

# MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

OF

## DMCI HOLDINGS, INC.

Held on July 27, 2016 at 9:30 A.M.  
at the Turf Room, Manila Polo Club  
McKinley Road, Forbes Park, Makati City

### Stockholders Present:

Number of shares present in person:	518,900 shares
Number of shares represented by proxies:	11,121,219,161 shares
Total number of shares present in person/represented by proxies:	11,121,738,061 shares
Percentage of the total outstanding shares present in person/represented by proxies:	83.76%
Total number of issued and outstanding capital stock:	13,277,470,000 shares

### Directors Present:

Isidro A. Consunji (Chairman, President and CEO)  
Cesar A. Buenaventura (Vice Chairman)  
Herbert M. Consunji (Vice President and CFO)  
Jorge A. Consunji  
Ma. Edwina C. Laperal (Treasurer)  
Victor A. Consunji  
Luz Consuelo A. Consunji  
Honorio O. Reyes-Lao (Independent Director)  
Antonio Jose U. Periquet (Independent Director)

#### 1. CALL TO ORDER

The Chairman of the Board of Directors, Mr. Isidro A. Consunji, called the meeting to order and presided over the same. Atty. Noel A. Laman, the Corporate Secretary, recorded the minutes of the proceedings.

#### 2. PROOF OF NOTICE AND CERTIFICATION OF QUORUM

The Corporate Secretary declared that based on the certification provided by *Securities Transfer Services, Inc.*, the Corporation's Stock Transfer Agent, the Definitive Information Statement and Notice of today's annual stockholders' meeting were transmitted by personal delivery or mailed to the stockholders of record at their respective addresses as indicated in the corporate records at least fifteen (15) business days prior to the date of the meeting.

On the matter of quorum, the Corporate Secretary declared that based on the certification of the Corporation's Stock Transfer Agent, out of a total of

13,277,470,000 outstanding common shares, 11,121,738,061 common shares were represented by proxies while 518,900 were present in person, representing at least 83.76% of the Corporation's total issued and outstanding common capital stock. Therefore, a quorum existed for the transaction of business.

### **3. APPROVAL OF MINUTES OF PREVIOUS MEETING**

The Chairman asked whether copies of the minutes of the previous annual stockholders' meeting held on July 29, 2015 had been given to the stockholders prior to the meeting. The Corporate Secretary replied in the affirmative, saying that copies of the minutes had been given to the stockholders. A summary of the matters taken up at the previous annual stockholders' meeting was also provided in the Definitive Information Statement that was sent to the stockholders of record. The same has also been posted in the website of the company since July 30, 2015.

A motion was made and duly seconded for the approval of the minutes of the annual stockholders' meeting held on July 29, 2015. The Chairman then informed the stockholders that as provided in the Definitive Information Statement, the agenda items will be subject to actual voting by ballot at the later part of the meeting after all the agenda items have been discussed.

### **4. MANAGEMENT REPORT**

The President, Mr. Isidro A. Consunji, presented to the stockholders the Management Report for the year 2015. A copy of his report is attached as Annex "A" hereof.

After the President delivered the Management Report, the floor was opened for any questions that the stockholders may have in relation to the Report.

One stockholder, Mr. Christopher Mitchel, said that during the annual meeting of First Philippine Holdings Corporation ("FPHC"), the Chief Executive Officer of the company, Mr. Federico Lopez, gave a very spirited talk around the effects of coal mining and coal. He said that Mr. Lopez also said that the company will no longer build any coal-fired power plants. He asked Mr. Consunji for his comments on this. Mr. Consunji replied that that was FPHC's strategy, and added that the company (or one of its subsidiaries, First Gen Corporation) had bid for coal-fired power plants in the past such as Calaca and Masinloc. With regard to the LRT 2 Line Extension, Mr. Mitchel said that he was very impressed with this and commended the Corporation for the fantastic job it (or one of its subsidiaries, D.M. Consunji, Inc.) was doing. Mr. Consunji thanked Mr. Mitchel for his compliments and said that the public may not be able to enjoy fruits of that project right away as the construction of the viaduct was only the first phase of the entire extension. He said that the stations and the supply of the rails have yet to be bidded out. He expressed hope that the new Secretary of Public Works and Highways will change the department's policy of splitting projects into different parts and instead include everything as part of one package so that the engineering and construction could be compressed and the public could enjoy the infrastructure sooner. Lastly, Mr. Mitchel said that he was

surprised to see that on March 31, 2016, the Board of Directors of the Corporation approved the increase of the Directors' per diem allowance from P10,000.00 to P80,000.00. He said that he was amazed that the amount increased more than fivefold in one go. Mr. Consunji replied that the Corporation conducted a survey of the amount of directors' compensation of other listed companies and a per diem allowance of P80,000.00 per meeting is actually on the lower side of the spectrum, if not the lowest. He added that the increase is probably ten years too late. Further, even with the increase in the per diem, the total amount of the Corporation's General and Administrative Expenses is only around 1% of total sales.

Another stockholder, Mr. Jose Ferrer, asked whether the allegations of the Secretary of the Department of Environment and Natural Resources ("DENR"), Ms. Regina Lopez, that 80% of the mangroves in Semirara Island were destroyed, were true. Mr. Consunji replied that he was not sure what the DENR Secretary was referring to, but he said that there was an oil spill in 2005 caused by a barge of the National Power Corporation which sank on the eastern side of the island. He said that Semirara Mining and Power Corporation ("SMPC") helped clean up the mess. With a permit from the DENR, the Company used the shoreline for its cleaning up operations but this inadvertently caused the destruction of some mangroves. However, upon the order of the DENR and with the necessary permits, the company reforested or replanted what was damaged on two occasions - once, on the eastern and the second, on the northern side of the island. With regard to SMPC's energy mix, Mr. Ferrer asked if the company would invest in renewable energy to offset the effects of coal fuel. Mr. Consunji said that coal is the cheapest fuel for power worldwide and the Philippines already suffers from high power prices. He said that this was the reason why all the new power plants in the Philippines are coal-fired. Further, while there are areas which are suited for renewable energy power plants, these are only able to generate little power. As an example, he cited a power plant in Cagayan de Oro which is only able to generate 9MW. In addition, the cost of renewable energy is almost 50% higher than the cost of coal power. Mr. Consunji also said that he would not agree with anymore who says that renewable energy and good economics are compatible. To put things in perspective, he said that the price of coal power is only P3.20 per KWH while the feed-in tariff of a renewable energy power plant in Sultan Kudarat is P5.95 per KWH, and cost of biomass is P8.60 per KWH.

Another stockholder, Mr. Romero David from the Shareholders Association of the Philippines, commended the Corporation for the annual report. However, he noted that this does not address risk. Moving forward, he said that shareholders would appreciate it if risk could be included as part of the presentation in order for them to be able to evaluate whether they should sell their shareholdings or add more to these. Secondly, he noted that the environmental issue is one of the Corporation's biggest risks. Since this is irreversible, he suggested that the Corporation put together a more aggressive public relations program to highlight the Corporation's commendable work regarding the environment. He said that since very few people are aware of the Corporation's work, the effect is that a lot of corporate time is expended and the shareholders are put at risk of their investments. He suggested that the Corporation commission independent documentaries to be put together as these would be beneficial to the Corporation and the shareholders. Mr. Consunji thanked Mr. David for his comments and said that those were two main things that

Management is looking at. He said that the Corporation has a very low profile regarding what it does in the aspect of corporate social responsibility. He said that the Corporation operates in 70 provinces but it never made it a point to tell the public of what it does for its host communities. He added that he agreed with Mr. David's comment that the Corporation has not discussed corporate risk. Given the fact that the regulatory, political and social environments have dramatically changed over the past several years, as well as concern regarding the environment and quality of life, Mr. Consunji said that the Corporation will consider these matters for next year's report. He added that the Corporation has created a Risk Oversight Committee, and this has also been done in each of its major operating subsidiaries.

Another stockholder, Ms. Tess Abueg, inquired about the status of the Torre de Manila ("TDM") case with the Supreme Court. Mr. Consunji said that the Supreme Court issued a Temporary Restraining Order ("TRO") against DMCI Project Developers, Inc. ("PDI") last June 19, 2015 and the same is still in effect since TROs issued by the Supreme Court have no time limit. He added that despite the fact that it has been more than a year, the company cannot rush the Supreme Court's decision-making. He observed that the Supreme Court was busy dealing with political issues such as citizenship over the past year. Given that the elections are over, he expressed hope that the Supreme Court will address its backlog of cases, and that while the Corporation was on top of it, he could not say when the Court's decision on the TDM case would be issued. Ms. Abueg asked what PDI's course of action would be in case of an adverse decision. Mr. Consunji said that PDI would honor whatever the Court's decision would be. Ms. Abueg asked what PDI has done regarding the investors or buyers of TDM units. Mr. Consunji said that PDI was asked to stop collecting payments, which it has done. The company was also asked to stop selling units, which it has done. He said that he believes that PDI has a very strong case, adding that the company would not have purchased the land and constructed the building if it were not confident that it would get all the necessary permits. Lastly, Ms. Abueg asked if the buyers would be given the option to divert their investment in another PDI project. Mr. Consunji replied that PDI was not at that stage yet.

Thereafter, there being no more questions from the floor, a motion was made and duly seconded for the approval of the Management Report and for the filing thereof with the Secretary in the form as presented at the meeting. The Chairman then informed the stockholders that as provided in the Definitive Information Statement, this matter will be subject to actual voting by ballot at the later part of the meeting after all the agenda items have been discussed.

## 5. RATIFICATION OF THE ACTS OF OFFICERS AND DIRECTORS

The stockholders proceeded to the next item in the Agenda which was the ratification of the acts of Officers and Board of Directors of the Corporation performed or undertaken *from July 29, 2015* and until the date of this meeting. After some discussion, a motion was made and duly seconded for the adoption of the following resolution:

*"RESOLVED, that the stockholders of DMCI Holdings, Inc. approve, ratify and confirm all the acts, decisions and resolutions of the Board of Directors and officers of the Corporation made or undertaken*

*from July 29, 2015 and until the date of this meeting as they are reflected in the books and records of the Corporation."*

The Chairman informed the stockholders that as provided in the Definitive Information Statement, this matter will be subject to actual voting by ballot at the later part of the meeting after all the agenda items have been discussed.

## **6. APPOINTMENT OF INDEPENDENT AUDITORS**

The stockholders then discussed appointment of independent auditors for the year 2016. A motion was made and duly seconded for the adoption of the following resolution:

*"RESOLVED, that the stockholders of DMCI Holdings, Inc. approve, ratify and confirm, as they do hereby, the appointment of SyCip Gorres Velayo & Co. as the external auditors of the Corporation for the current year."*

The Chairman then informed the stockholders that as provided in the Definitive Information Statement, this matter will be subject to actual voting by ballot at the later part of the meeting after all the agenda items have been discussed.

## **7. ELECTION OF DIRECTORS**

The meeting proceeded with the election of the members of the Board of Directors for the year 2016-2017. Upon directive of the Chairman, the Corporate Secretary apprised the stockholders of the provisions of the By-laws on nomination and election of directors. The Corporate Secretary further announced that the Board of Directors received seven (7) nominations for Regular Directors and two (2) nominations for independent directors. The following were the nominees for regular directors: Messrs. Isidro A. Consunji, Cesar A. Buenaventura, Victor A. Consunji, Jorge A. Consunji, Herbert M. Consunji, Ms. Ma. Edwina C. Laperal and Ms. Luz Consuelo A. Consunji. Messrs. Honorio O. Reyes-Lao and Antonio Jose U. Periquet were the nominees for independent directors in compliance with the provisions of Section 38 of the *Securities Regulation Code* and the *Manual on Corporate Governance*.

The Chairman then informed the stockholders that as provided in the Definitive Information Statement, this matter will be subject to actual voting by ballot at the later part of the meeting after all the agenda items have been discussed.

## **8. AMENDMENT OF THE BY-LAWS**

The Chairman informed the Stockholders that the next item in the agenda was the amendment of the by-laws. He asked the Corporate Secretary to explain the reason for the proposed amendments.

The Corporate Secretary explained that the proposed amendments pertained to the following:

- (a) Article II, Sec. 1 to change the schedule of the annual stockholders' meeting from the last Wednesday of July to the **third Tuesday of May** of each year. *The amendment is to enable the company to be at par with other the scheduled annual stockholders' meeting of other publicly listed companies.*
- (b) Article VI, Sec. 1 to add the **Corporate Governance Committee** as one of the board committees of the Corporation. *The foregoing amendment is sought to enable the company to comply with the ASEAN corporate governance practices.*
- (c) Article VI, Sec. 6 (new provision) to add the **composition and duties of the Corporate Governance Committee.** *The foregoing amendment is also sought to enable the company to comply with the ASEAN corporate governance practices.*

Thereafter, a motion was made and duly seconded, for the approval of the following resolution:

*“RESOLVED, that the stockholders of DMCI Holdings, Inc. (the “Corporation”) hereby approve the amendment of the following provisions of the By-Laws of the Corporation:*

- (a) Article II, Sec. 1 to change the schedule of the annual stockholders' meeting from the last Wednesday of July to the **third Tuesday of May** of each year.
- (b) Article VI, Sec. 1 to add the **Corporate Governance Committee** as one of the board committees of the Corporation.
- (c) Article VI, Sec. 6 (new provision) to add the **composition and duties of the Corporate Governance Committee.**”

The Chairman then informed the stockholders that as provided in the Definitive Information Statement, this matter will be subject to actual voting by ballot at the later part of the meeting after all the agenda items have been discussed.

## 9. ACTUAL VOTING BY BALLOT

Since all the agenda items have been discussed and proper motions for their approval have been made and duly seconded, the meeting proceeded with the actual voting by ballot. The Corporate Secretary informed the stockholders of the procedure for filling up their ballots and for casting their votes. Two ballot boxes were provided in front of the meeting room- one for the ballot for election of directors and another one for the ballot for all the other items in the agenda. Sample ballots were shown on the screen for the guidance of the stockholders. The stockholders were then given 20 minutes to fill up their ballots. After 20

minutes, the ballot boxes were closed and SGV & Co. proceeded with the tabulation.

After the tabulation, the following results were flashed on the screen:

AGENDA	FOR	AGAINST	ABSTAIN
Approval of the Minutes of the previous Stockholders' Meeting	11,121,819,333	-	125,568
Approval of the Management Report	11,118,361,333	-	3,583,568
Ratification of Acts of Directors, Officers and Management of the Corporation	11,118,361,333	-	3,583,568
Appointment of SyCip Gorres & Velayo & Co. as external auditors	11,121,819,333	-	125,568
Amendment of Article II, Sec. 1, By-Laws	11,121,818,333	-	126,568
Amendment of Article VI, Sec. 1, By-Laws	11,121,818,333	-	126,568
Amendment of Article VI, Sec. 6, By-Laws	11,121,818,333	-	126,568

Since all the agenda items were approved by the vote of at least a majority of the outstanding capital stock, all the said agenda were deemed approved by the stockholders.

On the election of directors, the nominees received the following votes:

NAME	FOR	AGAINST	ABSTAIN
<b>REGULAR DIRECTORS</b>			
Isidro A. Consunji	10,744,238,030	350,351,500	28,429,918
Victor A. Consunji	10,254,984,372	351,333,900	515,494,550
Herbert M. Consunji	10,254,984,372	351,333,900	515,494,550
Ma. Edwina C. Laperal	10,247,554,172	351,333,900	522,922,950
Luz Consuelo A. Consunji	10,245,831,141	351,333,900	524,647,781
Cesar A. Buenaventura	10,245,229,691	351,427,600	525,153,731
Jorge A. Consunji	10,231,775,620	367,114,252	522,922,950
<b>INDEPENDENT DIRECTORS</b>			
Antonio Jose U. Periquet	11,024,814,471	15,780,352	81,201,909
Honorio O. Reyes-Lao	10,998,441,875	15,780,352	107,592,368

There being only nine nominees to the nine seats in the Board, all the above named nominees were deemed elected by the stockholders.

**11. ADJOURNMENT**


There being no other items to be discussed, the same was, upon motion duly made and seconded, adjourned.

ATTEST:



ISIDRO A. CONSUNJI

Chairman of the Stockholders' Meeting



NOEL A. LAMAN

Corporate Secretary



# Message of the Chairman

**Isidro A. Consunji**

**Chairman and Chief Executive Officer**



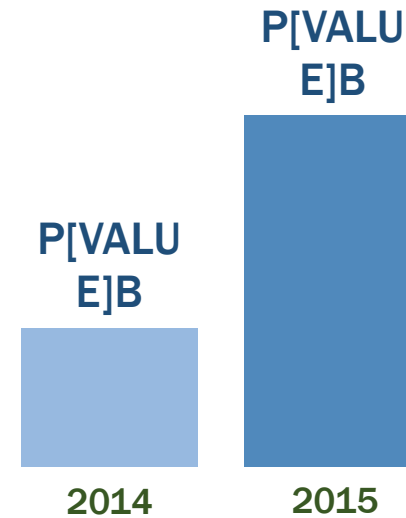
# **DMCI Holdings staged a strong rebound from 2014**



# All businesses did well



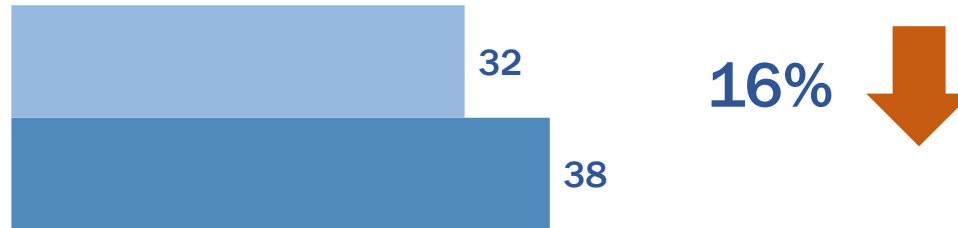
**20%** ↑  
Consolidated Core Net Income





# Pronounced drop in consolidated cost of sales and services

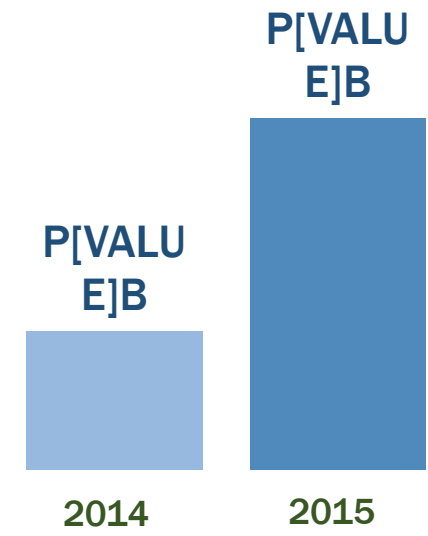
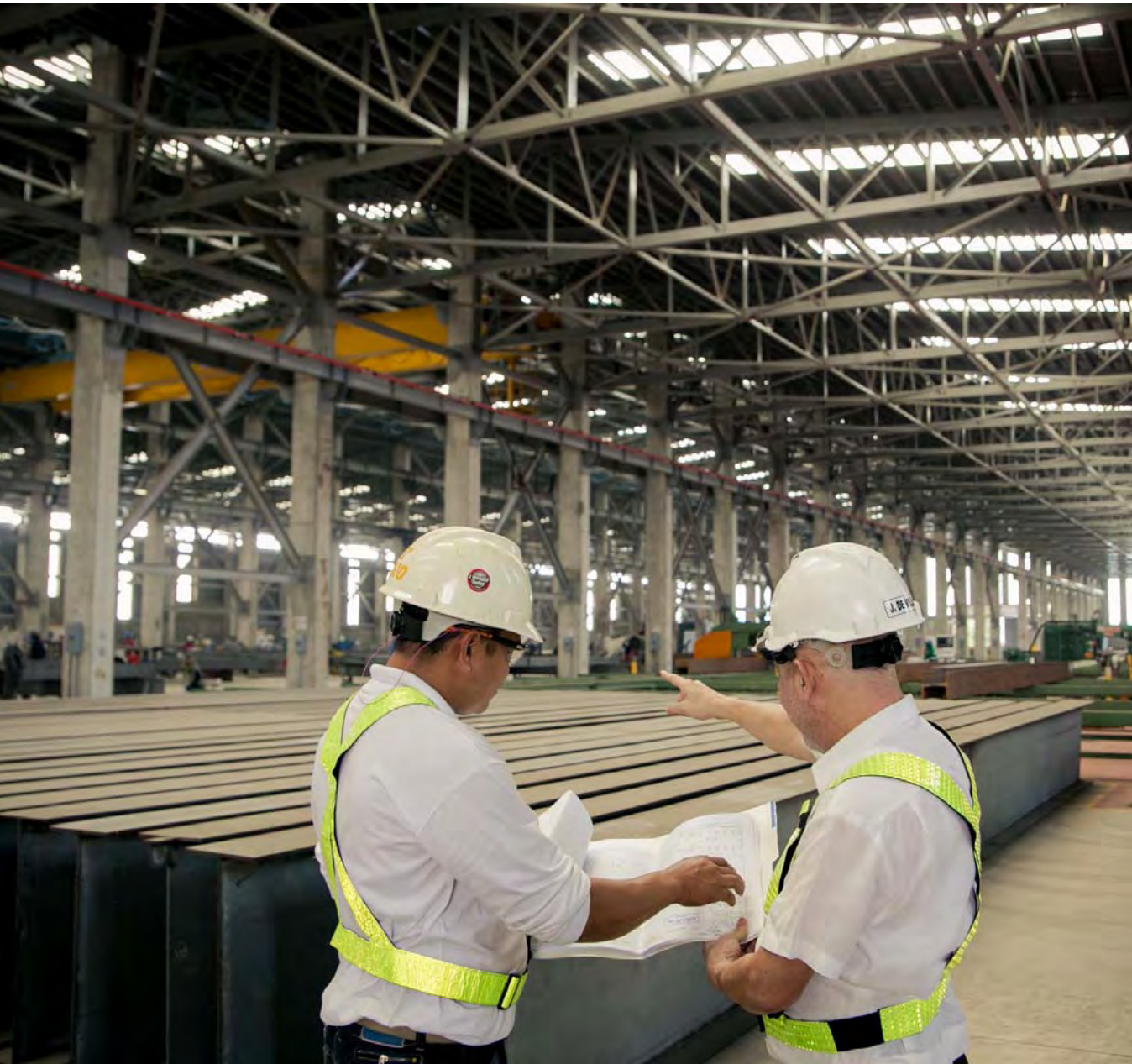
Consolidated Cost of Sales and Services  
(in billion pesos)



Consolidated Revenues  
(in billion pesos)



■ 2015 ■ 2014



**19%**   
Consolidated Net Income

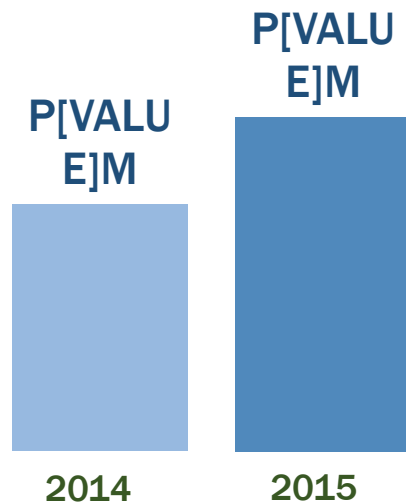
# Subsidiary Contributions





D.M. CONSUNJI, INC.  
ENGINEERS • CONTRACTORS

# Boosted by better gross profit margins



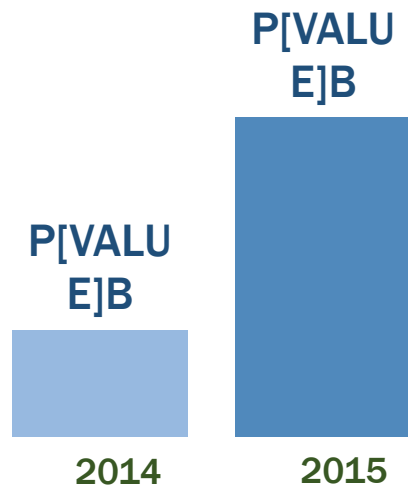
**35%** ↑  
Net Income Contributions





*Feels real good to be home*

# Recognized sales from completed high-rise projects

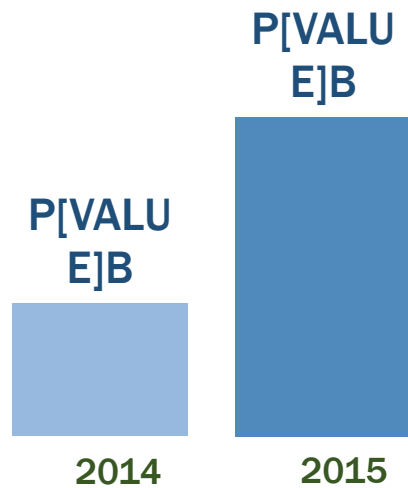


**11%**   
Net Income Contributions





## Stable power generation and higher energy sales

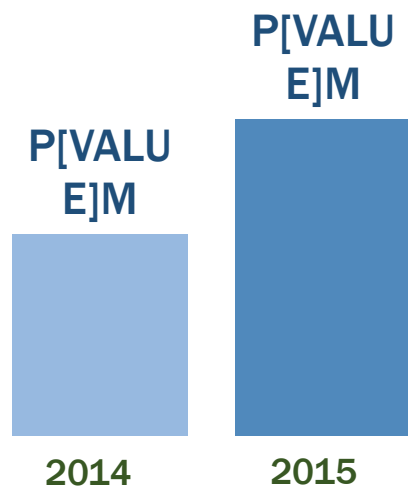


**18%** ↑  
Net Income Contributions





# Commissioned 15MW Oriental Mindoro diesel plant



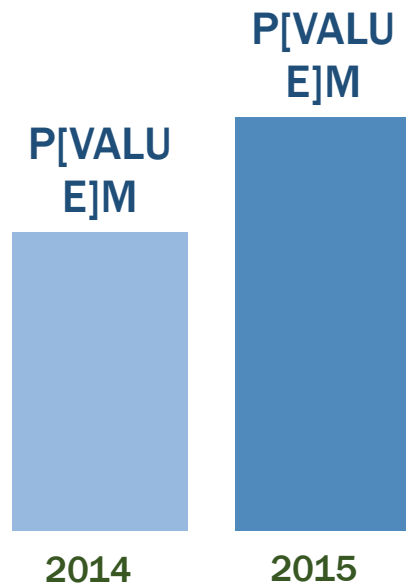
**57%** ↑  
Net Income Contributions





DMCI MINING  
CORPORATION

# Higher sales volume and reduced operating costs

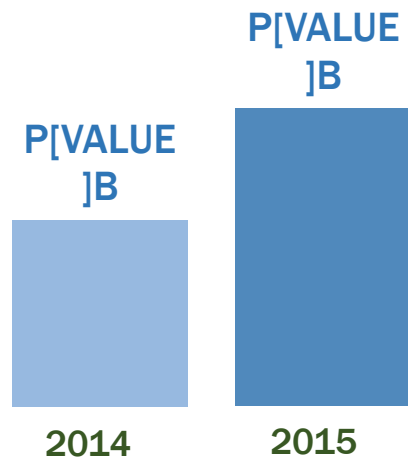


**38%** ↑  
Net Income Contributions

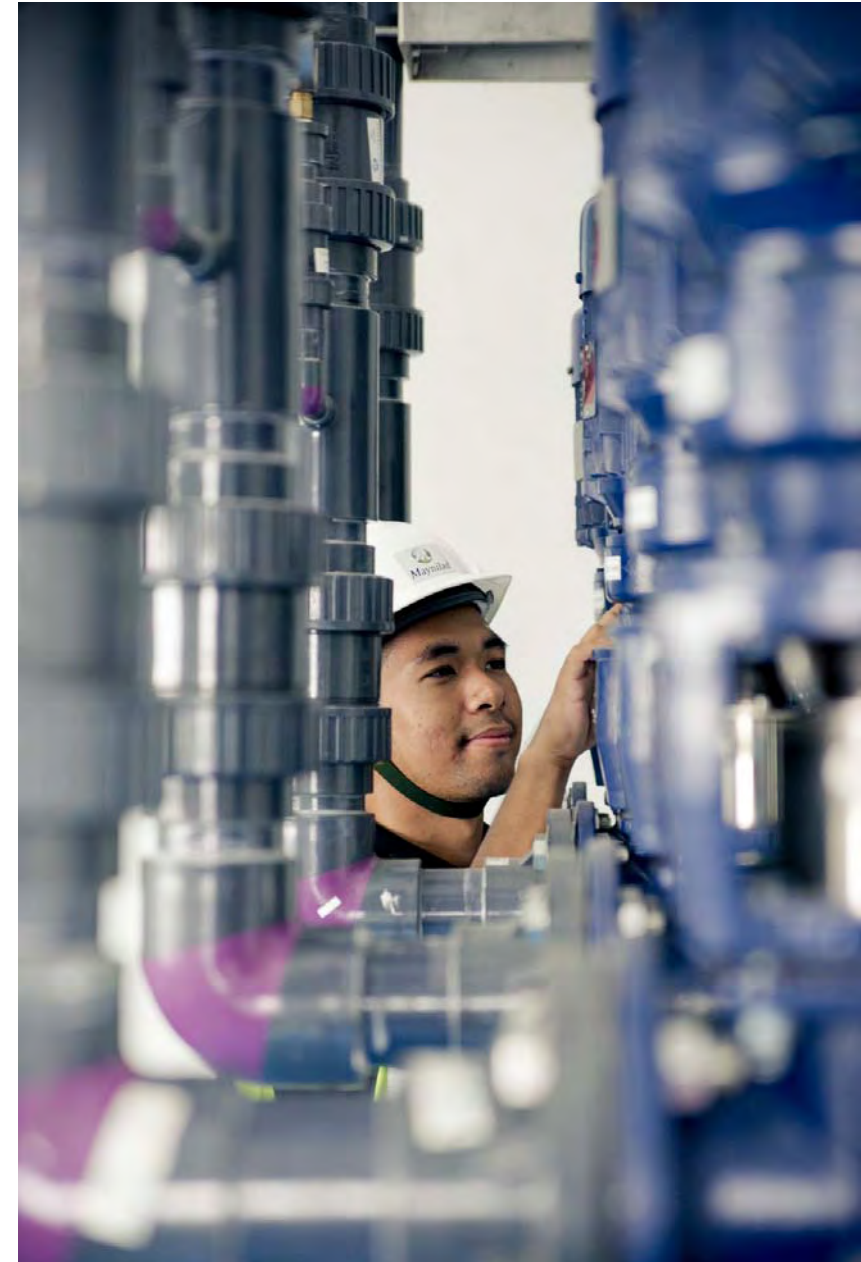




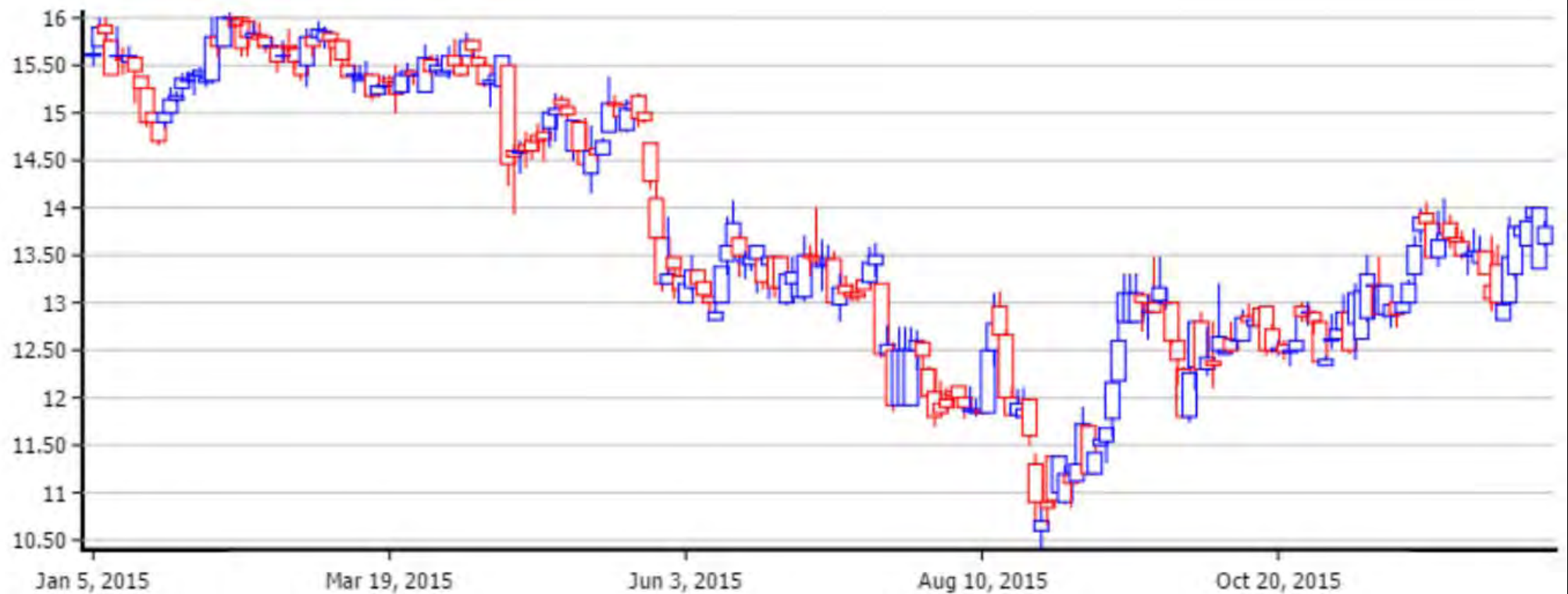
# Increased operational efficiency and billed volume



**17%** ↑  
Net Income Contributions



# Stock Market Performance



# P183B

## Market Capitalization

- Overall bearish market sentiments
- Protracted commissioning and commercial operations of SLPGC





**48¢**

Combined regular  
and special cash  
dividend

**P6.37B**

Total Dividend  
Payout

**50%**

Total Dividend  
Payout Ratio



# Key Stakeholders and Marginalized Groups



# OUR FOCUS AREAS

EDUCATION AND TRAINING



INFRASTRUCTURE



WELFARE AND LIVELIHOOD



EMERGENCY PREPAREDNESS AND DISASTER RELIEF



ENVIRONMENTAL STEWARDSHIP



2,000+

Pre-loved books stored by DMCI Homes for Books for a Cause

143

College scholars supported by DMCI Mining subsidiaries

3

Classrooms donated by Southwest Luzon Power Generation Corporation



1,000+

Seedlings planted by D.M. Consunji, Inc.



65,100

Trees planted by Maynilad in 2015, surpassing its target by 30%

62

Unskilled workers trained to become hydraulic equipment operators by Berong Nickel Corporation

624+

Hectares of reforested area in Semirara Island

6,000

Beneficiaries of the Doktor ng Barangay program of DMCI Power



15,863

Free medical and dental consultations provided by Semirara Mining and Power Corporation Infirmary

# Committed to good corporate governance





## **May 14, 2015**

- a. Code of Business Conduct and Ethics – Provisions on customer welfare, supplier/contractor relations, anti-corruption and bribery**
- b. Audit Committee Charter**
- c. Nomelec Charter**
- d. Related Party Transactions**

## **June 5, 2015**

- a. Code of Business Conduct and Ethics – Provisions on customer welfare, supplier/contractor relations, anti-corruption and bribery**
- b. Related Party Transactions (4.5)**

## **August 2015**

- a. Amended Manual on Corporate Governance (4.4 Risk Oversight Committee)**

# Recent Issues





Republic of the Philippines  
**Department of Environment and Natural Resources**  
Visayas Avenue, Diliman, Quezon City  
Tel Nos. +929.6626 +929.6628 +929.66.35 +929.4028 +929.4028 +929.3618  
+426.0465 +426.0001 +426.0347 +426.0408  
VOIP Trunkline (632) 988.3367  
Website: <http://www.denr.gov.ph> • E-mail: [web@denrgov.ph](mailto:web@denrgov.ph)

July 7, 2016

This refers to the 1). **Writ of Kalikasan issued by the Supreme Court** in the case filed by the Concerned Citizens of Santa Cruz, Zambales (GR No. 224375) against your mining operations in the Province of Zambales for various alleged environmental crimes, 2). the **pronounced Executive Order No. 01** issued by the Provincial Government of Zambales suspending the mining operations in the said Province in view of violations of the mining and environmental laws and 3). the **continuing complaints** of various groups against the **alleged adverse environmental impacts** of the said mining operations.



- **Writ of Kalikasan not yet resolved by the Supreme Court**
- **Local Government Units do not have authority to regulate activities of large-scale mining operators**
- **Provincial Executive Order not officially signed and issued**
- **According to UP National Institute of Geological Sciences, environmental complaints not due to ZDMC operations**

## As reported in the media:

a suspension order was slapped on Friday on Berong Nickel Corp's mine in Palawan because of a spill that affected corals.

Berong Nickel Corp. in the coastal town of Quezon in Palawan province was shut for spilling 1,200 metric tons of mine tailings into the Liabongan river,



- Discoloration was the basis for the suspension NOT a mine tailings spillage



Republic of the Philippines  
Department of Environment and Natural Resources  
**MINES & GEOSCIENCES BUREAU**  
Regional Office No. IV-B (MIMAROPA)  
7/F DENR Bldg., 1515 Roxas Blvd., Ermita, Manila  
Telefax: (632) 536-0215; e-mail: [region4b@mgb.gov.ph](mailto:region4b@mgb.gov.ph)

28 June 2016

**CESAR F. SIMBULAN, JR.**  
President  
**BERONG NICKEL CORPORATION**  
3/F DMCI Homes, 1321 Apolinario St.,  
Bangkal, Makati City

**SUBJECT: REGIONAL SUSPENSION ORDER NO. 2016-01**

Sir:

This is in connection with the discoloration of the Liabongan River extending towards the surrounding area of the causeway within the Berong Bay that was observed by the technical personnel of this Office who conducted a validation of your company's Mineral Ore Export Permit (MOEP) in the early morning of June 23, 2016.



- **Discoloration was due to surface run-off—a natural occurrence due to intermitted rains in the area for 14 successive days**



- Five days PRIOR to receipt of suspension order, BNC had already VOLUNTARILY suspended its mine and hauling operations
- Voluntary suspension is in accordance with BNC's internal protocol of halting operations during heavy rains
- Being a responsible miner, BNC instituted this protocol so it could fully concentrate on addressing potential environmental concerns whenever there is inclement weather over the mine site

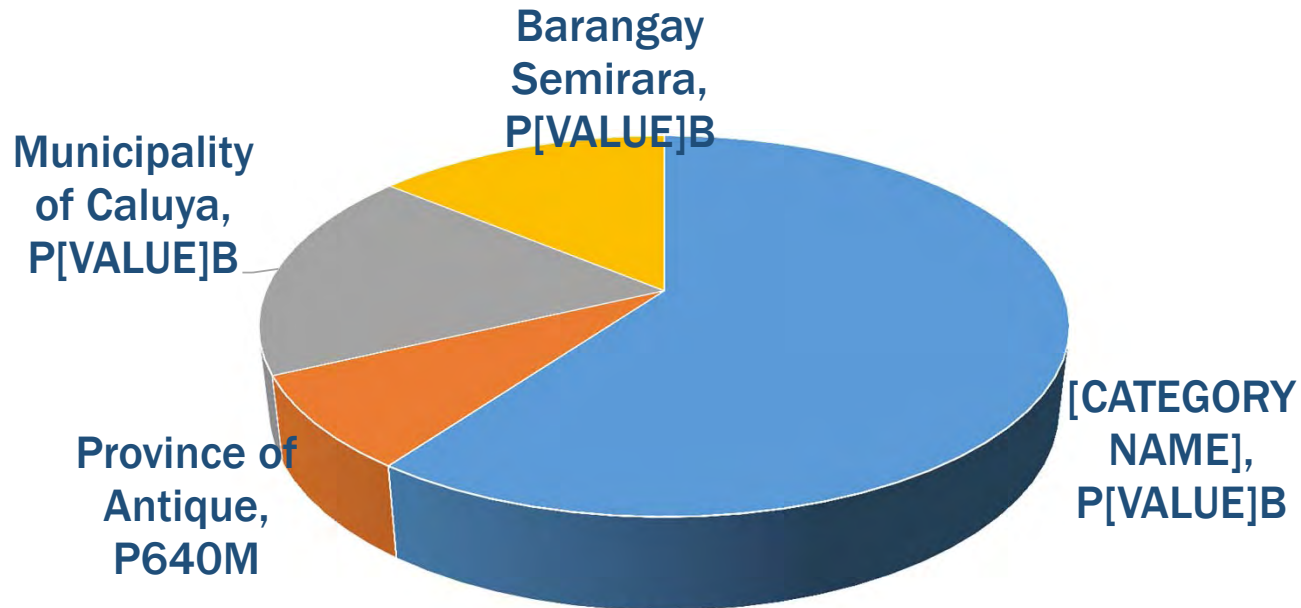


**Caluya, where Barangay Semirara is located, is now a first class municipality because of royalty payments and company investments.**





**In the last five years, royalty payments to the government reached nearly P8 billion.**





- We generate high-value employment in Semirara Island
- We are the single biggest employer in the area
- For 2015 alone, direct and indirect labor costs in the mine site amounted to P1.09 billion.



- Since 1999, we have been supporting local fishermen.
- We provided them with boats, and even built an ice plant to support their livelihood.
- In 2015, their catch totaled 148,927 kilograms.



Residents of Semirara Island have access to electricity, clean water, education, technical training, community facilities, among others.



**Our mining operations leave an economic footprint.**

**We have been doing our best to manage our impact on the environment.**





**SEMIRARA**  
**MINING & POWER**  
**CORPORATION**

**We planted  
873,070 mangroves**

**We reforested  
624.68 hectares**





**We established a Marine Hatchery Laboratory for breeding endangered species of giant clams.**



**We brought the population of giant clams to over 112,000 by 2015.**



**We transported 100 giant clams to DENR–Batangas Province for reseeding to the Verde Island passage.**

*Photo from [ireport.cnn.com](http://ireport.cnn.com)*

**Construction and engineering  
could be drivers—  
and not just implementers,  
of growth**



**To create and deliver more value,  
our strategy will be four-fold**





**Decent housing for low-income and lower middle-class families**



**Pursue renewable energy  
project to achieve  
optimum mix**



**Forge strategic alliances to  
fast track infrastructure  
modernization**



**Establish new businesses to complement current portfolio and accelerate bottom line growth**

# One of the most valued companies

**P31.5B**  
Five-year Dividend Payout

**20,000**  
Total Workforce

**Millions**  
Filipino Beneficiaries





**Credit for these accomplishments goes to our shareholders, investors, employees, customers, host communities, public sector partners and other stakeholders.**



**With our continued partnership,  
the coming years will be even more  
productive and fulfilling**



# Open Forum