Ayala

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MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
April 15, 2016 at 9:00 AM
Ballroom 2, Fairmont Makati
1 Raffles Drive, Makati Avenue, Makati City

	No. of Outstanding and Voting Shares	Percentage of Total
Shareholders Present:	**696,009,369**	**80.31%**

Directors Present:

Jaime Augusto Zobel de Ayala	*Chairman of the Board* *Chairman, Executive Committee* *Member, Finance Committee*
Fernando Zobel de Ayala	*Vice Chairman of the Board and President* *Member, Executive Committee* *Member, Nomination Committee*
Yoshio Amano (independent director)	*Member, Executive Committee* *Member, Audit Committee* *Member, Risk Management and Related Party Transactions Committee* *Member, Personnel and Compensation Committee*
Ramon R. Del Rosario, Jr. (independent director)	*Chairman, Nomination Committee* *Chairman, Personnel and Compensation Committee* *Member, Audit Committee* *Member, Risk Management and Related Party Transactions Committee*
Xavier P. Loinaz (independent director)	*Chairman, Audit Committee*
Antonio Jose U. Periquet (independent director)	*Chairman, Risk Management and Related Party Transactions Committee* *Member, Nomination Committee* *Member, Finance Committee*

1. Call to Order

After the national anthem, the Chairman, Mr. Jaime Augusto Zobel de Ayala, called the meeting to order at 9:00 a.m. He welcomed the stockholders, members of the Board, the President and other officers of the Corporation.

2. Notice of Meeting

The Secretary, Mr. Solomon M. Hermosura, certified that notice of the meeting was sent by March 5, 2016 to each stockholder of record as of February 16, 2016 in accordance with the By-Laws and applicable rules. The notice was also published on April 10, 2016 in the Philippine Daily Inquirer, a newspaper of general circulation.

3. Determination of Quorum

The Secretary certified that there was a quorum for the meeting with stockholders owning 696,009,369 or 80.31% of the total outstanding shares present in person or by proxy.

4. Procedures for Discussion and Voting

The Chairman requested that any stockholder who wished to speak should identify himself after being acknowledged by the Chair and limit his remarks to the item in the Agenda under consideration.

Thereafter, the Secretary explained that the rules of conduct and the voting procedures were part of the Explanation of Agenda Items for Stockholders' Approval, which was provided to the stockholders together with the notice of meeting. Printed copies of the rules of conduct and voting procedures were also provided to the stockholders or their proxies upon registration at the meeting.

A stockholder may vote manually using the ballot provided to him upon his registration and placing the voted ballot in the ballot boxes located at the Registration table and inside the Ballroom. A stockholder may also vote electronically using any of the computers at the stations for electronic voting outside the Ballroom. The paper ballot and the electronic voting platform set forth the proposed resolutions for consideration by the stockholders and each proposed resolution would be shown on the screen in front as it is taken up.

The Corporation allowed voting in absentia in the meeting by sending out to each stockholder a ballot with a proxy form, submitted at least seven (7) days before the meeting. The votes in the ballot were counted even if the stockholder did not personally attend because every stockholder was allowed to participate in the meeting under the Corporation Code and the By-laws through his designated proxy or the Chairman of the meeting as the proxy in default in the absence of a designated proxy.

Each outstanding share of stock entitles the registered stockholder to one vote.

The stockholders generally act by affirmative vote of stockholders representing at least a majority of the outstanding voting stock present at the meeting, but for the approval of the amendment to the Fourth Article of the Articles of Incorporation, the affirmative vote of stockholders representing at least two-thirds (2/3) of the total outstanding capital stock is required. The election of directors shall be by plurality of votes and every stockholder shall be entitled to cumulate his votes.

The stockholders may cast their votes anytime during the meeting. All votes received shall be tabulated by the Committee of Inspectors of Proxies and Ballots, and the results of the tabulation shall be validated by the external auditor, SyCip Gorres Velayo & Co. (SGV).

The Secretary announced that as of 8:40AM, stockholders owning 670,339,731 shares representing 96.46 percent of the shares represented in the meeting had cast their votes on the items for consideration by the stockholders; that the votes of these stockholders had been tabulated; that as the stockholders take up an item in the Agenda, the Secretary would report on the results of the partial tabulation of votes; and that the remaining votes that are yet to be counted are from stockholders owning 24,633,947 shares representing 3.54 percent of the shares represented in the meeting. The results of the complete tabulation of votes would be reflected in the minutes of the meeting.

5. Approval of the Minutes of the 2015 Stockholders' Meeting

The Chairman then proceeded with the approval of the minutes of the annual stockholders' meeting held on April 10, 2015. He stated that copies of the minutes were distributed to the stockholders prior to the meeting and a copy of the minutes is posted and could be accessed on the website of the Corporation. He then opened the floor for comments. There being no question on the item under consideration, the Chairman requested for a motion for approval.

On motion of Mr. Marco Arnold D. Duay, seconded by Ms. Cyril H. Manalo, the stockholders approved the minutes and adopted the following Resolution No. S-01-16, which was shown on the screen:

Resolution No. S-01-16

RESOLVED, to approve the minutes of the annual stockholders' meeting held on April 10, 2015.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the votes on the motion for the approval of the minutes and the adoption of Resolution No. S-01-16 are as follows:

	For	Against	Abstain
Number of Voted Shares	671,422,973	0	0
% of Shares Voted	96.47%	0%	0%

6. Annual Report of Officers

Chairman's Message

The Chairman reported that the Philippines' performance in the past year has been encouraging and the economy has remained resilient amidst global headwinds. The Corporation continues to see expanding financial prosperity in the Philippines with consumption fueling the 5.8 percent growth that the economy achieved in 2015. Robust foreign remittances and sustained business process outsourcing (BPO) revenues continue to be catalysts in the country's consumption-led economic growth, accounting for about 60 percent of economic activity. Philippine Peso (PhP) has remained resilient throughout the economic volatility in the global economy during the year, emerging as the second least volatile in Asia. Meanwhile, enterprises and consumers alike continue to benefit from the low interest and inflation rate environments.

The Corporation remains encouraged by the sustained momentum of economic drivers on the domestic front and the ripple effects that spread to the overall business environment. The Corporation is proud of a number of milestones across its portfolio of businesses as most of its major businesses performed well and its new investments in power and transport infrastructure came to fruition.

This year, the Corporation is concluding its five-year growth aspiration of doubling its net income to PhP20 billion with a return on common equity of 15 percent, while increasing the equity earnings contribution of its unlisted businesses to 10 percent. The Corporation has already reached its net income target a year earlier than planned, reaching PhP22.3 billion in 2015, a threefold increase from its level four years ago.

The solid earnings trajectory was the result of a more deliberate approach to recalibrating the Corporation's portfolio and identifying value-enhancing opportunities to achieve an optimum balance of returns, diversity, and social impact. Since embarking on the five-year plan in 2012, the Corporation has made several strategic and opportunistic adjustments to its holdings. First, the Corporation expanded its portfolio and established a growing cluster of power and transport infrastructure investments, which are positioned to be the new growth platforms for Ayala. Second, the Corporation rebalanced its interests across its group of companies by raising its stake in the Bank of the Philippine Islands (BPI) and Manila Water Company, Inc. (MWC) to optimize returns while unwinding its exposure in BPO to redeploy capital to other strategic opportunities. Finally, while the major businesses remain dominant in their respective spaces, the Corporation explored new industries, entered new markets, and created completely new businesses. In particular, the Corporation is establishing a presence in education and healthcare, two sectors that support the country's social and economic goals.

Similarly, the Corporation is deepening and transforming its presence in automotive and manufacturing. As its initial entry into the vehicle manufacturing space, the Corporation signed a partnership agreement with Austrian manufacturer OEM KTM AG for the production and distribution of motorcycles with a capacity of approximately 20,000 units per year. This will cater to the growing middle-income segment in the Philippines as well as for export to the larger market in China. The Corporation envisions this as its first investment that will form part of a portfolio of assets in vehicle manufacturing, distributorship and other ancillary services.

The Chairman stated that the Corporation remains optimistic about the overall environment in the Philippines and in Southeast Asia. Last year, the Corporation laid out its group-wide aspirations for 2020 and committed to generate significant value across four strategic imperatives over the next five years. The goals set are to: (1) increase the Corporation's earnings capacity by doubling its net income to PhP50 billion; (2) improve shareholder return with a sustainable return on common equity of 15 percent; (3) diversify its portfolio by increasing the equity earnings contribution of businesses outside its core businesses in real estate, banking, telecom and water to 20 percent; and (4) strategically expand its overall Southeast Asian presence by expanding the equity earnings contribution of international businesses to 10 percent.

As the Corporation strives to execute on this strategy over the next five years, the Corporation will enable shared value and prosperity for the many stakeholders it serves. Through the Corporation's investments that directly impact the lives of the people it serves, whether in housing, water, banking, and telecommunications, the Corporation strives to promote inclusivity, diversity and cooperation. Moreover, the deepening presence in power and transport infrastructure as well as the Corporation's recent entry into education and healthcare indicate that the Corporation continually challenges itself to look for ways to serve a wider community of customers and contribute to the overall national agenda.

As the Corporation sets out aggressive economic goals, it advocates the need to integrate sustainability and shared value creation into the core of its corporate strategies. The Corporation strives to advance its brand as one of the Philippines' most diversified shared value enterprises by enriching the social impact of its investments and innovates its business models to generate both financial and environmental benefits. The Corporation continues to be guided by the 360-degree sustainability framework developed in 2013 to benchmark itself against global sustainability indices and best practices.

In closing, the Chairman thanked the Board of Directors, management team and staff for their shared vision and commitment, as well as the many partners and stakeholders for their continued trust and support to Ayala.

President's Report

The President, Mr. Fernando Zobel de Ayala, reported that the Corporation has achieved a number of milestones as a group in 2015, with its ability to execute its key growth initiatives as the key theme.

First, the solid performance of most of the business units, particularly Ayala Land, Inc. (ALI), Globe Telecom, Inc. (Globe) and AC Energy Holdings, Inc. ("AC Energy") helped the Corporation to generate a 20 percent growth in earnings to reach PhP22.3 billion in 2015. This translates to 16.7 percent average net income growth over the last five years.

Second, 2015 marked milestones in new businesses. The Corporation strengthened its pipeline of power and transport investments as it completed key projects for the year. Since AC Energy's inception in 2012, 2015 was the first year that AC Energy contributed positively to the bottom line. In addition, the Corporation made new investments in healthcare and education, two sectors that Ayala identified for the long term.

The President then reported on the performance of each of the business units.

In real estate, the sustained performance of ALI's residential and office developments and commercial leasing segments drove its net income in 2015, which reached PhP17.6 billion, 19 percent higher year-on-year. In 2015, ALI successfully launched three new integrated mixed-use estates, namely: the 11-hectare Cloverleaf in Quezon City, the 9-hectare Capitol Central in Bacolod, and the 700-hectare Vermosa in Cavite. Overall, ALI continued to build up its recurring income business with malls, office, and hotels and resorts accounting for 34 percent of its net earnings in 2015.

In telecom, Globe posted another record year, with net income surging 23 percent to PhP16.5 billion buoyed by the solid revenue trajectory from demand for data services across mobile, broadband and fixed line segments. The PhP1.2 billion gain from the sale of its 51 percent stake in Yondu also lifted Globe's earnings during the year. Core net income, which excludes one-time adjustments, grew 5 percent.

Globe continued to improve its subscriber base, reaching a record 52.9 million subscribers, which is 20 percent higher from its year-ago level. Furthermore, Globe's broadband business, which now includes Bayan, registered strong growth in both revenue and subscriber base, jumping 38 percent to PhP17.5 billion and 55 percent to PhP4.3 million, respectively.

In banking, BPI reported net earnings of PhP18.2 billion in 2015, up 1.1 percent, as the bank's core lending business continued to drive growth, reducing reliance on securities trading. BPI's total revenues rose 6.4 percent to PhP59.4 billion driven by net interest income, which grew 11 percent to PhP38.6 billion on the back of a higher asset base. Non-interest income dropped 1.2 percent to PhP20.7 billion as the bank's trading performance weathered a volatile year, with foreign exchange and securities trading posting gains of PhP2.9 billion.

During the year, BPI made considerable gains in strengthening the quality of its business. It strengthened its client relationship management as it remained disciplined in its approach to risk. The bank continued to lead in providing innovative banking services to address the evolving needs of its clients.

The Corporation's water business unit, MWC, posted a 2 percent-growth in consolidated net income to PhP6 billion. Revenues rose 4 percent to PhP16.9 billion backed by a 2 percent growth in billed volume. Earnings contribution from non-East Zone investments rose 46 percent, accounting for 16 percent of MWC's net income during the year.

MWC continues to expand its portfolio of businesses. Locally, MWC signed agreements including a 10-year non-revenue water reduction project in Zamboanga City, a bulk water supply agreement in Tagum City, and a territorial expansion of the Laguna Water concession agreement. Regionally, MWC undertook a non-revenue reduction project in Bandung City, West Java Indonesia project and a water concession project in Cu Chi District, Vietnam.

The Corporation's electronic business unit, Integrated Micro-Electronics (IMI) reported a flat net income of USD28.8 million (or PhP1.3 billion) year-on-year, owing to the volatility in the foreign currency markets and weakness in China's economy, one of its largest markets. Enhanced portfolio mix and cost efficiency initiatives across IMI's operations covered for the softness in revenues.

Despite global volatility, IMI has become the 7th largest automotive electronics manufacturing services (EMS) company, and ranks 18th in, and the only Filipino company that made it to, the top 50 global list of the largest EMS providers according to the Manufacturing Market Insider.

Last year was a breakout year for AC Energy and AC Infrastructure Holdings Corporation ("AC Infra"). AC Energy recorded a net income of PhP2.1 billion during the year as its power generation assets came online and achieved more efficient operating levels. Furthermore, it realized gains from the partial sale of its stake in North Luzon Renewable Energy Corporation, an 81-megawatt wind farm in Ilocos Norte.

AC Energy currently has an attributable capacity of approximately 650 megawatts (MW) in its portfolio among conventional and renewable power projects currently in operation and under construction. It expects this capacity to reach close to 1,000 MW by 2016 once the first phase of its 2x660 MW GN Power plant in Dinginin, reaches financial close. In renewable energy, AC Energy's 18 MW solar power farm, Monte Solar Energy Inc. started commercial operations in February 2016. In conventional energy, the second 135 MW unit of its thermal plant, South Luzon Thermal Energy Corporation in Calaca, Batangas, also started commercial operations in February 2016. In addition, the first unit of its 540 MW GN Power plant in Kauswagan is expected to be completed in the fourth quarter of 2017.

In transport infrastructure, AC Infra achieved key milestones with its public-private partnership projects. AC Infra, through Light Rail Manila Corporation, successfully took over the operations of LRT1 last September and has since increased the number of operational light rail vehicles by about 15 percent. Its automated fare collection system under AF Payments now has over 1.5 million beep cards in circulation today. Meanwhile, the Muntinlupa Cavite Expressway or MCX started operations last July and is currently serving over 22,000 vehicles per day.

The Corporation maintains a comfortable balance sheet and has access to various funding options to meet requirements. At the end of the year, the gross debt at the parent level stood at PhP93.6 billion, 7 percent lower than the previous year, with cash level at PhP47.4 billion. AC Energy's parent company net debt to equity ratio stood at 0.44 to 1 and consolidated net debt to equity ratio at 0.55 to 1.

For this year, the Corporation has set aside PhP22.4 billion in capital spending at the parent level mainly to fund its pipeline of power generation projects. At the group level, the Corporation has earmarked PhP174 billion in combined capital expenditures primarily to support the growth strategy of its real estate and telecom units.

Finally, the Corporation will continue to execute on its 2016 growth strategy as it prepares itself for a new five-year plan for 2020. It is in this light that the President thanked the Board of Directors, management team and staff for their shared vision and commitment, as well as the Corporation's many partners and stakeholders for their continued trust and support.

After the report of the President, an audio-visual presentation was shown to the stockholders. Thereafter, the Chairman opened the floor for questions or comments from the stockholders on the annual report or the financial statements.

Ms. Carmencita Santos first thanked the Board for another banner year for the Corporation and noted that a 15 percent return on equity is something that is difficult to find and achieve these days. She then asked for the reason for the decision of certain directors of the Corporation to sell or dispose of part of their common equity despite the good performance of the Corporation. The Chairman responded that the decision to sell are personal to the directors given their individual needs and plans.

Ms. Santos likewise inquired on the dividend policy of the Corporation. To this, the Chairman explained that there are two ways by which stockholders realize a return on their investments: first is through dividends, and second is through the expansion of the value of stocks. On the appreciation of stocks as part of total shareholders' return, the Chairman mentioned that the total shareholders' earnings for the past 5 years has been at a compounded rate of 18.8 percent, which shows that the Corporation made the right call in allocating capital to many business opportunities in the country. He added that although on the yield basis, the stockholders' earnings may be small as compared to other countries, the stockholders will better see the value of their stocks and equity as the Corporation's businesses continue to grow.

Mr. Philip Turner commented that other wind producers in the Philippines have negotiated for 20-year contracts to sell electricity for a fixed price per kilowatt hour. He inquired on the terms of the contracts entered into by AC Energy. Upon the request of the Chairman, Mr. Patrice Clause answered the query and explained that AC Energy's wind farms have been awarded Feed-in-Tariff that guarantees the purchase of generated electricity and the price for such electricity on a long term basis, which is for 20 years.

Mr. Turner also inquired on how the Corporation perceives the possible recession in China and the rest of the world which might affect the performance of IMI, being in the electronics industry. The Chairman explained that the Corporation, seeing the shift taking place globally, is making adjustments and re-adjustments in its business based on trends. He noted that 40 percent of the business of IMI has been positioned to respond to the new shifts that are taking place across the world, and given the ASEAN integration, the country is increasingly being looked at as a potential manufacturing hub and hence the Corporation's partnership with OEM KTM AG for motorcycle manufacturing and distribution.

The Chairman then requested Mr. Arthur R. Tan, the President of IMI, to further provide details. Mr. Tan stated that the dynamics of automotive industry shows that the value of vehicle attributed to automotive electronics will continue to grow and is expected to move up to 70 percent by year 2030. He added that as the amount of growth in electronics is expected to double every year and given that IMI's capabilities spread on a global basis, IMI is expected to continue to have a large market despite the weakness of the market in China.

Mr. Turner then sought clarification on the Corporation's plan to export motorcycles to China. The Chairman explained that OEM KTM AG wants to use this partnership with Ayala as a platform for expansion in the ASEAN region and China.

Dr. Alan Robert Karaan congratulated the Corporation in its success. Thereafter, he asked whether there are plans to put up solar and wind farms in other areas of the Philippines. The Chairman responded that the Corporation is continuously looking for opportunities for expansion. He. mentioned that solar and wind farms are already established in Negros Oriental and Ilocos Norte, respectively.

Dr. Karaan also inquired about the plans of the Corporation to open up branches of FamilyDoc in Makati. Upon the request of the Chairman, Mr. Paolo Maximo F. Borromeo, President and CEO of Ayala Healthcare Holdings, Inc., explained that FamilyDoc now currently has two pilot clinics located in Cavite and Las Piñas City. If the pilot clinics prove to be successful, FamilyDOC plans to expand first in the southern areas of the metropolis then nationwide.

Mr. Alfred Reiterer asked if the Corporation has plans in the next five (5) years to do an initial public offering for its infrastructure and energy business. The Chairman answered that the Corporation is always looking for various ways of financing its projects and that these kinds of projects require large amount of capital upfront before returns on investments are realized. The Chairman then stressed that the Corporation must find the right time as investors would want some predictability in earnings. Today, the Corporation is focused on building up the assets.

Another stockholder asked on whether ASEAN integration helps the investments of Globe in Indonesia. The Chairman answered that the Corporation doesn't have a telecom investment in Indonesia but it has joint partnerships and corresponding relationships with other telecommunication companies.

There being no other questions and comments from the stockholders, Mr. Kevin Edrick P. Relopez moved for the noting of the annual report and the approval of the 2015 consolidated audited financial statements, and the adoption of the following Resolution No. S-02-16, which was shown on the screen, and Ms. Kat C. Padua seconded the motion:

Resolution No. S-02-16

> **RESOLVED**, to note the Corporation's Annual Report, which consists of the Chairman's Message, the President's Report, and the audio-visual presentation to the stockholders, and to approve the consolidated audited financial statements of the Corporation and its subsidiaries as of December 31, 2015, as audited by the Corporation's external auditor SyCip Gorres Velayo & Co.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the votes on the motion for the noting of the annual report and the approval of the 2015 audited financial statements, and the adoption of Resolution No. S-02-16 are as follows:

	For	Against	Abstain
Number of Shares Voted	671,254,543	0	167,630
% of Shares Voted	96.44%	0%	0.02%

7. Approval of the Amendment to the Fourth Article of the Articles of the Corporation

At the request of the Chairman, the Secretary explained that the amendment to the Fourth Article of the Articles of Incorporation was approved by the Board of Directors on January 19, 2016 through Resolution No. B-05-16, and the purpose of the amendment is to extend the corporate term of the Corporation for another 50 years. He noted that the Corporation's current Articles of Incorporation provides that the company shall exist for a period of 50 years from the date of its incorporation, that is, from January 23, 1968, and as the Corporation has existed for 48 years, it has only two years left in its corporate term. He further noted that the Corporation Code allows corporations to extend their corporate term for another 50 years in any single extension through an amendment of its articles of incorporation within five years prior to the original or subsequent expiry dates of their corporate term.

The Chairman asked the stockholders if they have any questions or comments.

Mr. Turner inquired regarding the appraisal right of stockholders in case any of them is not in favor of extending the corporate term of the Corporation. Upon the Chairman's request, the Secretary explained that in case a stockholder dissents to the proposal to extend the corporate term, he may exercise his appraisal right by giving notice to the Corporation within 30 days from the date of the meeting in which the proposal was presented for approval of the stockholders and the vote was taken thereon.

There being no other questions and comments from the stockholders, Ms. Katrina May S. Mesina moved for the approval of the amendment to the Fourth Article of the Articles of Incorporation, and the adoption of the following Resolution No. S-03-16, which was shown on the screen, and Mr. Gabriel P. Blaza seconded the motion:

Resolution No. B-03-16

> **RESOLVED**, as recommended by the Board of Directors in Resolution No. B-05-16, to approve the amendment to the Fourth Article of the Articles of the Incorporation to extend the Corporation's corporate term for another fifty (50) years from January 23, 2018, so that, as amended, the Fourth Article shall henceforth read as follows:
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>> **FOURTH.** That the term for which the Corporation is to exist is fifty (50) years from **January 23, 2018.** (*As amended on April 15, 2016*)

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the votes on amendment to the Fourth Article of the Articles of Incorporation and the adoption of Resolution No. S-03-16 are as follows:

	For	Against	Abstain
Number of Shares Voted	671,421,956	1,007	0
% of Shares Voted	77.48%	0.0001%	0 %

8. Election of Directors

The next item in the Agenda was the election of seven (7) members of the Board of Directors for the ensuing year. The Chairman requested Mr. Ramon R. Del Rosario, Jr., Chairman of the Nomination Committee, to explain this item.

Mr. Del Rosario, Jr. explained that in accordance with the requirements of the Corporation's By-Laws, the Manual of Corporate Governance, and the Charter of the Board of Directors, the names of the following nominees to the Board had been submitted to the Nomination Committee, and each one has accepted the nomination in writing:

Jaime Augusto Zobel de Ayala
Fernando Zobel de Ayala
Yoshio Amano
Ramon R. Del Rosario, Jr.
Delfin L. Lazaro
Xavier P. Loinaz
Antonio Jose U. Periquet

Messrs. Del Rosario, Jr., Loinaz and Periquet had been nominated as independent directors in accordance with the rules of the Securities and Exchange Commission (SEC) on nomination and election of independent directors. Mr. Amano had been nominated as an independent director in accordance with generally accepted principles of good corporate governance.

Mr. Del Rosario, Jr. further reported that all the nominees possessed all the qualifications and none of the disqualifications under the Corporation's By-Laws, the Manual of Corporate Governance and the Charter of the Board of Directors, and were eligible to be nominated and elected directors of the Corporation.

The Chairman asked the stockholders if they have any questions or comments.

Mr. Elias Dulalia congratulated the Board for the good management of the Corporation's affairs.

Ms. Carmela Castro commented that the Board of Directors is composed of only one gender. She then asked if there is a possibility of changing the composition of the Board to make it more gender balanced. The Chairman answered that in the parent company there is relatively few seats in the Board but across the Ayala Group, gender balance is certainly observed.

Ms. Felicia Caballero inquired as to why other Ayala companies such as Generika and APEC Schools do not operate publicly. The Chairman answered that some of the unlisted companies could be made public at the right time, once they are large enough and have delivered consistently to better ensure their success.

There being no other questions and comments on the item under consideration, the Chairman requested the Corporate Secretary to report the results of the election.

The Secretary reported that based on the partial tabulation of votes, each of the nominees for directors garnered at least 659,639,952 votes, which represented 80.48% of the total outstanding voting shares. The Secretary certified that each nominee has received enough votes for election to the Board.

Given the foregoing results, the Chairman requested for a motion for approval.

On motion of Ms. Joanne M. Lim, seconded by Ms. Raissa V. Florentino, the stockholders elected the seven (7) nominees as directors of the Corporation for the ensuing year to serve as such until their successors are elected and qualified, and adopted Resolution No. S-04-16. The text of the following Resolution No. S-04-16 was shown on the screen.

Resolution No. S-04-16

RESOLVED, to elect the following as directors of the Corporation to serve as such beginning today until their successors are elected and qualified:

Jaime Augusto Zobel de Ayala
Fernando Zobel de Ayala
Yoshio Amano
Ramon R. Del Rosario, Jr.
Delfin L. Lazaro
Xavier P. Loinaz
Antonio Jose U. Periquet

The final tally of votes, as tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, is as follows:

	For	Against	Abstain
Jaime Augusto Zobel de Ayala	664,623,244	6,399,498	0
% of Shares Voted	95.49%	0.92%	0%
Fernando Zobel de Ayala	665,381,643	5,632,602	0
% of Shares Voted	95.60%	0.81%	0%
Yoshio Amano	660,706,593	10,307,629	0
% of Shares Voted	94.93%	1.48%	0%
Ramon R. Del Rosario, Jr.	664,773,640	6,240,599	0
% of Shares Voted	95.51%	0.90%	0%
Delfin L. Lazaro	665,306,184	5,708,038	0
% of Shares Voted	95.59%	0.82%	0
Xavier P. Loinaz	670,978,579	34.150	1,510
% of Shares Voted	96.40%	0.005%	0.002%
Antonio Jose U. Periquet	664,437,962	6,085,931	490,346
% of Shares Voted	95.46%	0.87%	0.07%

9. Election of External Auditor and Fixing of Its Remuneration

The next item in the agenda was the election of auditor and fixing of its remuneration. The Chairman requested Mr. Xavier P. Loinaz, Chairman of the Audit Committee, to explain the item.

Mr. Loinaz informed the stockholders that the Audit Committee evaluated and was satisfied with the performance of the Corporation's external auditor, SGV. Thus, the Audit Committee and the Board agreed to endorse the election of SGV as the external auditor of the Corporation for the current fiscal year for an audit fee of PhP5.2 million, inclusive of value-added tax.

The Chairman opened the floor for comments.

Ms. Santos inquired on the length of time the Corporation has engaged the services of SGV as its external auditor. Upon the request of the Chairman, Mr. Loinaz answered that the Corporation has engaged the services of SGV for a long time. He noted that in choosing the external auditor of the Corporation, the Audit Committee conducts evaluation using an extensive matrix, and in relation to this, SGV's performance has been found to be consistent and satisfactory. Moreover, the Corporation values the continuity of working with and the broad experience of SGV as an auditing firm. He also noted that the

Corporation is strictly complying with the requirements of the SEC regarding the need to change the handling partner every five years.

Ms. Santos asked on whether the Corporation also evaluates other audit firms in the process of choosing its external auditor. To this, the Chairman answered that other listed companies in the Ayala Group engage other audit firms as external auditor. He also stressed that it is unfair to penalize an institution that is doing a good job and renders a good service for the sake of change, and that the most important thing to consider on this point is whether the stockholders are comfortable that they are getting independent opinion on the financials of the Corporation.

There being no other questions and comments, the Chairman asked for a motion for approval.

On motion of Mr. Antonio Joselito G. Lambino II, seconded by Ms. Kathleen Alessandra R. Delgado, the stockholders elected SGV as external auditor of the Corporation for the current fiscal year, approved SGV's audit fee, and adopted the following Resolution No. S-05-16, which was shown on the screen.

Resolution No. S-05-16

> **RESOLVED**, as endorsed by the Board of Directors, to approve the re-election of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the year 2016 for an audit fee of PhP5.2 million, inclusive of value-added tax.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the votes on the election of SGV as external auditor of the Corporation, the approval of its audit fee, and the adoption of Resolution No. S-05-16 are as follows:

	For	Against	Abstain
Number of Shares Voted	669,576,113	1,846,860	0
% of Shares Voted	96.20%	0.27%	0%

10. Other Matters

The Chairman opened the floor for questions or comments from the stockholders on matters which are relevant and of general concern to the stockholders.

Mr. Robert Go inquired on the business arrangement with Puregold Price Club, Inc. The Chairman requested Mr. Bernard Vincent O. Dy, the President of ALI, to answer the query. Mr. Dy explained that ALI has a 50-50 joint venture with Puregold to develop a supermarket called Merkado which currently has one operating store located in UP Town Center. To this, Mr. Go commented that there may be a conflict as Puregold has partnered with Lawson, a competitor of FamilyMart. Mr. Dy then clarified that there is no direct conflict as the business formats involved in the two partnerships are different.

Finally, Mr. Go suggested for Ayala properties to put on a signage that says "Lesbian Gay Bisexual and Transgender (LGBT) friendly". The Chairman responded that there is no need for the signage as Ayala does not discriminate.

11. Adjournment

There being no other matters to discuss, on motion of Ms. Mae Christine L. Go, seconded by Mr. Martin C. Lopez, the meeting was adjourned.

SOLOMON M. HERMOSURA
Corporate Secretary

ATTESTED BY:

JAIME AUGUSTO ZOBEL DE AYALA
Chairman of the Board & of the Meeting