

**DRAFT COPY**  
**FOR STOCKHOLDERS' APPROVAL**  
**ON MAY 5, 2015**

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**MINUTES OF THE ANNUAL MEETING  
OF THE STOCKHOLDERS**

**OF**

**ENERGY DEVELOPMENT CORPORATION**

Held on May 6, 2014 at 10:00 a.m.  
At the Rockwell Tent, Rockwell Drive corner Estrella Street  
Rockwell Center, Makati City

**CALL TO ORDER**

The Chairman, Mr. Federico R. Lopez, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Teodorico R. Delfin, recorded the proceedings.

**PROOF OF NOTICE AND CERTIFICATION OF QUORUM**

The Corporate Secretary reported that notice of the meeting has been sent to all the stockholders as provided in the By-Laws.

The Corporate Secretary announced that there were present, in person and by proxy, stockholders owning or representing at least 83.88% of the outstanding capital stock. (The list of attendees and proxies is available at the office of the Corporation). He therefore certified that there was a quorum for the transaction of business.

**APPROVAL OF PREVIOUS MINUTES**

The next item for business was the approval of the minutes of the previous meeting of the stockholders held on May 7, 2013, copies of which had been earlier distributed to the stockholders.

Upon motion duly made and seconded, the reading of the minutes of the previous annual stockholders' meeting was dispensed with and the same were approved by stockholders.

#### **ANNUAL REPORT**

The next matter on the agenda was the Annual Report of Management to the stockholders, copies of which had been previously distributed to the stockholders together with audited financial statements as of the year ended December 31, 2013.

The Chairman delivered his message to the stockholders. Then the President/Chief Operating Officer, Mr. Richard B. Tantoco, presented the management report and the audited financial statements for the year ended December 31, 2013. After the report, questions were entertained from the floor.

After some discussion, on motion made and duly seconded, the Annual Report of Management as presented by the Chairman and the President, and the Company's audited financial statements as of December 31, 2013, were approved by the stockholders owning or representing 22,578,379,978 shares or 80.28% of the outstanding capital stock.

The Corporate Secretary noted that stockholders representing 1,009,888,349 shares by proxy abstained on the motion while no shares voted against it.

#### **RATIFICATION OF CORPORATE ACTS**

The Chairman stated that he would entertain a motion for the ratification of the acts of the Board of Directors, officers and management of the Corporation from the last annual stockholders' meeting to date.

Whereupon, on motion made and duly seconded, the stockholders present and represented at the meeting representing 22,568,102,478 shares or 80.24% of the outstanding capital stock, approved the following resolution:

**Resolution No. 1, Series of 2014**

**RESOLVED**, that all acts, contracts, resolutions and actions, authorized and entered into by the Board of Directors and Management of the Company from the date of the last annual stockholders' meeting up to the present be, as they are hereby, approved, ratified and confirmed.

The Corporate Secretary noted that stockholders representing 1,009,888,349 shares by proxy abstained on the motion while no shares voted against it.

**AMENDMENT OF ARTICLES OF INCORPORATION**

The next item is the proposal to amend the Seventh Article of the Corporation's Articles of Incorporation. The proposed amendments are:

- (i) To reclassify Three Billion Pesos worth of common shares into Non-Voting Preferred Shares; and
- (ii) To limit the pre-emptive right for certain share issuances and reissuances.

Mr. Erudito S. Recio, the Corporation's Investor Relations Officer, then proceeded to explain the proposed amendments. Thereafter, on motion made and duly seconded, the stockholders present and represented at the meeting representing at least 22,888,308,064 shares or 81.38% of the outstanding capital stock, approved the following resolution:

**Resolution No. 2, Series of 2014**

**RESOLVED**, that the relevant portion of the Seventh Article of the Articles of Incorporation be amended in part to read, as follows:

**SEVENTH.** That the authorized capital stock of the Corporation is Pesos: Thirty Billion One Hundred Fifty Million (P30,150,000,000.00) in lawful money of the Philippines, divided into:

Twenty Seven Billion (27,000,000,000) common shares (the "Common Shares") with a par value of One Peso (P1.00) per share, or an aggregate par value of Pesos: Twenty Seven Billion (P27,000,000,000.00);

Fifteen Billion (15,000,000,000) preferred shares (the "Voting Preferred Shares") with a par value of 1/100 Peso (P0.01) per share, or an aggregate par value of Pesos: One Hundred Fifty Million (P150,000,000.00); and

Three Hundred Million (300,000,000) preferred shares (the "Non-Voting Preferred Shares") with a par value of Ten Pesos (P10.00) per share, or an aggregate par value of Pesos: Three Billion (P3,000,000,000.00).

**RESOLVED FURTHER**, that the new class of Non-Voting Preferred Shares shall have the following features which shall be stated in Article Seventh and in the relevant stock certificates to be issued for the Non-Voting Preferred Shares:

1. Non-voting except in the cases provided by law;
2. Issue value to be determined by the Board of Directors at the time of issuance;
3. Entitled to receive out of the unrestricted retained earnings of the Corporation, when and as declared by the Board of Directors, cumulative dividends at the rate to be determined by the Board of Directors at the time of issuance, before any dividends shall be set apart and paid to holders of the Common Shares, and shall not be entitled to participate with holders of the Common Shares in any further dividends payable;
4. May be issued in different series;
5. Assignable;
6. The Corporation may redeem the Non-Voting Preferred Shares at its option in accordance with their terms, and once redeemed, shall revert to treasury and may be reissued or resold by the Corporation;
7. In the event of any dissolution or liquidation or winding up, whether voluntary or involuntary, of the Corporation, except in connection with a merger or consolidation, shall be entitled to be paid up to their issue value plus any accrued and unpaid dividends thereon before any distribution shall be

made to holders of the Common Shares, and shall not be entitled to any other distribution.

8. Non-convertible into any shares of stock of the Corporation of any class now or hereafter authorized;
9. No pre-emptive right to purchase or subscribe to any shares of stock of the Corporation of any class now or hereafter authorized, or reissued from treasury;
10. The Board of Directors may specify other terms, conditions, qualifications, restrictions and privileges of the Non-Voting Preferred Shares, insofar as said terms, conditions, qualifications, restrictions and privileges are not inconsistent with the provisions of Article Seventh and of any applicable law or regulations;
11. The Board of Directors shall have full power and authority to authorize (whether by adoption of amendments to the By-Laws of the Corporation or of resolutions, the promulgation of rules or regulations or otherwise) the taking by the Corporation of all such action, and the Corporation shall have full power and authority to take all such actions as the Board of Directors may deem necessary or appropriate to insure compliance by the Corporation with any applicable provision of law, rule or regulation relating to the ownership of securities of the Corporation by citizens of the Philippines, aliens or other persons or group of persons.

The Corporate Secretary noted that stockholders representing 699,269,263 shares by proxy voted against the proposal, while 691,000 shares voted to abstain.

Next, on motion made and duly seconded, the stockholders present and represented at the meeting representing at least 21,122,673,491 shares or 75.10% of the outstanding capital stock, approved the following resolution:

**Resolution No. 3, Series of 2014**

**RESOLVED**, that the SEVENTH Article of the Articles of Incorporation be amended to include the following paragraph:

No stockholder shall have any pre-emptive right to: (i) the issuance of preferred shares of any class and/or series; (ii) the reissuance of common and/or preferred shares of any class and/or series from Treasury, and (iii) the issuance of common shares which the Board has resolved not to first offer to shareholders on a pr-rata basis ("Non-Preemption Shares"); provided that the total of such Non-Preemption Shares, together with prior issuances of common shares which were also not first offered to then existing shareholders on a

pro rata basis, will not exceed 20% of the authorized common shares at the time of the issuance of the Non-Preemption Shares.

**RESOLVED FURTHER**, that Management be, as it is hereby, authorized to finalize the language of the Seventh Article of the Articles of Incorporation to implement the foregoing amendments and as may be required by the Securities and Exchange Commission; and

**RESOLVED, FINALLY**, that the proper officers of the Corporation be, as they hereby are, authorized and directed, to execute, file and submit all required documents that the Securities and Exchange Commission and other offices may require, and to do all acts or things as may be required or necessary to implement the foregoing amendments to the Articles of Incorporation.

The Corporate Secretary noted that stockholders representing 2,464,903,836 shares by proxy voted against the proposal, while 691,000 shares voted to abstain.

## **ELECTION OF DIRECTORS**

The next matter on the agenda was the election of the members of the Board of Directors of the Corporation. The Chairman announced that the table was open for nominations and the following were nominated:

### For Regular Directors

1. OSCAR M. LOPEZ
2. FEDERICO R. LOPEZ
3. PETER D. GARRUCHO, JR.
4. ELPIDIO L. IBANEZ
5. ERNESTO B. PANTANGCO
6. FRANCIS GILES B. PUNO
7. JONATHAN C. RUSSELL
8. RICHARD B. TANTOCO

### And for Independent Directors

9. EDGAR O. CHUA
10. FRANCIS ED. LIM
11. ARTURO T. VALDEZ

Thereafter, it was moved, seconded and unanimously resolved to close the nominations. There being only eleven (11) nominees, to the eleven (11) directors' seats, the Chairman declared them to be the duly elected directors of the Corporation for the current term and until their successors shall have been elected and qualified as provided in the By-Laws:

**Resolution No. 4, Series of 2014**

**RESOLVED**, that the following be, as they are hereby, declared as the duly elected and qualified members of the Board of the Directors of Energy Development Corporation for the current term 2014-2015:

For Regular Directors

1. OSCAR M. LOPEZ
2. FEDERICO R. LOPEZ
3. PETER D. GARRUCHO, JR.
4. ELPIDIO L. IBANEZ
5. ERNESTO B. PANTANGCO
6. FRANCIS GILES B. PUNO
7. JONATHAN C. RUSSELL
8. RICHARD B. TANTOCO

And for Independent Directors

9. EDGAR O. CHUA
10. FRANCIS ED. LIM
11. ARTURO T. VALDEZ

The Chairman also announced that the independent directors are Edgar O. Chua, Francis Ed. Lim, and Arturo T. Valdez.

**APPOINTMENT OF EXTERNAL AUDITOR**

The next item was the appointment of the Corporation's external auditor. Whereupon, on motion made and duly seconded, the stockholders present and represented at the meeting representing 22,578,379,978 shares or 80.28% of the outstanding capital stock, approved the following resolution:

**Resolution No. 5, Series of 2014**

**“RESOLVED**, that auditing firm SGV & Co. be reappointed as the Company's external auditor for the current year.”

The Corporate Secretary noted that stockholders representing 1,009,888,349 shares by proxy abstained on the motion while no shares voted against it.

**ADJOURNMENT**

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

**TEODORICO R. DELFIN**  
Corporate Secretary

ATTESTED:

**FEDERICO R. LOPEZ**  
Chairman of the Stockholders' Meeting

**RICHARD B. TANTOCO**  
President and Chief Operating Officer