

**MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF  
FIRST PHILIPPINE HOLDINGS CORPORATION  
VIA VIDEOCONFERENCE  
ON JULY 30, 2020**

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**CALL TO ORDER AND ROLL CALL**

The Chairman of the Board, Mr. Federico R. Lopez, called the meeting to order and thereafter presided. He said that due to the current pandemic, the company is holding the meeting virtually. He thanked everyone who registered, sent proxies and who were present at the meeting. He advised the stockholders that the following members of the board were present:

Chairman & CEO Mr. Federico R. Lopez  
Amb. Manuel M. Lopez  
Mr. Augusto Almeda-Lopez  
Mr. Stephen T. CuUnjieng  
Mr. Peter D. Garrucho, Jr.  
Mr. Elpidio L. Ibañez  
Ms. Rizalina G. Mantaring  
Mr. Chief Justice Artemio V. Panganiban  
President & COO Mr. Francis Giles B. Puno  
Commissioner Anita B. Quitain  
Mr. Ernesto B. Rufino, Jr.  
Mr. Juan B. Santos  
Mr. Richard B. Tantoco

The Chairman further stated that the senior management, the Company's valued Board advisers as well as its external auditors, SGV & Co., were all present at the meeting, and which the Corporate Secretary, Mr. Enrique I. Quiason, formally recorded as follows:

Mr. Emmanuel P. Singson - Senior Vice President, Treasurer & CFO  
Mr. Anthony M. Mabasa - Senior Vice President  
Mr. Victor Emmanuel B. Santos, Jr. - Senior Vice President &  
Compliance Officer  
Mr. Nestor J. Padilla - Senior Vice President  
Mr. Joaquin E. Quintos IV - Senior Vice President  
Mr. Renato A. Castillo - Senior Vice President & Chief Risk Officer

Mr. Benjamin R. Lopez - Vice President  
Mr. Ariel C. Ong - Vice President  
Ms. Anna Karina P. Gerochi - Vice President, Head Human Resources  
Management  
Mr. Anthony L. Fernandez - Vice President  
Ms. Emelita D. Sabella - Vice President & Investor Relations Officer  
Mr. Jonathan C. Tansengco - Vice President  
Ms. Shirley H. Cruz - Vice President & Chief of Staff, Office of the  
Chairman  
Mr. Jose Valentin A. Pantangco, Jr. - Vice President & Head, Corporate  
Planning  
Ms. Maria Carmina Z. Ubaña - Vice President/Comptroller  
Mr. Denardo M. Cuayo - Vice President  
Mr. Esmeraldo C. Amistad - Vice President & Assistant Corporate Secretary/  
Assistant Compliance Officer  
Ms. Milagros D. Fadri - Vice President  
Ms. Agnes C. De Jesus - Vice President & Chief Sustainability Officer  
Mr. Ferdinand B. Poblete - Vice President & Chief Information Officer  
Mr. Angelo G. Macabuhay - Head, Internal Audit  
Mr. Jonathan C. Russell - Senior Adviser  
Mr. Mario L. Bautista - Board Adviser

Also present were Mr. Roel Lucas, Mr. Noel P. Rabaja, Mr. J. Carlitos G. Cruz, Mr. Wilson P. Tan, Ms. Irish Ibay, Ms. Dione Cristy Velina, and Ms. Crestel Acierto, all representing the external auditors of the Corporation, SyCip, Gorres, Velayo & Co.

## **PROOF OF NOTICE**

The Corporate Secretary confirmed that he had caused notices of this annual meeting to be published in accordance with applicable regulations of the Securities and Exchange Commission (SEC). In compliance with the SEC's requirements, the notice and agenda of the meeting were published in the Manila Times and the Business Mirror, both being newspapers of general circulation, last July 8 and 9, 2020 in both printed form and online. The meeting materials including the Notice and Agenda, Explanation of the Agenda Items, Definitive Information Statement, Registration and Validation Procedures including for Voting, the Management Report, and the Audited Financial Statements together with the quarterly financials and interim report were also posted in the Philippine Stock Exchange's Edge Disclosure System and/or in the company's website. He confirmed his execution of a Certificate

attesting to this fact. The Chairman instructed the Corporate Secretary to append that Certificate to the original minutes of the meeting.

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

Upon the inquiry of the Chairman, the Corporate Secretary reported that out of the 508,625,574 common shares issued and outstanding, there were present either in person or represented by proxy 358,642,217 shares of the common stock representing 70.51% of the outstanding voting stock of the Corporation. There being a quorum, the Chairman declared the meeting open for the transaction of business, noting that the meeting had to be conducted virtually but that the company had taken steps to insure that the shareholders have an opportunity to participate in the meeting to the same extent possible if it had been conducted in person. He then requested the Corporate Secretary to discuss the procedure and rules to be observed for the meeting.

The Corporate Secretary explained that under the Company's Articles of Incorporation, all common shares have full voting rights. Except for delinquent stock, all common stockholders of record as of June 11, 2020 are entitled to register and vote the number of shares in their name as of the record date. For the election of directors, each stockholder may cumulate his votes. The Notice and Agenda as published includes an explanation of the agenda items. As stated in the Registration and Validation Procedures furnished to the stockholders, a validation of the stockholders was conducted from July 10, 2020 to July 20, 2020.

Qualified stockholders and proxies who successfully registered and validated for the meeting were sent a confirmation through email and the links for them to attend the virtual ASM and to cast their vote on or before July 21, 2020 through a secure online voting platform. This online voting platform contains the items for approval as indicated in the agenda set out in the notice. The proposed resolution for each of these will be shown in the screen during the course of the meeting.

For items other than the election of directors, the stockholders had the option to either vote in favor of or against a matter for approval, or to abstain.

For the election of directors, the stockholders had the option to vote their shares for each of the nominees, not vote for any nominee, or vote for one or some nominees only, in such number of shares as the stockholders prefer; provided that the

total number of votes cast does not exceed the number of shares owned by them multiplied by the number of directors to be elected.

Votes received through electronic voting or voting *in absentia* and votes cast through proxies were tabulated by the Office of the Corporate Secretary and validated by Sycip Gorres and Velayo & Co. The results of the voting, with full details of the affirmative and negative votes, as well as abstentions, will be reflected in the minutes of this meeting.

Questions and comments were allowed to be submitted during registration and until July 21, 2020. He stated that the Corporation will endeavor to respond to all questions within the time allowed.

The manner of voting shall be non-cumulative, except as to the election of directors. Each stockholder shall have one vote for each share entitled to vote and registered in his name. The vote of the stockholders representing at least a majority of the shares present or represented at the meeting will be sufficient to approve any of the matters for approval.

In the election of directors, cumulative voting shall be allowed and the top fifteen nominees with the most number of votes will be elected as directors.

These participation and voting procedures are also contained in the Definitive Information Statement, accessible to all stockholders through the Company's website and ASM portal as well as on the EDGE disclosure system of the Philippine Stock Exchange. He reminded everyone that the meeting was being recorded, both video and audio. Except for the designated speakers and presenters, the microphones of the other attendees have been muted.

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

The Chairman said that the next order of business was the approval of the minutes of the previous stockholders meeting. An electronic copy of the draft minutes of the Annual Stockholders' Meeting last May 10, 2019 was at the company's website within 5 business days after the date of the actual meeting. He requested the Corporate Secretary to read the proposed resolution in this regard.

The Corporate Secretary stated that Management proposed the approval of the following resolution by the stockholders:

*“RESOLVED, that the stockholders of First Philippine Holdings Corporation hereby approve the minutes of the Annual Stockholders’ Meeting held on May 10, 2019.”*

The Corporate Secretary stated that the Company received votes or proxies representing 352,449,576 shares or 98.27% of the shares present or represented at the meeting which voted in favor of the approval of the minutes of the annual stockholders meeting held last May 10, 2019 and approving the same. The Company received zero shares voting against and zero shares abstaining from voting on this particular matter. This was noted by the Chairman and who declared the resolution approved.

## **THE CHAIRMAN’S REPORT**

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

Good morning.

As I was writing this message to our stakeholders for our very first Integrated Report, the whole world was in varying stages of lockdown from the COVID-19 pandemic. With the prospect of a vaccine not yet in sight, we’re all still in a dangerous “dance” with the virus --- simultaneously avoiding it, yet trying to regain some of the normalcy of our past lives that now feel like a world away. Prescient voices warned of this possibility. We all assumed that dystopian events like this only happen in movies and sci-fi novels and most of us dismissed the probability of it even occurring in our lifetimes. We convinced ourselves that modern technology and medicine will always come to the rescue. So we went on with our lives.

What is overwhelming us today in this pandemic is but a sneak preview of the geologic-scale changes that will result from an unabated climate crisis. These changes are already evident in record-breaking temperatures and natural catastrophes hitting the planet every year now. Early this year, a record-high temperature of 20.75 degrees Celsius was set in the Antarctic. At the time of this writing, the Arctic also broke historic records with a high temperature of 38 degrees Celsius. The incessant rise in the world’s carbon emissions has put us on a trajectory of a global temperature rise of between 3.7 to 4.8 degrees Celsius by 2100. That’s an unlivable planet!

Today, we have a narrowing window left to keep warming within the desired 1.5 degrees Celsius agreed to in Paris under COP 21, or watch it run away from us irreversibly. The upcoming decade of the 2020’s will critically determine whether we succeed or not. To succeed, humanity needs to reduce

carbon dioxide emissions by 6 percent every year until we achieve net zero emissions in 2050. For perspective, the lockdowns and passenger transport restrictions resulting from the pandemic are expected to bring emissions down this year by about 8 percent; which means we need a COVID-scale catastrophe every year until 2050 just to achieve the 1.5 degree Celsius target! How did we get into this existential crisis?

Central to all this is the all-too-common mindset that man is apart from, and not a part of, nature --- that nature exists to serve our wants and needs, regardless of the toll we inflict upon it. Today, our global population of 7.8 billion humans consumes an estimated 1.75 Earths per year. That's 75 percent more resources than our planet's ability to replenish. According to the Global Footprint Network, US lifestyles consume an average of 5 Earths, which many others on the planet aspire to attain. Yet the pattern of growth is broken: instead of lifting all boats, it has left too many behind. The top 10 percent of the world now owns 82 percent of the wealth, a trend that's set to worsen over time. The populism that's sweeping the world is a symptom of this growing disenchantment with business, politics, and life as usual. Clearly, our planet's natural environment and its social fabric are already ripping at the seams.

The natural, social, and political forces being unleashed in the coming decade will likely make it the most challenging and most disruptive business has ever seen. The COVID-19 pandemic is but a mere "fire-drill" for what's coming and demonstrates the scale at which things need to change. We are living in a time of great paradigm shifts, and businesses that seek to thrive in this era must be able to reimagine and redesign themselves for this new world.

In this kind of a world, corporate sustainability that seeks to simply "tick the box" or do less harm is no longer good enough. Sustaining our trajectory today will result in disasters that are not only greater in scale, but also are more unjust towards those who do not have the capacity to cope with the devastating changes that are already here and continue to escalate.

Businesses need to align themselves, their resources, and their capabilities towards a mission that seeks to elevate everything they touch – their customers, employees, suppliers, contractors, the environment, communities, and, of course, their investors. There is an urgency for all of us to go beyond incremental sustainability and transform into regenerative forces that align our profit engines with the need for a better world and a safer planet. I am certain that humanity, collectively, has the creativity and innovative energy needed to solve the world's greatest problems. Unlocking these will be the foundation to some of the greatest business opportunities in the coming century.

This year we crystallized our Mission at FPH and our group of companies and that is: "To forge collaborative pathways for a decarbonized and regenerative future". It's a deliberately high bar and we're nothing short of humbled by it. But we expect this short phrase to be the beacon that guides us through this turbulent decade and beyond.

We've also put into words our Purpose and Our Chosen Path, etching out the role we see for ourselves in the coming years with greater clarity. It reads as follows:

### **Our Purpose**

We recognize that our planet's life support systems and social institutions are now at a breaking point. Unbridled consumption and primacy of bottom-line growth are at the root of the climate crisis, our alienation from nature, and the profound social and economic divisions, that have become existential threats to humanity today.

Overcoming all of these challenges will require paradigm shifts in the ways that we think, live, and do business. It is now clear that pursuing sustainability that seeks only to do less harm is no longer good enough.

Instead, we need to create symbiotic, mutually beneficial relationships with nature and society that benefit more than just shareholders. Businesses today must urgently become a regenerative force that elevates everything that they touch – customers, employees, suppliers, contractors, the environment, communities, and investors.

The transformation cannot be done by entities working alone. We are mindful that we exist within highly diverse and nested systems, and that we must all play unique, reciprocal, and synchronized roles in a world that needs to be healed.

Our collective success will be measured by how quickly we can decouple economic and social prosperity from the destruction of our planet's life support systems.

We choose this path because it is the only way to a destination where everyone has the opportunity to thrive and prosper on a healthy planet. We choose this path because we believe it is the only way to create lasting value for all stakeholders and not just shareholders. We choose this path because it is inseparable from the Lopez Values that have, and always will, define us.

### **Our Chosen Path**

In pursuing this path, we will unlock the potential of diverse talents to create a mission-driven organization that makes work fulfilling, fun, and that gives people a deep sense of belonging.

Our businesses will become multiple pathways toward a decarbonized and regenerative future.

- In energy, we shall lead the transition to a decarbonized energy future.
- In property, we shall nurture inclusive, well-tempered, and creative spaces that elevate surrounding communities and the environment.
- In construction, we shall build infrastructure that creates resilience and enhances the quality of life in a complex, climate-changed world.

Our mission and purpose will guide everything we do.

The ideas and principles behind our words are not new. We've been living and breathing most of those principles the last decade. At times we felt we may have been getting ahead of ourselves and where our investors wanted us to be. But even back then, just like today, we've always been playing for the long term, reading the tea leaves, and conscientiously transforming ourselves into what the world needs us to be.

Thank you for your continued trust and confidence. I sincerely hope you're encouraged to come along with us on what will be a rewarding and purposeful journey.

The Chairman thereupon called on Mr. Francis Giles B. Puno, President & COO of the Corporation, to render his report.

## **THE PRESIDENT'S REPORT**

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

Dear Stakeholders,

A pleasant and warm heartfelt greeting to all of you this morning!

This COVID-19 pandemic has drastically changed how we live and at FPH, it required most of us to work from home, restrict our movements and continuously monitor and ensure the safety of our employees and families. Technology helped us adjust quickly, almost seamlessly. As for me, working at home has surprisingly been quite productive.

It gave me the opportunity to reflect on disruptive events like this COVID-19 pandemic and its connection with what many believe is the larger, more consequential concern that is climate change.

And as our Chairman just presented, this period allowed your FPH team to further examine our company's impact on people, on society and on the environment; as well as fine tune and, if necessary, recast our Mission, our Purpose, and our Chosen Path.

My report should have been an easy one. I would have simply reported how 2019 was a stellar year with First Philippine Holdings (FPH) posting "all-time high" profits and how we continue to gain momentum on our growth plans across our portfolio.



I would have also reported that 2019 marked a year where the increased volume and depth of discussion on the necessity to shift energy usage towards less polluting, low-carbon electricity sources like renewable energy and even natural gas became much more acceptable, understood, and mainstream. We are no longer an outlier in the conversation and that certainly makes us feel good.

This increased awareness and positive change in the tide favored FPH's chosen path of a clean, low-carbon, and renewable portfolio and affirmed our decision to not invest in coal.

I am sure that none of us thought we would go through our lives experiencing a scary life-threatening global health pandemic. Our very own well-being is affected by feeling of anxiety and uncertainty about our future.

More so, I realized that this feeling of uneasiness is similar to the feeling I have on how slowly the world seemed to be responding to the existential threat of human-made climate change.

For some time now, we at FPH have been passionate and vocal advocates of the necessity for the Philippine energy sector to overhaul its energy strategy and shift towards a more progressive and more forward-looking decarbonized energy system and that it is important for our leaders and stakeholders to work together and create an environment that will promote and incentivize a long overdue change in behavior to take a more drastic pivot in favor of clean and renewable energy or suffer the consequences of climate-related disasters.

Renowned climate scientist turned political activist James Hansen, who I respect and admire, clearly describes the connection between the pandemic and climate change in that they are "both characterized by a *delayed response* which makes the problem and its solution more difficult." Hmm, a delayed response by whom?

Hansen further adds, "with the virus the lags for an individual are between infection, appearance of symptoms, and ultimate response, which can potentially include death... with climate change the lags are between emissions, appearance of warming, and ultimate effects such as large sea level rise and species extinctions, which can potentially lead to social disorder and a more desolate world."

Hansen then concludes, "We are in a race to find remedies in both cases, but the near-term focus on the virus provides a moment to assess the actions needed for climate. It is a *solvable problem*. It is inappropriate to pile stress on young people, by implying that it is too late for realistic actions to be effective."

What can we take away from Hansen's statements?

First, is that of the “delayed response” by whom? Clearly, he refers to all of us, our leaders and stakeholders, including politicians, businessmen, regulators, lenders, and even consumers.

The second takeaway worth emphasizing is that this is a “solvable problem”. It is not going to be easy but it is solvable and we have to accept the fact that we are going to live and cope with a harsher and more unpredictable environment. Whether it’s a pandemic or climate change, what is clear is that we all need to acknowledge the problem, work together, collaborate and take more decisive action!

### **Responding to the Climate Crisis**

We, at FPH, have long advocated for socially responsible and environmentally conscious business operations. We can describe it as our “Powered by Good” Journey that has consumed our thinking that has led to the critical decisions or pivots we have made and will make in this challenging and exciting adventure.

Today, more than ever, we remain committed to nurturing resilient business models to protect our country from the devastating effects of climate change.

Through our strategic investments in clean energy, real estate, construction, and electrical products and services, we honor our commitment to *a mission of forging collaborative pathways to a decarbonized and regenerative future.*

Our success will be determined by how we engage and align our organization to champion a common mission and enable our subsidiaries to elaborate and clarify their own Purpose and Chosen Path.

You may have thought that a decarbonized and regenerative future only applies to our energy business but we see that it cuts across all of FPH’s businesses. It is a way of unifying FPH’s identity towards more progressive, forward-looking business models consistent with what are known today as ESG or Environmental, Social and Governance investment considerations.

We are seeing a remarkable rise in the attractiveness of ESG-focused investments that mitigate climate-related risk exposure. It enables us to access capital from investors with aligned interests.

Investors in the energy space have become more selective with the companies they invest in, favoring clean and renewable energy companies. Banks are now under more pressure to stop lending to coal projects. Increasingly, owners and developers are selling their stakes or shutting down their coal plants due to regulatory or economic reasons. More and more, large customers are taking responsibility in choosing where they buy their electricity.

It is also worth noting that we have attracted investors who believe in and support FPH’s decarbonization story. We have brought in major financial and strategic partners like Macquarie Infrastructure and Government of Singapore Investment Corporation in EDC; Tokyo Gas of Japan for our LNG project;

Sumitomo Corporation in FPIP; Mitsui Fudosan in Rockwell; Acciona of Spain in First Balfour; and more recently KKR, one of the largest global private equity investors, completed a voluntary offer for First Gen common shares and today own 12.5% of the Company. This \$195 million investment was remarkably completed in the midst of the current pandemic crisis.

## OUR FINANCIAL PERFORMANCE

The choices we make are always powered by our desire to do good. The conglomerate's stellar financial performance in 2019 demonstrates that there are economic benefits to taking the high road. We are proving that it can be done!

In 2019, FPH recorded an attributable recurring net income (RNI) of PhP11.98 billion, higher by PhP1.6 billion or 15.2%, compared to PhP10.4 billion in 2018. This increase was driven by the stronger operating results of our clean energy, real estate, and construction businesses.

### **Clean Energy**

Our clean energy subsidiaries continue to lead the transition to a decarbonized energy system. In 2019, First Gen Corporation (First Gen), recorded an attributable RNI of PhP14.8 billion in 2019, 17.3% or PhP2.1 billion higher compared to PhP12.7 billion in 2018.

The increase can be attributed to the improved operating performance of EDC's geothermal plants in Leyte, as well as FG Hydro and Avion generating higher sales volume and average selling prices in the Wholesale Electricity Spot Market (WESM).

San Gabriel's full-year revenues from its Power Supply Agreement (PSA) with Meralco, also contributed to this growth.

### *Progress of the LNG project and terminal*

We continued to focus on pioneering LNG to the country. Last May 2019, we celebrated together with our 20% partner Tokyo Gas, a traditional Kagami Biraki ground-breaking. In August 2019, the project was declared an "Energy Project of National Significance" signifying the support of the Department of Energy and the project's importance to the country's long-term energy security.

The LNG project will serve the needs of existing and future gas-fired power plants for both First Gen as well as third parties. This also allows Filipino consumers to benefit from clean, far less polluting and competitively priced electricity. It enables the entry of much needed renewable energy projects. It also encourages new large and small-scale gas plants throughout the many islands of our country to replace inefficient and more polluting diesel or oil-fired plants.

*Accomplished detail study on the modified jetty*

First Gen has also completed a detailed study on modifying its existing jetty at the First Gen Clean Energy Complex in Batangas City. Construction can proceed once the DOE approves our Permit to Construct application. The modified jetty will have the ability to receive large- and small-scale LNG vessels including Floating Storage Regasification Units (FSRUs).

Consistent with our chosen path, we will deploy our extensive four decades of experience in geothermal to provide uninterrupted power 24/7. Energy Development Corporation (EDC), a subsidiary of First Gen, had full return-to-service of its Unified Leyte and Tongonan power plants after recovery from the damages wrought by Typhoon Urduja in December 2017.

Through our real estate subsidiaries, we continue to nurture inclusive, well-tempered, and creative spaces that help elevate their surrounding communities and the environment.

Rockwell Land, our residential and commercial real estate business, saw big bets pay off as its brand gets stronger. Our Proscenium development in Makati is almost complete and strengthen our foothold in the premium segment condominium market. We also continued to invest outside Metro Manila, in growth locations such as Cebu and Bacolod, offering more curated, organized, densified, modern community living with larger common green spaces that move away from the more traditional carbon intensive, less efficient urban sprawl.

Owing to higher reservation sales and an increase in the occupancy rate of office and retail spaces, Rockwell Land netted a consolidated RNI of PhP2.8 billion in 2019, higher by 8%, compared to PhP2.6 billion in 2018. We also launched four (4) residential developments in 2019, namely: Terreno South in Lipa, Rockwell South at Carmelray, Larsen Tower in Sucat, and Nara Residences in Bacolod.

**Gainful Employment**

First Philippine Industrial Park (FPIP), our industrial real estate business, continues its mission of creating high-value jobs for Filipinos. In 2019, FPIP saw the influx of 66,000 employees from its locators, compared to 62,000 employees in 2018. The industrial park continues to attract a wide variety of locators from different industries, such as electronics, printing, aerospace, semiconductors, and fast-moving consumer goods (FMCG).

To better accommodate its growing number of locators, FPIP increased the leasable area of its ready-built facilities (RBF) to almost 110,000 square meters, and currently enjoys a 100% occupancy rate.

Owing to the increase in its recurring revenues from RBF leasing, FPIP recorded a consolidated RNI of PhP172 million in 2019, higher by 11%, compared to PhP155 million in 2018.

We plan to grow FPIP to enhance the manufacturing experience of our locators and to make it more livable for our locator employees. As such, we are master-planning a manufacturing-centered township community. Facilities such as improved infrastructure, more green spaces, accommodations such as dormitories, retail spaces, and office spaces will be designed to meet the critical needs of our locators and their employees.

### **Building Possibilities**

First Balfour, our construction business, continues to be a valuable partner with local experience, lending its expertise to the development of large-scale infrastructure projects.

In 2019, First Balfour netted a consolidated RNI of PhP290 million, higher by 55%, compared to PhP187 million in 2018. This increase was primarily driven by higher construction revenues, coupled with improved earnings from its drilling subsidiary, Thermaprime, and its growing equipment rental business, T1 Rentals.

The construction of the 8.5-kilometer Cebu-Cordova Link Expressway (CCLEX) is now 49% completed. The expressway, which is scheduled to be completed in 2021, will help alleviate the traffic between Mactan and Cebu.

In 2019, First Balfour also officially started excavation for the Novaliches-Balara Aqueduct 4 Project (NBAQ4), to deliver bulk water from the La Mesa Dam to Balara in Quezon City. A tunnel-boring machine is being operated to excavate the 7.3-kilometer long and 3.1-meter diameter tunnel and underground aqueduct, passing under Commonwealth Avenue.

First Philec, Inc. (FPI), the only local manufacturer of high-quality electrical transformers, continues to support and customize solutions for electricity distribution utilities.

It has been the main supplier for six (6) private distribution utilities for three (3) straight years.

In 2019, FPI posted record revenues of PhP2.4 billion, however, RNI was lower by 11%, from PhP534 million in 2018 to PhP483 million due to the expiration of income tax holiday incentives during the year.

All in all, the favorable performance of FPH's diverse businesses in 2019 shows that we can achieve profitability through responsible, sustainable operations.

As a conglomerate, we can collectively achieve responsible growth through the integration of low-carbon operations, the protection of nature's integrity and enhancement of social inclusion.

### **Creating Value through Integrated Thinking**

This year, we are shifting from the Global Reporting Initiative to the Integrated Reporting framework to more clearly connect our company's value creation process with productive capitals such as financial, manufactured, intellectual, natural, social, and human capital.

Through integrated reporting, stakeholders will see how we position our businesses in the context of our aspirations for a low-carbon and more sustainable future. It also reflects clear targets to balance the company's financial aspirations while addressing the challenges of the climate crisis.

Pulitzer Prize-Winning author and New York Times columnist Thomas Friedman was asked about the pandemic and the environment in a Harvard Business Publishing interview during the quarantine. His response cannot be any clearer.

He mentioned that "this [pandemic] is of course the warm up act for the big one. And the big one is climate change. And there are two differences between a pandemic and climate change. The first is climate change doesn't peak.

If the Greenland and Antarctic ice shelf melts, they're gone. They will be permanently boiled by the sun. The oceans will rise.

And the second difference between pandemics and climate change is there is no herd immunity to climate change. ***There is just a relentless pounding on the herd.***

Friedman concludes by saying "If this is not a wake up for that, I really don't know what is."

I don't know about you, but the concept of a continuous and relentless pounding of the herd is quite frightening to even imagine. We have to try our best to avoid it and prepare for a difficult journey ahead.

But we need to take decisive action today!

In a world where we can no longer ignore the existential threat posed by the climate crisis, creating value through collaboration and innovative thinking can help us be more mindful of the way we conduct our business.

Amid rising temperatures and devastating natural calamities, **we just simply cannot quit. We have to believe that we collectively have the power to address the ongoing climate crisis and secure a better future for the next generation.**

FPH's mission to forge collaborative pathways towards a decarbonized and regenerative future is precisely the direction we are embracing. It is a mission that inspires us to take on worthwhile challenges.

While the full impact of this global pandemic remains to be seen, we remain steadfast in our commitment to continue providing our basic services to the public. As the country copes with the pandemic, we commit to keep the lights on and power running in this critical time.

Thank you for all your support.

**PRESENTATION & APPROVAL OF THE  
MANAGEMENT REPORTS AND  
RATIFICATION OF THE BOARD APPROVAL OF  
THE AUDITED FINANCIAL STATEMENTS FOR  
THE PERIOD ENDED DECEMBER 31, 2019**

The Chairman stated that copies of the management report, which includes the audited financial statements for the calendar year ending December 31, 2019, were duly published and made available to the stockholders prior to the meeting. The management report and the financial statements include all pertinent actions undertaken during the year as well as the activities and performance of the subsidiaries and affiliates, including the declaration of dividends by the Company. He explained that the Board of Directors approved the audited financial statements last March 16, 2020. The statements also include a report from the Audit Committee on internal controls, risk management systems and on the external audit and non-audit fees.

Consistent with the Company's policy allowing stockholders to participate in the meetings of stockholders and ask questions, the Chairman said that management was prepared to clarify or elaborate on any matter reflected in the management report and the financial statements. He also said that the external auditors were also present to explain as may be necessary. In connection with the meeting, the Company had requested its valued stockholders to submit their questions through a designated online link. He then requested the Corporate Secretary to read the questions that can be accommodated within the time allowed with Management is to respond after each question.

The Corporate Secretary said that the Company received the following questions from a certain Mr. Julio San Pedro and a Ms. Rochelle Vasquez, as well as from the press. Some questions were related and have been combined.

The Corporate Secretary read the first question thus, "Are you pursuing expansion plans in the power generation, real estate and manufacturing businesses?"

The Chairman responded that the power generation group will continue to pursue the development of an offshore LNG terminal within the First Gen Clean Energy Complex in Batangas. This will allow LNG to be brought in using a floating storage and regasification unit or FSRU, thereby ensuring the energy security of the country, as indigenous gas supply from Malampaya is expected to become less reliable over time. The property group is focused on completing Rockwell's on-going residential projects, and expanding First Philippine Industrial Park's footprint and service offerings to park locators and the roughly 66 thousand Filipinos already employed there. Meanwhile, the manufacturing group's expansion business beyond transformers, has started to gain traction, particularly the Distribution Line Component.

The Corporate Secretary then read the combined question from the stockholders who had inquired on the impact of COVID-19, particularly on the business of FPH and its other companies, and on the measures that have been taken to insure that its employees are financially and physically safe during the pandemic.

Mr. Puno responded that as with most if not all businesses, the pandemic has adversely affected FPH. The power sector is experiencing lower demand for electricity combined with a drop in the spot market prices. With the exception of commercial office and industrial leasing which have remained relatively stable, our property sector's revenues from the residential, retail and hospitality segments have also contracted because of the virus. The construction group is experiencing deferrals and delays in a number of construction projects slated for this year.

With that, the Company expects a reduction in earnings this year no different from many other conglomerates. In the first quarter of 2020, which takes into consideration about 15 days of the Covid impact alone, recurring earnings dropped by about 13%. A drop in recurring earnings this year is expected. In the meantime, the Company has a program of business continuity and crisis management and we have a full occupational health organization to assist the employees and their families to insure that they are safe and well.

The Corporate Secretary thereupon posed the next question on "What will First Philippine Holdings Corporation's capex program be?"

The President stated that in general the Company's capex is about P29B which is essentially focused on the gas expansion, particularly in the LNG front. But when



you look at the amounts, these will be spent over the next few years, so it is not just a 2020 or 2021 capex program. For First Gen, that is about P14B of capex, followed by the property sector which is about P11B, with Rockwell taking up more of that and also FPIP, with the balance allocated for the construction sector and for a number of FPH's new businesses in healthcare and education. The Company remains open to new opportunities despite the pandemic and continues to review and evaluate potential new projects.

The Corporate Secretary then stated that that was all the time there was for questions, but that if there were any more, and if questions were received after the deadline or during the meeting through other means such the corporate secretary email address at corporatesecretary@fphc.com as provided in the meeting materials, or at invrel@fphc.com the Company will endeavor to respond to these questions as well.

The Chairman hoped that the stockholders, as well as the Company's friends from the press, would find the responses sufficient and requested the Corporate Secretary to read the proposed resolution with respect to the financial statements, the reports and the voting results.

The Corporate Secretary stated that Management proposed the approval of the following resolution for approval by the stockholders:

*“RESOLVED, That the stockholders of First Philippine Holdings Corporation (the ‘Corporation’):*

- (i) confirm, approve, and ratify, as they hereby do confirm, approve and ratify, the Board of Directors’ approval of the Audited Financial Statements of the Corporation for the period ended December 31, 2019; and*
- (ii) approve, as they hereby do approve, the management reports covering the calendar year ending December 31, 2019.”*

The Corporate Secretary stated that the Company received votes or proxies representing 351,420,286 shares or 97.99% of the shares present or represented at the meeting which voted in favor of the approval of the management reports and audited financial statements. The company received zero shares voting against and 1,029,290 shares abstaining from voting on this particular matter. This was noted by the Chairman and who declared the resolution approved.

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

The Chairman said that the next item in the agenda was the ratification of the acts of the Board of Directors, of the Executive Committee, other Board Committees, and of the Management of the Corporation. Those actions affecting the business, operations, financial performance and decisions of the Corporation are also covered in our Information Statement, Management Report, Chairman and President's Reports and in the discussions in this meeting. He requested the Corporate Secretary to read the proposed resolution with respect to the foregoing.

The Corporate Secretary stated that Management proposed the approval of the following resolution by the stockholders:

*“RESOLVED, That all resolutions and acts of the Board of Directors, the Executive Committee and other Board Committees, as well as the acts and contracts entered into by the Management of First Philippine Holdings Corporation during the calendar year ended December 31, 2019, and up to the date of this Annual Stockholders Meeting, and the Chairman and President's Reports, be, as they are hereby, confirmed, ratified and approved by the stockholders.”*

The Corporate Secretary stated that the Company received votes or proxies representing 351,420,286 shares or 97.99% of the shares present or represented at the meeting which voted in favor of the approval of the acts of the Board of Directors, of the Executive Committee, the other Board Committees, and of the Management during the calendar year ended December 31, 2019 and up to the date of this meeting as well as the Chairman & President's Reports. The company received zero shares voting against and 1,029,290 shares abstaining from voting on this particular matter. This was noted by the Chairman and who declared the resolution approved.

## ELECTION OF DIRECTORS

The Chairman said that the next item in the agenda was the election of directors of the Corporation for the ensuing year. There are fifteen (15) seats in the Board to be filled. He asked the Corporate Secretary to explain the provisions of the By-Laws and the rules of the SEC with respect to the election of directors.

The Corporate Secretary said that, according to Article II, Section 3 of the By-Laws, all nominations for the election of Directors by the stockholders shall be submitted in writing to the Corporate Governance Committee at least 60 days before the scheduled date of the annual stockholders' meeting. Nominations and elections of independent directors must also comply with the regulations of the SEC and all related issuances. The Board, as recommended by the Corporate 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. Stephen T. CuUnjieng  
 Mr. Peter D. Garrucho, Jr.  
 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  
 Commissioner Anita B. Quitain  
 Mr. Ernesto B. Rufino, Jr.  
 Mr. Juan B. Santos  
 Mr. Richard B. Tantoco

It was advised that the Board of Directors, in its regular meeting on March 16, 2020, 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 for Corporate Governance. Ms. Rizalina G. Mantaring, Chief Justice Artemio V. Panganiban, Mr. Juan B. Santos and Mr. Stephen T. CuUnjieng are being nominated as independent directors. The directors' qualifications and professional experience are all discussed in the Information Statement. An attendance report was included to show none of the directors nominated have attended less than 50% of the meetings as well as a section on their

compensation, including their committee attendance. The Board has likewise conducted a performance self-assessment for 2019. The members of the Board have complied with the Company's policies on self-dealing, disclosures and related party transactions, among others.

With respect to the votes cast, each director received at least 87.09% of the votes. The Corporate Secretary certified that the board directors so nominated have received the requisite votes for election without prejudice to a final tabulation to be made part of the records.

The votes for the directors were as follows:

	<b>ACTION*</b>		
	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
Augusto Almeda-Lopez	312,522,822 87.14%	37,919,525 10.57%	-
Peter D. Garrucho, Jr.	312,522,822 87.14%	37,919,525 10.57%	-
Elpidio L. Ibañez	315,850,036 88.07%	34,592,311 9.65%	-
Eugenio L. Lopez III	312,522,822 87.14%	37,919,525 10.57%	-
Federico R. Lopez	340,163,681 94.85%	10,278,953 2.87%	-
Manuel M. Lopez	312,338,153 87.09%	38,104,194 10.62%	-
Oscar M. Lopez	313,521,172 87.42%	36,921,175 10.29%	-
Francis Giles B. Puno	316,934,846 88.37%	33,522,501 9.35%	-
Ernesto B. Rufino, Jr.	316,485,156 88.25%	33,957,191 9.47%	-
Richard B. Tantoco	317,546,676 88.54%	32,910,671 9.18%	-
Anita B. Quitain	316,301,778 88.19%	33,957,191 9.47%	-
Stephen T. CuUnjieng*	350,258,969 97.66%	-	-
Rizalina G. Mantaring*	350,442,247 97.71%	-	-
Artemio V. Panganiban*	339,004,588 94.52%	11,437,659 3.19%	-
Juan B. Santos*	341,374,566 95.19%	9,067,681 2.53%	-
<i>*Nominated and elected as Independent Directors</i>			

*\*Percentage of votes is based on the number of shares present or represented at the meeting*

The Chairman formally declared the said nominated stockholders to be the duly elected members of the Board of Directors, to serve as such for the ensuing year and until their successors are duly elected and qualified.

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

The last item in the agenda was the appointment of external auditors and the Chairman requested the Corporate Secretary to read the proposed resolution in this regard.

The Corporate Secretary stated that Management proposed the approval of the following resolution by the stockholders:


*“RESOLVED, that the stockholders of First Philippine Holdings Corporation (the “Corporation”) hereby approve the appointment of SyCip Gorres Velayo & Co. as the Corporation’s external auditors for the period 2020-2021.”*

The Corporate Secretary reported that the Company received votes or proxies representing 350,803,364 shares or 97.81% of the shares present or represented at the meeting which voted in favor of the appointment of Sycip Gorres Velayo & Co. as the Corporation’s external auditors. The company received 1,646,212 shares voting against and zero shares abstaining from voting on this particular matter. This was noted by the Chairman and who declared the resolution approved.

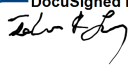
#### **ADJOURNMENT**

The Chairman inquired if there was any other business to be taken up. There being no further business to transact, the Chairman thanked everyone who attend the virtual stockholders’ meeting, declaring that he hoped to seem under better circumstances, asking them to keep safe. Before formally ending the Annual Stockholder’s Meeting, he advised the stockholders that the Company would be sharing a video on the release of a Philippine Eagle back into the wild. Makilala Hiraya was found injured last June 8, 2020 in Barangay Kesante, Makilala, North Cotabato. She was taken under the care of the Philippine Eagle Foundation. She has since been nursed back to health and was released back to her forest home just last July 28th, in time for the celebration of World Nature Conservation Day. FPH’s

renewable energy subsidiary, Energy Development Corporation, is a proud conservation partner of the Philippine Eagle Foundation. He invited everyone to watch and the meeting was thereupon adjourned.

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**ENRIQUE I. QUIASON**  
Corporate Secretary

A T T E S T :

DocuSigned by:  
  
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**FEDERICO R. LOPEZ**  
Chairman of the Board