

# MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING

OF

## DMCI HOLDINGS, INC.

Held on August 5, 2014, at 9:00 A.M.  
at the Turf Room, Manila Polo Club  
McKinley Road, Forbes Park, Makati City

### Stockholders Present:

Number of shares present in person:	3,500 shares
Number of shares represented by proxies:	2,111,129,150 shares
Total number of shares present in person/represented by proxies:	2,111,132,650 shares
Percentage of the total outstanding shares present in person/represented by proxies:	79.5%
Total number of issued and outstanding capital stock:	2,655,494,000 shares

### Directors Present:

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

#### 1. CALL TO ORDER

The Vice-Chairman of the Board of Directors, Mr. Cesar A. Buenaventura, acted as Chairman of the meeting, called the meeting to order and presided over the same. Atty. Ma. Pilar M. Pilares-Gutierrez, the Assistant Corporate Secretary, recorded the minutes of the proceedings.

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

The Assistant 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 2,655,494,000 outstanding common shares, 2,111,132,650 common shares were present or represented by proxies, representing at least 79.5% 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 Vice-Chairman asked whether copies of the minutes of the previous annual stockholders' meeting had been given to the stockholders prior to the meeting. The Assistant 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. Since copies of the minutes of the annual stockholders' meeting dated July 31, 2013 were earlier distributed to the stockholders, the Vice-Chairman entertained a motion for the approval of the minutes.

One stockholder, Mr. Jun Gilli, proposed an amendment to page 4, paragraph 7 of the minutes. The Vice-Chairman noted Mr. Gilli's proposal.

There being no other comments or objections on the minutes, upon motion made and duly seconded, the minutes of the annual stockholders' meeting held on July 31, 2013 were approved, ratified and confirmed by the stockholders representing at least a majority of the outstanding capital stock.

### **4. MANAGEMENT REPORT**

At this point, the President, Mr. Isidro A. Consunji, was called upon to present to the stockholders the Management Report for the year 2013. A copy of his report is attached as Annex "A" hereof.

After the President delivered the Management Report, the Vice-Chairman of the Board opened the floor for any questions that the stockholders may have in relation to the President's Report.

One stockholder, Mr. Philip Tan, sought to clarify something he had read from the Corporation's website regarding DMCI Mining Corporation ("DMCI Mining"), DMCI Power Corporation ("DMCI Power") and D.M. Consunji, Inc. ("DMCI"). Specifically, he wanted to know whether it was true that these unlisted subsidiaries would each account for 10% or a total of 30% of the Corporation's total revenues by 2019. Mr. Isidro Consunji said that he was not sure about the figure, but that DMCI Mining will have a very significant contribution to the Corporation's total revenues.

Mr. Tan also had several questions about DMCI Mining. He asked whether DMCI Mining will be able to wrap up production by the second half of the year. Mr. Consunji said that DMCI Mining secured a tree-cutting permit for its Berong operations in March and, as such, production only began last March. With regard to its Zambales operations, DMCI Mining has not been able to secure a tree-cutting permit. However, because of the high prices of nickel ore, the company is mining in permitted areas where it can make money even if the nickel grades are low.

Mr. Tan asked if DMCI Mining had any figures on the production volume of its Toledo operations. Mr. Cesar Simbulan, President of DMCI Mining, said

that, to date, the company has produced 750,000 tons of nickel ore for the current year. For Zambales, Mr. Simbulan said that not much can be done there due to the permit issue. With regard to production, he said that the company has already done five shipments, and that it expects to do another five shipments by year-end, unless the company is able to secure the aforementioned permit. Mr. Simbulan said that the company will be able to produce a shade under 1,700,000 tons for its operations in Palawan and Zambales.

Mr. Tan asked about the prospects for next year. Mr. Simbulan replied that the company is projecting around 2 Million tons for Palawan and 1.5 Million tons for Zambales, if the company is able to secure a tree-cutting permit. Mr. Tan asked when the company expects to secure the permit. Mr. Simbulan said that the company has submitted all the requirements for this and has done all that is needed, but that the matter is now in the hands of the Department of Environment and Natural Resources ("DENR"). Mr. Tan asked if the company has any issues with environmental activists. Mr. Simbulan said that there are activists in both areas, but that things are more difficult in Zambales. He said that all four mining companies operating in Zambales have been given suspension orders this year. However, he said that the company expects that its suspension order will be lifted sometime next week once the Mines and Geosciences Bureau ("MGB") conducts its evaluation of the company's compliance.

Mr. Tan asked about the regulation of the mining law. Mr. Simbulan said that Executive Order 79, Series of 2012, which seeks to reform the Mining Act, is more concerned with environmental issues. However, he said that one critical issue - government's share of the mineral resources - has not yet been addressed. Further, he said that the Implementing Rules and Regulations ("IRR") have yet to be issued. Mr. Tan asked when the company expects the IRR to be issued. Mr. Simbulan said that the matter is in the government's hands.

Mr. Tan asked if there were any chromite deposits in the company's mining areas. Mr. Simbulan replied in the affirmative and said that there are more chromite deposits in Zambales than in Palawan. However, he said that the company has no plans to venture into chromite mining. Mr. Tan asked about the company's ownership of Zambales Chromite Mining Co. Inc. ("Zambales Chromite"). Mr. Simbulan said that the company owns 100% of Zambales Chromite. Mr. Tan inquired about Montemina. Mr. Simbulan said that the company also owns 100% of Montemina.

With regard to DMCI Power, Mr. Tan asked about the 72.5 MW figure. Mr. Isidro Consunji said that the figure refers DMCI Power's installed capacity. Mr. Tan asked about installed capacity for the current year. Mr. Consunji said that this was 70 MW. Mr. Tan asked what DMCI Power's installed capacity would be in 2019. Mr. Consunji replied that the issue was not installed capacity but demand. Mr. Tan asked if DMCI Power had any plans of expanding its capacity. Mr. Consunji replied in the affirmative, explaining that the company has a 15-year power supply contracts for its operations in Masbate and Palawan and a 20-year power supply contract for its operations in Mindoro. Mr. Tan asked if the company had any plans of expanding to other missionary areas. Mr. Consunji said that the company intends to concentrate on the aforesaid three areas.

With regard to DMCI, Mr. Tan said that he read that the company intends to grow its business as a proponent. Mr. Isidro Consunji explained that DMCI wears two hats in its construction projects – one as a proponent and another as a contractor. For DMCI’s Tarlac-Pangasinan-La Union Expressway (“TPLEX”) project, he said that the company started as a proponent with a 50% interest in Private Infra Dev Corp. (“PIDC”), which is in charge of TPLEX. However, DMCI eventually sold a portion of its interest to San Miguel Corporation (“SMC”), bringing its interest down to 25%. Mr. Tan asked if DMCI was a proponent in any other project. Mr. Consunji replied in the affirmative, but said that the mathematics for being the proponent of a Public-Private Partnership (“PPP”) Project is currently not attractive and, as such, DMCI intends to focus on operating as a contractor. Mr. Tan remarked on the government’s policy of awarding projects to the highest bidder. Mr. Consunji said that the issue in PPP projects is the amount of money that the bidder is going to pay the government.

At this point, the Vice-Chairman said that Mr. Tan’s questions could best be addressed after the stockholders’ meeting as these have to do with government policies. He asked Mr. Tan if he had any other questions. Mr. Tan asked how DMCI would be able to finance its infrastructure projects such as the MRT 7 and C6 Connector Road. He opined that DMCI has too many infrastructure projects. Mr. Consunji replied that DMCI will not finance those projects as it is merely the *contractor* for those projects.

With regard to Maynilad, Mr. Tan asked if the Corporation intends to eventually sell the remainder of its interest in Maynilad Water Services, Inc. (“Maynilad”). Mr. Isidro Consunji replied in the negative and explained that the Corporation’s sale of its 16% interest in Maynilad to Marubeni Corporation (“Marubeni”) was a strategic decision which would allow Maynilad to have access to funds from Japanese lenders.

Another stockholder, Mr. Jose Ferrer, said that he did not receive any notice of today’s meeting and that, to date, he has not received his cash dividends. Mr. Isidro Consunji advised him to approach Mr. Aldric Boralaza about his cash dividends after the meeting. With regard to Sem-Calaca Power Corporation (“Sem-Calaca”), Mr. Ferrer said that there are some studies which show that the company’s operations were contributing to climate change and the greenhouse effect. He asked whether the company was considering using renewable energy to offset this. Mr. Consunji assured Mr. Ferrer that both of Sem-Calaca’s power plants are compliant with the Clean Air Act and other environmental laws and regulations. On the issue of whether or not these power plants contribute to climate change and the greenhouse effect, Mr. Consunji said that he was not competent to speak on the matter. On the issue of renewable energy, Mr. Consunji said that the company does not believe in passing on to its consumers the high cost of using renewable energy, which is almost double the cost of coal.

Another stockholder, Mr. Rommel Songco, had three questions: (1) What prices are DMCI Mining getting for its nickel shipments? (2) What is the timetable for the operation of the 2x150 MW power plants? (3) Are there any updates on the arbitration case of Maynilad? With regard to nickel prices, Mr. Isidro Consunji said that: (1) for nickel ore with 1% nickel, 47 or 48% iron, the price is approximately US\$37 per metric ton (MT); (2) for 1.5% nickel, the price is about US\$50-60 per MT; and (3) for 1.8% nickel, the price is US\$110-120 per MT.

With regard to the 2x150 MW power plants, Mr. Consunji said that the first plant will be ready by the end of March 2015, while the second will be ready by the end of June 2015. With regard to the arbitration case of Maynilad, Mr. Herbert Consunji said that the same is already proceeding as expected. He said that the parties are currently in the process of deposing several resource persons from the government and private sector to shed light on the issues. He added that the resolution of the arbitrators is expected by the end of the year, while the acceptance thereof is expected sometime during the first quarter 2015. Mr. Songo asked whether the proceedings were at least half-way through. Mr. Consunji replied in the affirmative, barring any major complications that may delay the proceedings.

Another stockholder, Mr. Gilli, asked whether the Corporation had any information on the total area of mine lands in Palawan, the percentage of mineral resources that has been mined from Palawan and how many more years till 50% of such resources are mined. Mr. Isidro Consunji said that they do not have information. However, with respect to DMCI Mining's mining area in Palawan, Mr. Consunji said that there is around 200 Million tons of nickel ore and, assuming that the company is able to mine around 2 Million tons a year, it would take 100 years to deplete the mine. He added that the issue with mining in Palawan was not the amount of the resources/reserves but the permits necessary for mining. Mr. Gilli thanked Mr. Consunji for his explanation and congratulated him on the good performance of the Corporation for 2013.

Thereafter, there being no more questions from the floor, upon motion made and duly seconded, the President's report was approved by the stockholders present and received and filed with the Assistant Corporate Secretary in the form as presented at the meeting.

## **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 in the year 2013 and until the date of this meeting. After some discussion and upon motion made and duly seconded, the following resolution was made, seconded and approved by the stockholders present:

*“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 in the year 2013 and until the date of this meeting as they are reflected in the books and records of the Corporation.”*

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

Moving forward, the stockholders took up the item of appointment of independent auditors for the year 2014. Upon motion made and duly seconded, the following resolution was approved by the stockholders holding at least a majority of the outstanding capital stock of the Corporation:

*“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."*

## 7. ELECTION OF DIRECTORS

The meeting proceeded to the election of the members of the Board of Directors for the year 2014-2015. Upon directive of the Chairman, the Assistant Corporate Secretary apprised the stockholders of the provisions of the By-laws on nomination and election of directors. The Assistant 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. David M. Consunji, Cesar A. Buenaventura, Isidro A. Consunji, Victor A. Consunji, Jorge A. Consunji, Herbert M. Consunji and Ms. Edwina C. Laperal. Messrs. Honorio 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*.

There being no other nominations, the actual balloting was dispensed with, and voting was done through a motion. Upon motion made and duly seconded, the following were elected directors of the Corporation, to serve for a period of one year and until their successors are duly elected and qualified:

*Regular Directors:*

1. DAVID M. CONSUNJI
2. CESAR A. BUENAVENTURA
3. ISIDRO A. CONSUNJI
4. VICTOR A. CONSUNJI
5. JORGE A. CONSUNJI
6. EDWINA C. LAPERAL
7. HERBERT M. CONSUNJI

*Independent Directors:*

8. HONORIO REYES-LAO
9. ANTONIO JOSE U. PERIQUET

## 8. AMENDMENT OF THE ARTICLES OF INCORPORATION (Principal Office Address)

The Chairman informed the Stockholders that the next item in the agenda was the amendment of the articles of incorporation to indicate the specific principal office address of the Corporation. He asked the Assistant Corporate Secretary to explain the reason for this amendment to the Stockholders.

The Assistant Corporate Secretary explained that, pursuant to SEC Memorandum Circular No. 6, series of 2014, corporations are now required to indicate their specific principal office address in the articles of incorporation. She said that the deadline for compliance is on December 31, 2014. She said that in order to comply with this requirement, DMCI Holdings, Inc. needs to indicate its current address, which is the 3<sup>rd</sup> Floor, Dacon Building, 2281 Don Chino Roces

Avenue, Makati City, as its principal office address in the Articles of Incorporation.

The Chairman thanked the Assistant Corporate Secretary. Thereafter, upon motion made and duly seconded, the following resolution was approved by the stockholders holding at least 2/3 of the outstanding capital stock of the Corporation:

*“RESOLVED, That the stockholders of **DMCI Holdings, Inc.** (the “Corporation”) approve the amendment of Article III of the Articles of Incorporation of the Corporation in order to indicate its specific principal office address located at the 3<sup>rd</sup> Floor, Dacon Building, 2281 Don Chino Roces Avenue, Makati City, and for this purpose, the directors and officers of the Corporation are hereby authorized to sign, execute and deliver, any and all documents which may be required by the Securities and Exchange Commission to amend the articles of incorporation of the Corporation to comply with SEC Memorandum Circular No. 6, series of 2014, and to update the Corporation’s other registrations, permits and licenses with the appropriate government agencies.”*

**9. AMENDMENT OF THE ARTICLES OF INCORPORATION TO INCREASE THE AUTHORIZED CAPITAL STOCK TO PHP20 BILLION**

The Chairman informed the stockholders that the next item in the agenda was the amendment of the articles of incorporation to increase the authorized capital stock from Php6 Billion, divided into 5,900,000,000 common shares and 100,000,000 preferred shares to Php20 Billion, divided into 19,900,000,000 common shares and 100,000,000 preferred shares, both with a par value of Php1.00 each. He said that The amount of the increase in authorized capital stock is Php14,000,000,000.00 divided into 14,000,000,000 common shares with a par value of Php1.00 per share. He added that the same was approved by the Board of Directors on May 15, 2014.

After some discussion and upon motion made and duly seconded, the following resolutions were approved by the stockholders holding at least 2/3 of the outstanding capital stock of the Corporation:

*“RESOLVED, That the stockholders of **DMCI Holdings, Inc.** (the “**Corporation**”) hereby approve the increase in the authorized capital stock of the Corporation from Six Billion Pesos (₱6,000,000,000.00) divided into Five Billion Nine Hundred Million (5,900,000,000) common shares and One Hundred Million (100,000,000) preferred shares both with a par value of One Peso (₱1.00) per share, to Twenty Billion Pesos (₱20,000,000,000.00) divided into Nineteen Billion Nine Hundred Million (19,900,000,000) common shares and One Hundred Million (100,000,000) preferred shares both with a par value of One Peso (₱1.00) per share, by way of a declaration of common stock dividend totaling Ten Billion Six Hundred Twenty One Million Nine Hundred Seventy Six Thousand Pesos (₱10,621,976,000.00) divided into Ten Billion Six Hundred Twenty One Million Nine Hundred Seventy Six Thousand (10,621,976,000) common shares at the par value of One Peso (₱1.00) per share, or four (4) common shares for every one (1) common share held, to*

*be paid from the Company's unrestricted retained earnings as of December 31, 2013, and to be distributed to the stockholders of record as of the record date to be fixed by the President, and, in this connection, Article Seventh of the Amended Articles of the Corporation be amended to read as follows:*

*'ARTICLE SEVENTH: That the authorized capital stock of the Corporation is Twenty Billion Pesos (₱20,000,000,000.00), Philippine Currency, divided into Nineteen Billion Nine Hundred Million (19,900,000,000) common shares and One Hundred Million (100,000,000) preferred shares both of the par value of ₱1.00 per share.'*

*RESOLVED, FURTHER, that the President of the Corporation be, as he is hereby, authorized to determine the record date and payment date for the said stock dividend declaration;*

*RESOLVED, FURTHER, that no fractional shares shall be issued and the value of any fractional shares shall be paid to the stockholders in cash at the closing price of the Corporation's shares as of the record date;*

*RESOLVED, FINALLY, that the directors and proper officers of the Corporation are hereby authorized and directed to execute, sign, file and deliver such required documents to the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE"), and to do all acts or things as may be required or necessary to make the foregoing amendment to the Corporation's Amended Articles of Incorporation, payment of the Stock Dividend and the listing thereof on the PSE effective."*

## **10. DECLARATION OF 400% STOCK DIVIDENDS**

The Chairman informed the stockholders that the next item in the agenda was the declaration of 400% stock dividends, amounting to Php10,621,976,000.00, divided into 10,621,976,000 common shares at the par value of Php1.00 per share, or 4 common shares for every one common share held, in favor of all common stockholders of record, from the unrestricted retained earnings of the Corporation as of December 31, 2013, to be issued from the Php14 Billion increase in authorized capital stock of the Corporation, and the delegation to the President of the power to determine the record and payment dates for the stock dividends.

After some discussion and upon motion made and duly seconded, the following resolutions were approved by the stockholders holding at least 2/3 of the outstanding capital stock of the Corporation:

*"RESOLVED, That the stockholders of **DMCI Holdings, Inc.** (the "**Corporation**") hereby approve the declaration of common stock dividend totaling Ten Billion Six Hundred Twenty One Million Nine Hundred Seventy Six Thousand Pesos (₱10,621,976,000.00) divided into Ten Billion Six Hundred Twenty One Million Nine Hundred Seventy Six Thousand (10,621,976,000) common shares at the par value of One Peso*

*(₱1.00) per share, or four (4) common shares for every one (1) common share held, to be paid from the Company's unrestricted retained earnings as of December 31, 2013 (the "Stock Dividend");*

***RESOLVED, FURTHER,** that the President of the Corporation be, as he is hereby, authorized to determine the record date and payment date for the said stock dividend declaration;*

***RESOLVED, FURTHER,** that no fractional shares shall be issued and the value of any fractional shares shall be paid to the stockholders in cash at the closing price of the Corporation's shares as of the record date;*

***RESOLVED, FINALLY,** that the directors and proper officers of the Corporation are hereby authorized and directed to execute, sign, file and deliver such required documents to the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE"), and to do all acts or things as may be required or necessary to make the foregoing payment of the Stock Dividend and the listing thereof on the PSE effective."*

## **11. OTHER MATTERS**

The meeting then proceeded with the discussion of other matters.

One stockholder, Mr. Gilli, asked what made the DMCI Project Developers, Inc. ("DMCI Homes") decide to construct a condominium building behind the Rizal Monument. Mr. Isidro Consunji clarified that the land occupied by the building is almost a kilometer behind the Rizal Monument and is not located inside the Rizal Park. Further, at the time of the building's construction, there was no law or ordinance which prohibited the same.

One stockholder, Mr. Emil Dela Cruz, asked how long it would take to know the record date for the stock dividend. The Assistant Corporate Secretary referred Mr. Dela Cruz's query to the Corporation's legal counsel, Atty. Ana Katigbak-Lim. Atty. Lim explained that because the Corporation will be applying for an increase of authorized capital stock from which the stock dividend would be taken, the record date of the stock dividend will be determined only after the SEC has approved the said increase. She added that after the SEC has approved the record date, the Corporation will disclose this and, after this announcement, the Corporation will have to set the payment date within 18 trading days. On the timetable, she said that the whole exercise of securing SEC approval for the increase and listing the stock dividend with the PSE will take around four to five months.

## **12. ADJOURNMENT**

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

ATTEST: .



**CESAR A. BUENAVENTURA**  
Chairman of the Stockholders' Meeting



**MA. PILAR M. PILARES-GUTIERREZ**  
Assistant Corporate Secretary

Date Signed: August 6, 2014