

MINUTES OF THE ANNUAL STOCKHOLDERS MEETING OF  
**LOPEZ HOLDINGS CORPORATION**  
HELD AT CINEMA 6, ROCKWELL POWER PLANT  
ROCKWELL CENTER, MAKATI CITY, METRO MANILA  
ON JUNE 1, 2016 AT 9:00 A.M.

1. Call to Order

Amb. Manuel M. Lopez, the Chairman of the Board, called the meeting to order and presided over the same. The Secretary, Mr. Enrique I. Quiason, recorded the minutes of the proceedings.

2. Certification of Service of Notice

The Secretary certified that for purposes of the meeting, proper notices of the same were sent to all stockholders of record in accordance with the provisions of the by-laws.

3. Certification of the Presence of Quorum

The Secretary certified that there being present at the meeting, in person or by proxy, stockholders owning 2,989,452,807 shares out of the 4,602,826,152 shares issued and outstanding or 64.95 % of the total issued and outstanding shares, a quorum was present for the transaction of any business at hand.

Aside from Amb. Manuel M. Lopez, the Chairman and Chief Executive Officer, the following directors were present: Messrs. Mr. Washington Z. SyCip (Independent Director), Cesar E.A. Virata (Independent Director and Chairman of the Audit Committee), Monico V. Jacob (Independent Director) and Mr. Salvador G. Tirona (President, Chief Operating Officer and Chief Finance Officer).

The Secretary informed the stockholders that a number of proxies that were submitted and validated carried abstentions or oppositions to matters to be discussed during the meeting. While they do not affect the results of the voting, these abstentions or oppositions will be made part of the records and noted in the minutes for each item in the agenda.

The Secretary also explained that the manner of voting is non-cumulative, except as to the election of directors, and each stockholder shall have one vote for each share entitled to vote and registered in his name. Unless a motion is duly made and seconded, the voting shall be made viva voce and counted manually by the Corporate Secretary. Voting shall be done by balloting upon motion duly made and seconded, and the transfer agent shall count and canvass the ballots.

In the election of directors, the top seven nominees with the most number of votes will be elected as directors.

4. Reading and Approval of Minutes of Previous Stockholders Meeting

The reading of the minutes of the annual meeting of the stockholders held on May 28, 2015 was dispensed with and, upon motion duly made and seconded, the stockholders approved the same.

Stockholders in person or by proxy representing 2,989,452,807 shares or 100.00% of the shares present or represented at the meeting voted in favor of the approval of the said minutes while no stockholder abstained or voted against the motion.

5. Message of the Chairman of the Board and Report of Management

The Chairman delivered his message to the stockholders:

**Fellow shareholders:**

**The year 2015 saw Lopez Holdings Corporation and associates grow in strength, as we expanded our reach to engage more customers, build new assets and support our country's most cherished ideals.**

**The country's gross domestic product (GDP) increased by an average of 5.8% for the year, driven by capital formation which grew by 13.6%. We can say that we did our part because contributing what we could manage, our group's investments in power plants through First Philippine Holdings Corporation, and modern broadcast and narrowcast facilities and equipment through ABS-CBN Corporation, formed part of the private sector investments that constituted this share of expenditures as a growth driver in our national income accounts.**

**As we had earlier reported, ABS-CBN Corporation became the first to launch its digital terrestrial television (DTT) offering, called ABS-CBN TVplus, in February 2015. By the end of the year, ABS-CBN had distributed almost a million DTT units for an affordable one-time fee. ABS-CBN TVplus delivers dramatically clear pictures and sound and gives viewers more channel choices at no additional cost.**

**ABS-CBN, through its subsidiary Play Innovations, Inc., also successfully opened Kidzania, an interactive indoor play city for children aged 4 to 14. This effectively expands the direct reach of ABS-CBN to this very important young market through an experiential learning environment that they are sure to cherish throughout their lives.**

**At First Philippine Holdings Corporation (FPH), funding was provided for and work continued on the power plants being built by First Gen Corporation. Despite some delays, the US\$150-million Avion open cycle natural gas-fired power plant and the US\$600-million San Gabriel combined cycle natural gas-fired power plant achieved project milestones. Both are currently undergoing commissioning.**

**We must emphasize that these new power plants are vital in supporting our country's march toward inclusive growth, where real GDP has averaged 6.2% in the last six years. Energy is needed to power local commerce and industry, as well as household consumption and services. Moreover, clean energy is necessary if our country will fulfill its commitment to COP21 (the 21st Conference of Parties, also known as the 2015 Paris Climate Conference), among them to reduce greenhouse-gas emissions conditionally by 70% by year 2030, in solidarity with other nations.**

**To this, I must mention that First Gen has the cleanest portfolio of power plants in the Philippines, using clean, renewable and/or indigenous fuels such as steam, water, wind and natural gas. Its low carbon intensity means it releases lower**

carbon dioxide emissions and hence, contributes less to global warming. We must support economic growth with clean energy, to balance our current needs with those of future generations who will have to deal with greater crises from climate change. We support our government's thrust to uplift the quality of life of Filipinos through socio-economic interventions, while at the same time creating resilient communities, prepared for disasters and willing to forgo short-term gains in favor of long-term value.

Looking to 2016, FPH has invested P1 billion into its transformer manufacturing business, again in line with our group's commitment to support the larger energy needs of an expanding economy. First Philippine Industrial Park continues to attract locators to increase investments and jobs creation, and Rockwell Land Corporation, after expanding to the broader market through Rockwell Primaries in 2015, will begin looking at mass housing through Stonewell.

Aside from this, Rockwell Land pursues in earnest its entry in the hospitality industry through Aruga by Rockwell, serviced apartments that were offered first in the Edades Tower and Garden Villas in Rockwell Center, Makati, and which this year also opened in The Grove by Rockwell in Pasig City. Hotel and resort development will complete this menu of expanded services that will cater to Rockwell Land's distinguished clientele.

Meanwhile, we commend the election coverage provided by ABS-CBN, informing our fellow citizens all over the world on the developments on the national level, as well as bravely presenting investigative reports on the situation in every province in the country through its Kampanya-serye. Factual and unbiased reporting opened the minds of Filipino voters to fulfill their duty to the country by choosing leaders who will work for the greater good. At the same time, the vigilance and enthusiasm of ABS-CBN-trained citizen journalists, long known as bayan patrollers, protected the people's vote and respected their sovereign desire to be represented by those who emerged as winners in the polls.

Our people have spoken and have freely chosen those whom they wish to govern our nation. With them, we anticipate the peaceful transfer of political power to the new Administration, conscious of our duty to work together under a regime of good governance for the benefit of all Filipinos, especially those who have less in life.

Through our associated companies, we will continue to expand our reach and invest in projects that respond to the needs and wants of Filipinos everywhere. We will continue to inspire our countrymen to dream, empower them to be united or reunited with their families, and affirm their hopes to become prosperous, enlightened, and truly free.

The board of directors, management and staff of Lopez Holdings thank you for your confidence in us.

Good morning to all.

The Chairman next requested Mr. Salvador G. Tirona, the President and Chief Operating Officer,

to give the management's report on the performance of the Company for the year 2015. Mr. Tirona gave the following report:

**Good morning, fellow shareholders and Kapamilya!**

**Lopez Holdings Corporation improved its year-on-year performance in 2015, spurred by solid contributions from its major investees.**

**For the year 2015, your company reported P6.191 billion in net income attributable to equity holders of the Parent. This is 65% higher than the P3.760 billion in net income attributable to equity holders of the Parent reported in 2014. This was primarily due to the partial recovery of impairment losses related to its erstwhile telecom unit.**

**Consolidated revenues decreased by 3% to P96.510 billion from P99.191 billion. This resulted from decreases in the sale of electricity (-1%), real estate (-3%) and contracts and services (-27%), from units of First Philippine Holdings or FPH. However, the stellar performance of ABS-CBN lifted equity in net earnings of associates/PDRs and joint venture by 22%.**

**For the first quarter of 2016, your company reported P1.350 billion in net income attributable to equity holders of the Parent. This is 24% higher than the P1.085 billion in net income attributable to equity holders of the Parent reported for the same period last year. This was primarily due to the solid performance of business units associated with FPH and the 26% increase in ABS-CBN's net income for the period.**

**Lopez Holdings' total consolidated assets grew to P358.584 billion in 2015 from P338.724 billion in 2014. This figure mainly includes assets of FPH. Debt-to-equity ratio slightly improved at 3.53x in 2015 versus 3.88x in 2014. Also, book value per share was up at P11.88 a share at the end of 2015 from a value of P10.63 a share in 2014.**

**It is also worthy to note that Lopez Holdings' total consolidated assets as of March 31, 2016 grew to P364.17 billion from P358.58 billion as of December 2015. On the other hand, long-term interest bearing loans and borrowings was down to P147.91 billion as of the end of the first quarter of 2016 from P152.07 billion as of the end of 2015.**

**On a stand-alone Parent Company's financial position accounted for at equity method, Lopez Holdings total assets as of March 31, 2016 stood at P50.91 billion. It is composed of Current assets which is mainly cash and cash equivalents and Noncurrent assets representing our carrying value of investments in ABS-CBN and FPH.**

**Total equity attributable to Parent stood at P49.95 billion.**

**In 2015, we received P803 million in cash dividends from conglomerates FPH and ABS-CBN. In the same year, we paid out P463 million in cash dividends to**

shareholders. That was the fifth consecutive year that your company paid cash dividends since the time we completely resolved our long-standing debt issues in 2010.

In 2015, ABS-CBN expanded its reach to more viewers, not only by pioneering the distribution of digital terrestrial television or DTT service called ABS-CBN TVplus, but also by maintaining its dominance in the national television ratings. Nineteen of the top 20 programs of 2015 were shown on the Kapamilya network.

On the FPH side, the steady build of new gas-fired power plants through First Gen Corporation expanded not only its asset base, but also the future energy sources of the country, which achieved an average growth of 6.3% in terms of GDP (gross domestic product) from 2010 to 2015, the highest since the late 1970s. The country's need for clean, reliable and affordable electricity drives the work that First Gen does. Meanwhile, its associate, Energy Development Corporation continues its focus on renewable energy.

Still under FPH, the property development group is also expanding its reach. First Philippine Industrial Park has newly available land for sale while Rockwell Land Corporation is simultaneously looking at hotel and resorts as well as mass housing for enhanced coverage of new geographic and economic markets.

At the parent level, your company completed the sale of its equity in Bayan Telecommunications, Inc., together with those held by Bayan Telecommunications Holdings Corporation. Our Bayan shares were jointly sold to Globe Telecom, Inc. after the National Telecommunications Commission approved the conversion of Bayan debt into equity, giving control of Bayan to Globe, as resolved by the Rehabilitation Court since way back in 2013. This allowed us to partially recover impairment losses, net of related expenses, of P1.8 billion from our 20-year journey with Bayan.

Notwithstanding the financial losses suffered by Bayan, which were largely attributable to the catastrophic peso devaluation in 1997-2000, we marvel at the customer-centric and service-oriented organization that we established, and which endeared it to its customers in its areas of operation. As a maverick fixed line and data services provider, Bayan gained loyal subscribers over the years, attracted by its strong work ethic, unparalleled customer service and innovative market offerings like the money-back and 24-hour installation guarantees. Despite the financial challenges faced by Bayan thru the years, we are proud of our employees who continued until the very end to live out one of the distinct Lopez values which is Business Excellence.

ABS-CBN has always had the same kind of superior customer-focused philosophy, and is expanding it to its new endeavors such as ABS-CBNmobile and Kidzania. It is the same philosophy that has guided SKY Cable Corporation over the last 25 years as the pioneer cable TV service provider in the country. The primacy of customer delight is what led to innovations like the SKY concierge, or a personalized customer service associate for top tier subscribers, and SKY Broadband, the cost-efficient high-speed internet service for retail consumers.

**Proceeds from the sale of Bayan were used to buy FPH shares from the market to take advantage of low prices in August to September 2015, to fund a special separation package that reduced the parent's workforce by a quarter, and in part to fund the regular cash dividend for 2016.**

**Lopez Holdings looks forward to pursuing sustainable initiatives that not only add value to shareholders, but also serve the needs of the nation. Power, infrastructure, manufacturing and property development projects under FPH support a growing economy, industry and commerce, and an upwardly mobile customer base. Multi-platform communication, experiential and media initiatives under ABS-CBN deliver information, education, and entertainment, as well as stronger connections between Filipinos at home and overseas. We hope to continue expanding our reach to serve more customers in better ways.**

**Our obligations remain manageable, and to date, Lopez Holdings had outstanding direct obligations of US\$10 million in restructured notes only.**

**To date, Lopez Holdings owns 46.5% of FPH and 56.6% economic interest in ABS-CBN.**

**For a final note and in case you did not catch our earlier disclosure, your Board during its regular meeting held on May 30, 2016 approved the declaration of a cash dividend of twenty centavos (P0.20) per share to stockholders of record as of June 14, 2016 and payable on or before June 29, 2016.**

**In conclusion, we thank you for keeping faith with your management team and once again, good morning to all.**

The Chairman then opened the floor for any questions from the stockholders on the annual report and the audited financial statements, which have been distributed to the stockholders.

Ms. Carmencita Santos thanked the Board and Management for keeping the Company very profitable. She noted that the income growth from 2013 to 2014 was spectacular but the income growth from 2014 to 2015 was almost flat. She asked why, in view of a flat income growth in the net income from 2014 to 2015, the bonuses given to the top five executives jumped from P9.8 million in 2014 to P12.67 million in 2015. Mr. Tirona said that net income grew from P7.4 billion to P15.7 billion from 2013 to 2014 and further grew to P16.1 billion in 2015. The net income growth from 2014 to 2015 was not flat. Moreover, the increase in the bonus from 2013 onwards was based on the actual growth in net income from 2013 to 2015. The bonus is based on the performance for the previous years. The Chairman added that the increase in bonus from P9.8 million to P12.6 million is not really spectacular compared to other listed holding companies.

Stockholders in person or by proxy representing 2,984,019,871 shares or 99.827% of the shares present or represented at the meeting voted in favor of the approval of the annual report the audited financial statements, while stockholders representing 5,119,700 shares or 0.1713% of the shares present or represented at the meeting abstained from voting on the motion and no stockholder voted against the motion.

6. Ratification of the Acts of the Board and of Management

Upon motion duly made and seconded, the stockholders ratified the acts of the Board of Directors and of Management for the year 2015 to 2016 as reflected in the Report of Management, the Annual Report and the minutes of the meetings of the Board of Directors.

Stockholders in person or by proxy representing 2,982,837,371 shares or 99.7892% of the shares present or represented at the meeting voted in favor of the ratification of the acts of the Board and Management for the year 2015 to 2016 as reflected in the Report of Management, the Annual Report and the minutes of the meetings of the Board of Directors while stockholders representing 5,119,700 shares or 0.1713% of the shares present or represented at the meeting abstained from voting on the motion and 1,182,500 voted against the motion.

7. Election of Directors

The meeting proceeded to the election of directors for the ensuing year 2016 to 2017. The Secretary informed the body that pursuant to the pertinent provisions of the By-laws, nominations of the following stockholders as Directors were received by him at least ten days before the meeting:

Mr. Oscar M. Lopez  
 Mr. Manuel M. Lopez  
 Mr. Eugenio Lopez III  
 Mr. Cesar E. A. Virata  
 Mr. Washington Z. SyCip  
 Mr. Monico V. Jacob  
 Mr. Salvador G. Tirona

The Corporate Secretary said that Mr. Virata, Mr. SyCip and Mr. Jacob were duly nominated as independent directors in accordance with the rules of the Securities and Exchange Commission.

There being no other nominations, it was duly moved and seconded that the seven stockholders who were nominated as directors for the ensuing year be declared elected as Directors for the seven 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 Lopez Holdings Corporation for the ensuing year and declared them as duly elected members of the Board of Directors of the Company to act as such until their successors shall have been duly elected and shall have qualified. The votes for the directors were as follows:

	<b>FOR</b>	<b>WITHHOLD</b>	<b>ABSTAIN</b>
Oscar M. Lopez	2,973,662,578	15,476,993	0
Manuel M. Lopez	2,967,930,663	20,026,408	1,182,500
Eugenio Lopez III	2,980,094,278	9,045,293	0
Salvador G. Tirona	2,987,708,371	1,431,200	0

Washington Z. Sycip	2,845,759,835	143,379,736	0
Cesar E.A. Virata	2,732,340,149	256,799,422	0
Monico V. Jacob	2,611,224,813	377,914,758	0

8. Appointment of External Auditors

Upon motion made and duly seconded, the firm of SyCip Gorres Velayo & Co. was retained as external auditor of the Company.

Ms. Carmencita Santos observed that while the SEC allows the rotation of the auditing partner every five years instead of the auditing firm, internationally accepted principles of corporate governance require the rotation of external auditors. She asked if the Corporation has any plans at some point to rotate auditing firms instead of just the partners. Mr. Tirona said that this is a practice of Philippine conglomerates but the Board will take her observation under consideration. Ms. Santos remarked that all the listed corporations have SGV as their external auditors and wondered if the only qualified auditor is SGV.

Stockholders in person or by proxy representing 2,989,139,571 or 100% of the shares present or represented at the meeting voted in favor of the motion to approve the motion for the appointment of SyCip Gorres Velayo & Co. as external auditors. No stockholder abstained or voted against the motion.

9. Adjournment

There being no further business to transact, upon motion duly made and seconded, the meeting was adjourned.

ENRIQUE I. QUIASON  
Corporate Secretary

ATTEST:

MANUEL M. LOPEZ  
Chairman of the Board