

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 8, 2017 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 2,968,933,441 shares out of the 4,626,158,482 shares issued and outstanding or 64.18% 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. Oscar M. Lopez (Chairman Emeritus), Washington Z. SyCip (Independent Director), Cesar E.A. Virata (Independent Director and Chairman of the Audit Committee), Monico V. Jacob (Independent Director), and 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 June 1, 2016 was dispensed with and, upon motion duly made and seconded, the stockholders approved the same.

There were a total of 2,966,842,947 votes or 99.93% (2,930,447,542 votes through proxies) to

approve the minutes of the annual stockholders' meeting held on June 1, 2016, with 0 votes against and 0 votes to abstain.

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

The Chairman delivered his message to the stockholders:

Fellow stockholders:

The country's gross domestic product (GDP) increased by 6.8% in 2016, once again driven by capital formation which grew by 20.8%. Although the industry sector grew by 8.0%, our economy remains driven by services, as industry accounted for only 33.8% of the total GDP. The services sector grew by 7.5% and accounted for 57.5% of GDP.

What this tells us is that the country's commercial sector will likely continue to drive energy demand, which has been very much the same case as in the previous 20 years. Therefore, it is incumbent on the business sector to continue investing in sustainable enterprises that support the nation's path to progress.

This is why the major investees of Lopez Holdings Corporation, namely First Philippine Holdings Corporation (FPH) and ABS-CBN Corporation, continue to pursue strategies to help build the nation in better ways.

First Gen Corporation (First Gen), a unit of FPH, inaugurated two new natural gas-fired power plants, increasing its ability to generate power with the least possible impact to the environment. FPH is continually exploring ways to meet our country's energy requirements in a manner that will best conserve our natural resources, as well as empower the communities that provide manpower to its endeavors.

Meanwhile, ABS-CBN Corporation quickly moved into the digital space, with innovative offerings that expand ABS-CBN's reach beyond the TV screen. By making content accessible across a variety of platforms, ABS-CBN is carefully laying the foundations for rich, experiential encounters with its audiences, who support its world-class TV, film, music and event offerings, as well as its home-grown artists who have become formidable brands with solid social media following.

All these initiatives take into account the current needs of our customers across various segments of society, as well as our other stakeholders. Our stakeholders include not only the people surrounding the areas where our businesses operate, but also future generations who will need the same resources we are using to deliver much-needed services now.

Going forward, we renew our commitment to our people's aspirations for a better life, a better country, and a better future. As the country stays on track to achieve inclusive growth in the medium term, our investments will continue to support developmental requirements for energy, infrastructure and property development, as well as for connectivity, communication and information, in better ways.

With our population estimated at 103.9 million as of the end of 2016, the demand for basic

necessities will further rise. Through our associated companies, we will continue to search for better ways to deliver our commitments to customers. We will choose sustainable ways to produce power; connect with loved ones across our many islands and overseas; and inspire with top quality content that will bring out the best in every Filipino, young or old alike.

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

Magandang umaga po.

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 benefited from the stellar performance of its major investees in 2016, amid challenging industry dynamics brought about by increased competition and regulation.

For the year 2016, your company reported P6.557 billion in net income attributable to equity holders of the Parent. This is 6% higher than the P6.191 billion in net income attributable to equity holders of the Parent reported in 2015. The steady performance of investees First Philippine Holdings Corporation (FPH) and ABS-CBN Corporation (ABS-CBN) accounted for these results. First Philippine Holdings units also reported one-off gains from arbitration settlement proceeds received by the First Philec group, and collection of liquidated damages by First Gen Corporation (FGEN) for the San Gabriel flex-plant.

Consolidated revenues decreased by 3% to P91.910 billion from P96.510 billion. This resulted from decreases in the sale of electricity (-11%), real estate (-41%) and contracts and services (-37%), from units of First Philippine Holdings. However, the stellar performance of ABS-CBN lifted equity in net earnings of associates/PDRs and joint venture by 30%, driven by an 11% growth in advertising revenues that included election-related spending.

For the first quarter of 2017, your company reported P1.042 billion in net income attributable to equity holders of the Parent. This is 19% lower than the P1.291 billion in net income attributable to equity holders of the Parent reported for the same period last year. Foreign exchange losses reduced the consolidated bottom-line.

Lopez Holdings' total consolidated assets grew to P366.250 billion in 2016 from P358.584 billion in 2015. This figure mainly includes assets of First Philippine Holdings. Debt-to-equity ratio slightly improved at 3.07x in 2016 versus 3.53x in 2015. Also, book value per share was up at P13.06 a share at the end of 2016 from a value of P11.88 a share in 2015.

It is also worthy to note that Lopez Holdings' total consolidated assets as of March 31, 2017

grew to P374.45 billion from P366.25 billion as of December 2016. On the other hand, long-term interest bearing loans and borrowings was down to P134.61 billion as of the end of the first quarter of 2017 from P144.65 billion as of the end of 2016.

On a stand-alone Parent Company's financial position accounted for at equity method, Lopez Holdings total assets as of March 31, 2017 stood at P55.09 billion. It is composed of Current assets which is mainly cash and cash equivalents and Noncurrent assets representing our carrying value of investments in First Philippine Holdings and ABS-CBN.

Total equity attributable to Parent stood at P54.58 billion.

In 2016, we received P900 million in cash dividends from conglomerates First Philippine Holdings and ABS-CBN. In the same year, we paid out P924 million in cash dividends to shareholders. And just recently during its regular meeting held on May 18, 2017, your Board approved the declaration of a cash dividend of ten centavos (P0.10) per share to stockholders of record as of June 1, 2017 and payable on June 16, 2017.

ABS-CBN continued its transformation into a digital company, offering a host of original content on TV, cable, mobile and the internet. This multi-platform approach was developed over several years to respond to the needs of new audiences, especially the youth whose millennial lifestyles have increasingly shifted to on-demand viewing, instead of scheduled programming. ABS-CBN is making good on its commitment to be there for its audiences, to inform, entertain, inspire and connect them to their loved ones all over the globe.

On the First Philippine Holdings side, its power holding company, First Gen completed two new natural gas-fired plants and began selling to the grid in 2016. Adding a total of 511 MW in power generating capacity, First Gen is in a good position to respond to the expected rise in energy demand, while still being able to contribute to cleaner air.

Natural gas is among the cleanest fossil fuels, and is an ideal bridge fuel while renewable energy prices are not yet at parity with the rest of the grid. For this reason, First Gen continues to work toward establishing a liquefied natural gas terminal in its Clean Energy Complex in Batangas. And any future expansion of its generating capacity will continue to use primarily natural gas, if not renewable sources of energy.

All our investees are ready to respond to our nation's needs, as we tread the path to economic development, in ways that look to the needs of future Filipinos as well. Lopez Holdings and its investees have long committed to sustainable growth. We subscribe to the global movement for clean air, clean water, and resilient communities, which are turning out to be better ways to adapt to climate change. Actions like caring for the environment, educating the youth and reducing waste are not only socially responsible, but also financially prudent in the long term.

First Philippine Holdings will remain focused on growing all its investments in the same manner as it is growing its energy portfolio. Property development through Rockwell Land Corporation and First Philippine Industrial Park, and manufacturing through First Philec Corporation will continue to abide by international standards in environment, safety and health, as well as in quality management, not only as part of our enterprise-wide risk

management system, but also as our contribution to the millennium development goals to which our foundations are aligned.

ABS-CBN will continue to explore ways to serve its growing local and international audiences through evidence-based research that allows it to listen well and respond to demand in a timely manner. Business in the digital age happens quickly, but not easily. There are countless instances of ‘here today, gone tomorrow’ in the entertainment industry, but digital shortens the day to hours, if not minutes. The ‘man of the hour’ could be the next minute’s ‘has been’. For this reason, talent development is a continuous process to increase our pool of content creators, including actors, directors, writers, news reporters, cameramen, sound and image editors, and other production crew. Even veteran artists and news anchors have the opportunity to learn and expand their horizons with the ABS-CBN University, an internal educational endeavor to help our workforce adapt to business in the digital setting.

Lopez Holdings is stepping up to the needs of the moment in better ways. Its resources, as well as those of investees, will support sustainable development to create long-term value for shareholders and other stakeholders.

As at December 31, 2016, your company had direct obligations of only US\$5 million in restructured notes.

To date, Lopez Holdings owns 46% of FPH and 56% of ABS-CBN.

Thank you for keeping faith with your management team.

The Chairman entertained questions from the stockholders.

Mr. Sam Canua inquired about the expiring franchises of ABS-CBN Corporation and Sky Cable Corporation. He also asked about the safety and security precautions adopted by the Corporation, ABS-CBN Corporation and Rockwell Land Corporation coming in the heels of the Resorts World incident. He also inquired when the regional stations of ABS-CBN, *TV Patrol* and *Bandila* will switch to High Definition. He commented that the election coverage of ABS-CBN, *Halalan 2016*, was transmitted on High Definition and was very clear.

Mr. Raymund Martin T. Miranda, Chief Strategy and Risk Officer of ABS-CBN Corporation, said that the legislative franchise of ABS-CBN Corporation will expire in 2020 and the ABS-CBN Corporation is working on the renewal. He also said that security and safety is taken seriously by the group. There are regular fire drills and earthquake drills conducted and a seismograph has been installed on the ABS-CBN tower. He said that all productions of ABS-CBN are High Definition (HD) ready but the government, through the National Telecommunications Commission, has no plans to adapt the HD standard yet. *TV Patrol* is not on HD yet because of the mix of the material being used but ABS-CBN is working on this.

Mr. John Lao said that he noticed that ABS-CBN is promoting Facebook and Twitter and other social media websites. He said that ABS-CBN should create its own social media website. He said that the internet speed is slowed down since a majority of the traffic involves postings on or messages through these social media websites which first goes out the country and then comes back. He also said that the

advertising revenue should all go to ABS-CBN instead of going to these foreign social media websites. A Filipino social media website should be set up to compete and get market share from these foreign social media websites.

The Chairman said that the comments and suggestions will be forwarded to the management of ABS-CBN Corporation.

Mr. Jose Ferrer pointed out an error in the Annual Report of EDC. He said that the Annual Report stated that there were 6 million victims of Typhoon Yolanda but there were only about 6,000.

Ms. Emelita D. Sabella, Vice President of First Philippine Holdings Corporation, said that she will bring this matter up with First Philippine Holdings and EDC.

There being no further questions from the floor, upon motion duly made and seconded, the stockholders noted the Report of Management and ratified the approval of the audited financial statements for the year ending December 31, 2016.

There were a total of 2,473,373,250 votes or 83.31% (2,436,977,845 votes through proxies) to approve the management report with 0 votes against and 229,424, 872 votes or 7.73% to abstain. There were a total of 2, 961,723,247 votes or 99.76% (2,925,327,842 votes through proxies) to approve and ratify the audited financial statements as of December 31, 2016 with 0 votes against and 5,119,700 or 0.17% to abstain.

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 2016 to 2017 as reflected in the Report of Management, the Annual Report and the minutes of the meetings of the Board of Directors.

There were a total of 2,960,769,747 votes or 99.73% (2,924,374,343 votes through proxies) to approve and ratify the acts of the Board and of the management, with 953,500 or 0.03% votes against and 5,119,700 or 0.17% to abstain.

7. Election of Directors

The meeting proceeded to the election of directors for the ensuing year 2017 to 2018. 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:

	FOR	WITHHOLD	ABSTAIN
Oscar M. Lopez	2,560,911,138	405,931,809	0
Manuel M. Lopez	2,915,932,447	49,957,000	953,500
Eugenio Lopez III	2,561,875,632	405,931,809	0
Salvador G. Tirona	2,966,376,241	1,431,200	0
Washington Z. Sycip	2,950,257,241	17,550,200	0
Cesar E.A. Virata	2,935,884,127	31,923,314	0
Monico V. Jacob	2,949,115,141	18,692,300	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.

There were a total of 2,949,167,347 votes or 99.33% (2,912,771,942 votes through proxies) for the reappointment of Sycip, Gorres, Velayo & Co. as the external auditor of the Company, with 17,675,600 votes or 0.60% against and 0 votes to abstain.

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

