the reason we have prioritized investments in affordable low-carbon sources of electricity coming from natural gas, hydro and geothermal. It is the reason why we have expanded the portfolio to include wind and solar. It is consistent with our realization that the impact of Climate Change is real and that there are cost-effective alternatives available to reduce our country's reliance on fossil fuels and avoid the need for more polluting coal-fired plants.

Choosing to move towards a decarbonized world will require a significant and deliberate mindshift not only in our energy platform but in all our other businesses. It will require us to refine the strategies of our businesses. It will also bring about new

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opportunities that we can pursue as a point of differentiation in a highly commoditized and competitive world. Let me give you one example – in November 2015, Siemens which is one of the world's largest industrial company and is the supplier of our latest San Gabriel power plant, announced that by 2030 their company will be carbon-neutral. This means that the company plans to cut their CO₂ emissions, which currently total about 2.2 million tons per year, to half by as early as 2020 and to completely go carbon-neutral by 2030. This is just an example from around the world on how companies are responding to the Climate Change problem. Even the UK government made a policy announcement to shut down all their coal-fired power plants by 2025.

The theme of this year's annual report is "Changing and Choosing the world we want to live in". It is FPH's way of expressing our view that failing to help address the serious problem of Climate Change is not an option. The COP21 Agreement in Paris was a milestone agreement for countries all over the world to do their share in reducing their carbon emissions. It is a similar appeal raised by Pope Francis in his papal encyclical which called on the faithful of all denominations to "take care of our common home". If you want to bring it closer to home, we can never forget how over 6,000 lives were cut short with typhoon Yolanda. It is certainly time for FPH and the rest of us to take more action and commit to reduce our carbon intensity and provide low-carbon choices and solutions to this pressing problem. This is urgent and more of us should be more upset about it.

"Powered by Good" and uplifting the lives of the Filipino is what FPH has stood for since it was founded 55 years ago, and this is what it will stand for moving forward.

We thank you for your continued support.

**PRESENTATION & APPROVAL OF THE
MANAGEMENT REPORTS AND
RATIFICATION OF THE BOARD APPROVAL OF
THE AUDITED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED DECEMBER 31, 2015**

The Chairman said that copies of the management report, which include the audited financial statements for the calendar year ending December 31, 2015, were distributed to the stockholders prior to the meeting. He explained that the Board of Directors approved the audited financial statements last April 7, 2016. The Chairman

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inquired whether there were questions from the floor on the audited financial statements.

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

“RESOLVED, That the stockholders hereby approve the management report covering the calendar year ending December 31, 2015.”

“RESOLVED, That the Board of Directors’ approval of the Audited Financial Statements of the Corporation for the period ended December 31, 2015, be, as the same hereby is, confirmed, approved and ratified, and that the management reports for the period ended December 31, 2015, be, as they are hereby, approved.”

Stockholders representing 355,439,181 or 96.34% of the shares present or represented at the meeting voted in person or by proxy in favor of the resolution approving the management report while stockholders representing 10,473,090 shares abstained from voting. No shares voted against.

Stockholders representing 366,367,091 shares or 96.34% of the shares present or represented at the meeting voted in person or by proxy in favor of the resolution ratifying the audited financial statements while stockholders representing 400,000 shares voted against it and 344,900 shares 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, 2015 and up to the date of the meeting, and the Chairman and President’s Reports, be, as they are hereby, confirmed, ratified and approved.”

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

	FOR	AGAINST	ABSTAIN
Ratification of the acts of the Board of Directors and of Management	348,556,955 91.66%	-	-
Items entered into in the ordinary course of business with those of significance having been covered by the proper disclosures and the related actions taken with respect thereto such as:	348,556,955 91.66%		
a) The election of directors and corporate officers	348,556,955 91.66%	-	-
b) Membership in the relevant committees such as the Executive Committee	348,556,955 91.66%	-	-
c) Designation of authorized signatories	348,556,955 91.66%	-	-
d) The subscription to 196,751,000 common shares in First Gen Corporation via a private placement	348,556,955 91.66%	-	-
e) The selection of the Corporation as the winning bidder in the private bidding for the property located at the Philtown Industrial Park, Tanauan, Batangas	348,556,955 91.66%	-	-
f) The advice received by the Corporation that a Partial Award dated 28 Jan. 2015 and a Second Partial Award dated 14 July 2015 has been rendered in the International Chamber of Commerce arbitration proceedings brought by First Philippine Electric Corp. and First Philec Solar Corp. against SunPower Philippines Manufacturing, Ltd. (SPML)	348,556,955 91.66%	-	-
g) The receipt of an advice that SPML has filed an application to set aside the First Partial Award dated 28 Jan. 2015 with the Hong Kong Court of First Instance and the intent to file an application to set aside the Second Partial award dated 14 July 2015	348,556,955 91.66%	-	-
h) The filing of a Petition for Review with the Court of Tax Appeals	348,556,955 91.66%	-	-
i) The retirement of corporate officers	348,556,955 91.66%	-	-
j) The appropriation of retained earnings	348,556,955 91.66%	-	-
k) The investment of up to P1.4 billion in First Philippine Properties Corp. for purposes of land and related acquisitions	348,556,955 91.66%	-	-
l) The declaration of cash dividends on common and preferred shares	348,556,955 91.66%	-	-
m) The approval of the audited financial statements for the calendar year ended 2014	348,556,955 91.66%	-	-
n) The sale of 35,688,070 Series F Preferred Shares in First Gen for P110.00 per share resulting in total net proceeds of P3.9 billion	348,556,955 91.66%	-	-
o) The death of a director	348,556,955 91.66%	-	-

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 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 and all related issuances. The Board, as recommended by the Nomination, Election & Governance 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
Mr. Ferdinand Edwin S. CoSeteng
Mr. Peter D. Garrucho, Jr.
Mr. Oscar J. Hilado

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Mr. Elpidio L. Ibañez
 Mr. Eugenio L. Lopez III
 Mr. Federico R. Lopez
 Ambassador Manuel M. Lopez
 Mr. Oscar M. Lopez
 Ms. Rizalina G. Mantaring
 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 3, 2016 and April 7, 2016, 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. Ms. Rizalina G. Mantaring, Mr. Oscar J. Hilado, Chief Justice Artemio V. Panganiban, Mr. Juan B. Santos and Mr. Washington Z. Sycip are being nominated as independent directors. With respect to the proxies, each director received at least 86.13% of the votes.

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:

	FOR	AGAINST	ABSTAIN
Election of Directors			
Oscar M. Lopez	359,182,100 94.45%	7,596,691 2.00%	- 0.00%
Augusto Almeda-Lopez	359,174,690 94.45%	7,604,101 2.00%	- 0.00%
Ferdinand Edwin S. CoSeteng	355,777,304 93.56%	11,001,487 2.89%	333,200 0.09%
Peter D. Garrucho, Jr.	365,786,951 96.19%	991,840 0.26%	333,200 0.09%
Oscar J. Hilado	359,766,530 94.60%	7,012,261 1.84%	333,200 0.09%
Elpidio L. Ibañez	366,378,791 96.34%	400,000 0.11%	333,200 0.09%
Eugenio L. Lopez III	327,543,027 86.13%	8,215,151 2.16%	31,353,813 8.24%

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Federico R. Lopez	365,731,551 96.17%	1,047,240 0.28%	333,200 0.09%
Manuel M. Lopez	359,174,690 94.45%	7,604,101 2.00%	333,200 0.09%
Rizalina G. Mantaring	366,378,791 96.34%	400,000 0.11%	333,200 0.09%
Artemio V. Panganiban	359,766,530 94.60%	7,012,261 1.84%	333,200 0.09%
Francis Giles B. Puno	366,323,391 96.33%	455,400 0.12%	333,200 0.09%
Ernesto B. Rufino, Jr.	366,378,791 96.34%	400,000 0.11%	333,200 0.09%
Juan B. Santos	366,378,791 96.34%	400,000 0.11%	333,200 0.09%
Washington Z. Sycip	359,174,690 94.45%	7,604,101 2.00%	333,200 0.09%

The Chairman directed the Secretary to note the proxies which gave particular votes to certain nominees. It was also noted that Ms. Rizalina G. Mantaring, Mr. Oscar J. Hilado, Chief Justice Artemio V. Panganiban, Mr. Juan B. Santos and Mr. Washington Z. Sycip were duly elected as independent directors.

APPOINTMENT OF EXTERNAL AUDITORS

On motion duly made and seconded, the stockholders approved the retention of Sycip, Gorres, Velayo and Co., Certified Public Accountants, as the Corporation's external auditors for the ensuing year.

Stockholders representing 358,607,340 shares or 94.30% of the shares present or represented at the meeting voted in person or by proxy in favor of the motion while stockholders representing 7,893,601 shares voted against the motion, and stockholders representing 611,050 shares abstained from voting.

OTHER BUSINESS

On other business, Ms. Nora Barja, a stockholder, suggested that the different Lopez Group companies prepare different souvenir items for next year's stockholders meetings. She said that this year, First Gen, EDC and First Holdings all gave umbrellas. The Chairman thanked Ms. Barja for her comment and said that there are seeds included in the annual report so everyone can do their share at planting trees.

A stockholder, Mr. Robert Go inquired on the possibility of opening s the Bataan Nuclear Power Plant (BNPP). The Chairman replied that this is a divisive issue and there are some environmental voices, in particular the scientist who discovered the existence of ozone, Mr. James Lovelock, who feel very strongly that

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the only way to address a number of climate change and carbon issues is using nuclear power. But there are also opposing views. However, the Chairman said that his personal view is that one has to keep in mind that the Philippines is in the Pacific Ring of Fire where 90% of the world's earthquakes occur. Moreover, in cases where a coal or gas plant fails, there will just be no electricity but when an accident occurs in a nuclear power plant, there can be a major catastrophe as what happened in Fukushima and Chernobyl with effects on the surrounding communities. The construction of nuclear power plants also suffer massive cost overruns because the supply chain for the construction of these plants is very thin. The concern for safety also causes costs overruns. There are not too many nuclear power plants built over the last decade and because of this, there are only a handful of companies that can supply the equipment and materials for the construction of these plants. For example, there are only one or two companies that supply steel containment vessels, an important component of these power plants. There are also not too many engineers in the nuclear field since more than half the engineers in the nuclear field and nuclear engineering were retiring or probably have retired. For a private power producer, an investment in nuclear power plants would riskier and not prudent given the other alternatives that it can pursue in this country.

Mr. Robert Go said that he is an advocate of ecology conservation. He inquired on the plant, rafflesia that is endemic to the Philippines. He suggested planting sunflowers at Rockwell similar to what is being done at UP Diliman. Mr. Padilla of Rockwell was requested by the Chairman to note this suggestion. The Chairman said that it is impossible to plant rafflesia due to natural difficulties. For the last two years, a botanist from UP has been studying it with support from First Gen and EDC, and he has discovered so much about this flower that the world has not known.

Mr. Go also inquired on the latest development on the West Tower Bangkal incident. Mr. Anthony M. Mabasa, President of First Philippine Industrial Corp. (FPIC), said that FPIC is almost through with its cleanup of Bangkal and has recovered most of the liquid form fuel. In West Tower, more than 80 units are already occupied with more than 200 people back in their homes. The next step would be for the city government to issue to them their certificates of occupancy.

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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.

ENRIQUE I. QUIASON
Corporate Secretary

A T T E S T :

FEDERICO R. LOPEZ
Chairman of the Board

Uploaded on May 27, 2016