

**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS OF  
METRO PACIFIC INVESTMENTS CORPORATION**

Held at Ballroom II and III, The Grand Hyatt Manila,  
8<sup>th</sup> Avenue corner 35<sup>th</sup> Street,  
Bonifacio Global City, Taguig City, Philippines  
on 27 May 2019, 11:00 a.m.

TOTAL ISSUED AND  
OUTSTANDING SHARES: 40,647,954,071

TOTAL NUMBER OF  
SHARES PRESENT OR REPRESENTED  
IN THIS MEETING: 31,741,241,077

**INTRODUCTION**

Following the National Anthem and a short prayer, the current Board advisors, members of the Board of Directors, as well as the nominees to the Board of Directors for 2019-2020 were introduced. Among those introduced, the following were present in the meeting:

1. Mr. Alberto G. Romulo – Board Advisor
2. Atty. Antonio A. Picazo – Corporate Secretary
3. Ms. Lydia B. Echaz – Independent Director
4. Mr. Edward S. Go – Independent Director
5. Chief Justice Artemio V. Panganiban – Lead Independent Director
6. Mr. Augusto P. Palisoc Jr - Director
7. Mr. Ray Espinosa – Director
8. Mr. Ramoncito S. Fernandez –Director
9. Mr. Christopher H. Young - Director
10. Mr. Rodrigo E. Franco - Director
11. Mr. Albert F. Del Rosario – Director
12. Mr. Jose Jesus G. Laurel – Corporate Governance Officer
13. Mr. Alfred V. Ty –Director
14. Mr. David J. Nicol – Executive Director
15. Mr. Jose Ma. K. Lim – Executive Director
16. Mr. Manuel V. Pangilinan – Chairman of the Board

**CALL TO ORDER**

The Chairman called the meeting to order and requested the Corporate Secretary to report on the service of and existence of a quorum at the meeting.

## **CERTIFICATION OF NOTICE AND QUORUM**

The Corporate Secretary certified that notices of this annual meeting of the stockholders of the Company, together with the agenda, were sent by mail or special messengerial service to all stockholders of record of the Company as of 27 April 2019, the record date fixed by the Board of Directors of the Company for this meeting. Notice was also published in *Manila Standard* and in *Malaya Business Insight* on the 10<sup>th</sup> day of May 2019. The Corporate Secretary further certified that based on records, there were represented in the meeting, in person or by proxy, stockholders owning a total of 31,741,241,077 shares representing 78.09% of the total issued and outstanding voting stock of the Company and that there was, therefore, a quorum to transact business in the meeting.

The Corporate Secretary noted that the number of shares represented in the meeting was separately reviewed and confirmed by an independent tabulator, Mr. Meynard Bonoen of SGV & Co., who was in attendance during the annual meeting of the stockholders of the corporation.

Based on the certification by the Corporate Secretary on the existence of a quorum, the Chairman declared the meeting duly convened and open for business.

As requested by the Chairman, the Corporate Secretary announced the rules governing the conduct of the meeting, as follows:

- i. Each stockholder shall be entitled to one vote for each share.
- ii. The items in the agenda require the affirmative vote of the stockholders representing a majority of the outstanding shares, except for the amendment to the articles of incorporation of the Corporation which requires the affirmative vote of stockholders representing 2/3 of the outstanding shares.
- iii. In the election of directors, each stockholder entitled to vote may cumulate and distribute his votes in accordance with the Revised Corporation Code of the Philippines.
- iv. Voting and counting of votes shall be by balloting. All votes received shall be tabulated by the Office of the Corporate Secretary and auditors. Inspectors from an independent third party appointed by the Board will also be present to canvass and inspect ballots. The Corporate Secretary shall report the results of voting during the meeting.

The Corporate Secretary further noted that copies of the official ballot were distributed to the stockholders during the registration procedure and that the accomplished ballots reflecting stockholders' votes on each item in the agenda were duly endorsed for counting and tabulation by the Company's independent tabulator.

**APPROVAL OF THE MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS  
HELD ON 18 MAY 2018**

The Chairman informed the stockholders that the first item in the agenda is the approval of the minutes of annual meeting of the shareholder held last year, a copy of which was sent to all stockholders of record, together with the definitive information statement that had been distributed to the shareholders.

Upon motion duly made and seconded, the stockholders resolved to approve the minutes of the Annual Stockholders Meeting dated 18 May 2018. As tabulated by the Company's independent tabulator, the votes on the motion for the approval of the minutes of the annual meeting of stockholders held on 18 May 2018 were as follows:

	Yes/For	No/Against	Abstain
Approval of the minutes of the annual meeting of stockholders held on 18 May 2018	31,741,043,837	0	197,240

**PRESIDENT'S REPORT**

The President and Chief Executive Officer, Mr. Jose Ma. K. Lim, provided the highlights of the Metro Pacific Investments Group's financial condition and results of operations for the year 2018.

The Chairman then encouraged the shareholders to ask questions on the report of the President. Mr. Raymundo Bautista sought clarification on how the 7% core net income of the head office was arrived at considering that the income contributions of the individual subsidiaries appeared to be higher than the 7% increase recorded in the head office. The Chairman agreed that the growth at the MPIC level is lesser than the growth in the contribution line of its investee companies and he attributed the same to the growing expenses at the head office and the substantial costs related to the investments made by the Company. Mr. Nicol further clarified that the debt level of the Company has been steadily increasing largely due to the aggressive capital expenditure program of the Company which includes the new toll roads projects, light rail business, and the waste-to-energy project in Quezon City, among others. In sum, the core net income at the head office level is substantially affected by the heavy capital outlay and the expenses related to debt-servicing, including payment of interests. Mr. Bautista also inquired on the average gestation period of the Company's substantial investments so shareholders will have an idea as to when capital outlays will result to accretive income to MPIC. Mr. Nicol addressed the query by noting that over the next few years, the Company will lay out approximately Php 60 Billion into new projects, the bulk of which will take place in the new toll roads which will be opened in the subsequent years, 2021 and 2022. First full year contribution across the portfolio for that expansion will be in 2023. For the light rail business, positive contribution may register by 2022 after the completion of the first phase of Cavite extension while the waste-to energy project is still awaiting final approval. Mr. Bautista noted the explanations given and further requested for the inclusion of the same in the annual report for shareholders' better appreciation. The management was in agreement and noted to make such inclusion in next year's report to the shareholders, particularly in the President's

presentation that should provide for the contribution picture of each of the investee companies vis-à-vis the head office expenses, including corporate overhead and interest expenses.

Mr. Stephen Soliven, proxy stockholder of Ansaldo, Godinez and Company, pointed out that there seems to be a discrepancy between the cash and cash equivalents under the financial statements and the cash flow statement at the end of the year. Mr. Nicol clarified that there are certain classifications that are dealt with in the notes to financial statements of the Company which lay down what constitutes cash and cash equivalents and what constitutes assets held for sale, such as investments in unit trusts which are quasi cash. He signified that he is open to make further clarification on those classifications should the shareholder approach him after the end of the meeting so as not to unduly delay the proceedings. Mr. Soliven further pointed out that he noticed a decrease in cash and cash equivalent and an increase in receivables and inquired if such is an indication of laxity in collection. Mr. Nicol clarified that cash and cash equivalent is not purely a function of cash in terms of receivables hence, the two are not directly correlated. He noted that cash and cash equivalent partly reflects the Company's debt drawdowns to fund various new projects and are likewise influenced by the consolidation of new companies in the balance sheet. Mr. Soliven acknowledged the response but expressed his hope for the Company's auditors to still check on the alleged discrepancy. For his last point, Mr. Soliven also highlighted a slight increase in the Company's stock equity and additional paid up capital and inquired if there is a board resolution authorizing the same. Both the Chairman and Mr. Nicol explained that the slight increases were related to the stock option plan which the Company granted in favor of its senior management and was approved by the shareholders in prior years. The increases were a consequence of the option exercises made by the grantees of the incentive plan.

Another shareholder requested for the inclusion of the background information of all the members of the Company's Board of Directors in the materials distributed to the shareholders during the AGM. Mr. Nicol clarified that the complete information on members of the Board are disclosed in the Company's SEC Form 17A which is publicly available through the SEC and the Company's Definitive Information Statement that was distributed to all shareholders prior to the holding of the AGM. In order not to re-print voluminous pages and incur additional expenses for the shareholders however, the Company opted to just reference said information in the summary report distributed during the AGM. Nonetheless, Mr. Nicol noted that the management will take note of the suggestion for next year.

Mr. Benjamin Morales informed the Board that he drafted a letter concerning the performance of the Company in the last five years, particularly, the under-performing share price in the recent months. He noted in his letter that despite the surge in net income by 95.71% and the corresponding increase in the book value per share, the price per share appreciated by a measly Php 0.32 or 7.41% over 2013, and the price to earnings ratio went down to 10.36 in 2018 from the 15.01 to 18.33 achieved during the years 2013 to 2017. He also noted that although MPI secured the approval to increase NLEX toll fees, such positive news did not translate to the recovery of MPI's share price making him surmise that the investors are unaware of the huge amount of potential revenues from the toll increase. He closed his letter with a recommendation for the Company to make a more informative narration of the good news for better understanding, and to provide an assurance that MPIC is doing well. The Chairman noted that the Board received his letter and that his points are well-taken. As to the share price performance of MPIC, the Chairman noted that for the last few

years, the Board has likewise viewed the same as a cause of concern. He explained however that the under-performance of the share price can be attributed to two things: (1) The state of uncertainty that plagued a number of subsidiaries, particularly the tollways and water businesses, in respect of the tariffs that should have been granted in favor of the companies (i.e. Tollways - since 2012 and Maynilad - since 2013). For those companies, profit increases in the past years, were exclusively due to inflation and volume increases only. He noted however that there has been some resolutions starting April of this year, not on the level that the companies applied for under the concession agreements, but at least there has been some headway. He noted some modest effect in the revenue and profitability but the full impact is expected on 2020; and (2) Head office expenses, including debt-servicing, as already explained. He further noted that the foregoing dilemma may be addressed by a sell down or a sale of an asset of a Company to create significant liquidity event that will produce an effect that is substantial to the bottom-line. Mr. Lim further added that the recommendation to spread the good news will be followed vigorously.

Mr. Ishmael Sam Canua inquired on the status of the unsolicited proposal made by the NAIA consortium, to which Mr. Lim replied that the proposal is currently with NEDA for their review. Mr. Canua further inquired if the consortium has already shortlisted companies that will do the EPC, to which the Chairman replied that the project has not yet reached the stage where it is ripe to make final decisions on EPC. Lastly, Mr. Canua made a suggestion for AF Payments to develop a beep card application in smart phones so that cardholders can view the history of their beep card transactions in their phones. The management noted the suggestion for further consideration.

A Japanese shareholder again inquired on the reason for the minimum increase in the share price of the Company. The Chairman reiterated the reasons given earlier regarding this point.

To end on a positive note, another shareholder, Mr. Ed Lucero, congratulated the management, officers and board of directors of the Company for the overall increase in core net income which, according to him, demonstrates that the Company is well-managed and professionally ran. To bring the open forum to a close, one shareholder requested for the distribution of souvenirs/tokens in the next AGM which the Board and Management noted.

After some discussion and upon motion duly made and seconded, the stockholders resolved to receive and adopt the report of the President and the annual report of the Company for the year 2018. As tabulated by the Company's independent tabulator, the votes on the motion for the approval of the President's Report were as follows:

	Yes/For	No/Against	Abstain
Approval of the President's Report	31,709,171,137	0	32,069,940

**APPROVAL OF AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018**

The Chairman then stated that the next item in the agenda is the approval of the Audited Financial Statements of the Company as of December 31, 2018, copies of which were previously distributed to the shareholders.

The Chairman then asked if there were any questions or comments on the said financial statements.

After some discussion, on motion duly made and seconded, the stockholders approved the Audited Financial Statements of the Company as of and for the year ending December 31, 2018. As tabulated by the Company's independent tabulator, the votes on the motion for the approval of the Audited Financial Statements for the year ended December 31, 2018 were as follows:

	Yes/For	No/Against	Abstain
Approval of the Audited Financial Statements for the year ended December 31, 2018	31,709,171,137	0	32,069,940

**RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT**

The Chairman then proceeded with the next item in the agenda which is the ratification and confirmation of all acts done and caused to be done by the Board of Directors and Management during the year ending December 31, 2018 as set forth in the minutes held during the same period and in the disclosures that have been duly filed with the Securities and Exchange Commission and the Philippine Stock Exchange, as summarized in the Definitive Information Statement circulated for the meeting.

Among the acts of the Board of Directors and Management, the most significant ones are the following:

- (i) Declaration and distribution of final dividends for the full year 2017;
- (ii) Declaration and distribution of interim dividends for the year 2018;
- (iii) Ratification of the Company's participation in a consortium to submit an Unsolicited Proposal for the Quezon City energy-from-waste project.
- (iv) Participation in the NAIA Consortium and submission of an Unsolicited Proposal for the modernization, rehabilitation, design, development, construction, financing, operation and maintenance of the Ninoy Aquino International Airport;

- (v) Adoption of the 2018 Integrated Annual Corporate Governance Report;
- (vi) Adoption of the following policies formulated by the Corporate Governance Committee: (a) Dividend Policy, (b) Board Diversity Policy, (c) Policy on Succession Planning, (d) Supplier Code of Conduct; and (e) Policy on the Respect for and Protection of the Rights of People;
- (vii) Approval of facilities to address MPIC Funding Requirements, including the creation of a special committee in relation thereto;
- (viii) Engagement by the Company of various legal, commercial, technical, financial and industry advisors and experts for MPIC's special projects and corporate development initiatives; and
- (ix) Other resolutions related to the operations of the Company, such as, participation in biddings for infrastructure and other projects with the government, purchase and sale of vehicles, opening of bank accounts, availment of bank facilities and services, designation of authorized signatories for various transactions, assignment of playing rights and designation of authorized individuals responsible for procuring necessary permits and licenses.

After giving the stockholders the opportunity to raise any questions or issues on the same, the Chairman called for a motion on the matter. On motion duly made and seconded, the stockholders ratified and confirmed all the aforementioned acts done or caused to be done by the Board of Directors and Management during the year ending December 31, 2018. As tabulated by the Company's independent tabulator, the votes on the motion for the ratification/approval of all acts of the Board of Directors and Management were as follows:

	Yes/For	No/Against	Abstain
Ratification/approval of all acts of the Board of Directors and Management.	31,704,653,637	4,517,500	32,069,940

### **ELECTION OF DIRECTORS**

The Chairman requested the Corporate Secretary to read the names of the persons who have been duly nominated in accordance with the By-Laws and who have been determined by the board to be qualified to be elected as members of the Board.

The Corporate Secretary reported that the following individuals have been duly nominated and qualified to be directors:

- (1) Mr. Albert F. Del Rosario
- (2) Mr. Ray C. Espinosa
- (3) Mr. Ramoncito S. Fernandez
- (4) Mr. Rodrigo E. Franco
- (5) Mr. Jose Ma. K. Lim
- (6) Mr. David J. Nicol
- (7) Mr. Augusto P. Palisoc Jr.
- (8) Mr. Manuel V. Pangilinan
- (9) Mr. Jose Jesus G. Laurel
- (10) Mr. Francisco C. Sebastian
- (11) Mr. Alfred V. Ty

- (12) Mr. Christopher H. Young
- (13) Ms. Lydia B. Echauz
- (14) Mr. Edward S. Go
- (15) Mr. Artemio V. Panganiban

The Corporate Secretary identified Messrs. Edward S. Go, Artemio V. Panganiban and Ms. Lydia B. Echauz as independent directors.

A stockholder moved that all of the fifteen (15) individuals nominated to the Board of Directors of the Company for the fiscal year 2018 be deemed elected as members of the Board of Directors. The Chairman, representing a total of 26,574,832,323 issued and outstanding shares of the Company, or 65.38% of the entire outstanding voting stock thereof acted on the instructions given by the relevant holders of said shares and cast the votes attaching to the same shares across the 15 nominees to the Board of Directors of the Company identified by the Corporate Secretary, in accordance with instructions given in the relevant proxy forms. Each respective nominee received the following number of votes:

No.	Nominee	Total		
		Yes/For	No/Against	Abstain
1	Albert F. Del Rosario	27,942,407,223	3,798,637,054	196,800
2	Ray C. Espinosa	27,940,910,123	3,800,134,154	196,800
3	Ramoncito S. Fernandez	28,268,346,331	3,472,697,946	196,800
4	Rodrigo E. Franco	28,268,346,331	3,472,697,946	196,800
5	Jose Ma. K. Lim	30,773,553,781	967,490,496	196,800
6	David J. Nicol	28,376,209,207	3,364,835,070	196,800
7	Augusto P. Palisoc Jr.	28,342,136,731	3,398,907,546	196,800
8	Manuel V. Pangilinan	27,967,115,939	3,773,928,338	196,800
9	Jose Jesus G. Laurel	27,493,601,200	1,945,383,548	196,800
10	Francisco C. Sebastian	28,394,170,171	3,346,874,106	196,800
11	Alfred V. Ty	28,720,109,279	3,020,934,998	196,800
12	Christopher H. Young	28,014,826,523	3,726,217,754	196,800
13	Lydia B. Echauz	30,905,089,408	835,954,869	196,800
14	Edward S. Go	28,052,792,160	3,688,252,117	196,800
15	Artemio V. Panganiban	30,714,881,217	1,026,163,060	196,800

Accordingly, the Chairman declared the above-named individuals duly elected as members of the Board of Directors of the Company for the year 2019.

### **APPOINTMENT OF EXTERNAL AUDITOR**

On the next item, the Chairman opened the table for the nomination for the appointment of the Company's external auditor. A stockholder nominated Sycip Gorres Velayo & Co. to be re-appointed as the external auditors of the Company. The Chairman asked if there were any objections and there being none, on motion duly made and seconded, the stockholders of the



company approved the re-appointment of SGV & Co. as the external auditors of the Company for the year 2019.

As tabulated by the Company's independent tabulator, the votes on the motion for the appointment of the external auditor of the Company for the year 2019 were as follows:

	Yes/For	No/Against	Abstain
Approval of the appointment of the external auditor of the Company for the year 2019.	31,719,149,131	21,894,706	197,240

**AMENDMENT OF THE SECOND ARTICLE OF THE AMENDED ARTICLES OF INCORPORATION**

The Chairman requested Mr. Jose Ma. K. Lim to provide a brief background on the proposal to amend the second article of the Company's Amended Articles of Incorporation.

Mr. Jose Ma. K. Lim noted that the proposal pertains to the amendment of the Corporation's primary purpose clause to include the following: (i) a grant of specific authority for the Corporation to participate in bidding for and submission of proposals for infrastructure projects and allied businesses, and (ii) a restriction on the Corporation's ability to directly own land. He emphasized that the proposed amendment will not in any way, change the nature of the business of Metro Pacific Investments Corporation.

After some discussion, on motion duly made and seconded, the stockholders approved the Amendment of the Second Article of the Amended Articles of Incorporation. As tabulated by the Company's independent tabulator, the votes on the motion for the approval of the Amendment of the Second Article of the Amended Articles of Incorporation were as follows:

	Yes/For	No/Against	Abstain
Approval of the Amendment of the Second Article of the Amended Articles of Incorporation	31,741,043,837	0	197,240

**ADJOURNMENT**

There being no other matters to discuss, the meeting was, on motion duly made and seconded, adjourned.

CERTIFIED CORRECT:

**ANTONIO A. PICAZO**  
Corporate Secretary

ATTEST:

**MANUEL V. PANGILINAN**  
Chairman