

**ROXAS AND COMPANY, INC.**  
**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING**

Held on 16 June 2017 at 10:00am  
Dhusit Thani Manila, Hotel  
Ayala Center Makati City, 1233 Metro Manila

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	<b>NUMBER OF SHARES</b>	<b>PERCENTAGE</b>
<b>Total Number of Shares Represented in Person or by Proxy</b>	1,501,396,996 Billion	77.31 %
<b>Number of Shares Issued and Outstanding</b>	1,976,004,577 Billion	100%

**PROCEEDINGS**

**I.**  
**CLOSURE OF REGISTRATION**

The Corporate Secretary, Atty. Peter D.A. Barot, officially declared the registration for the Annual Stockholders' Meeting of Roxas and Company, Inc. closed at 9:55 a.m.

**II.**  
**CALL TO ORDER**

The Chairman, Mr. Pedro E. Roxas, called the meeting to order and welcomed the attendees to the meeting. The Assistant Corporate Secretary, Atty. Monica Isabelle I. Villanueva, recorded the minutes of the meeting.

**III.**  
**CERTIFICATION OF NOTICE AND QUORUM**

The Corporate Secretary, Atty. Peter D.A. Barot certified that the Notices, the Agenda, the Information Statement (SEC Form 20-IS), and the Annual Report were sent to all stockholders of record in accordance with the Securities Regulations Code. He then certified, that there were present, in person or by proxy, stockholders representing 77.31% or 1.501 billion shares of the total issued and outstanding shares of the Company, and that a quorum, exists for the valid transaction of business in the meeting.

**IV.**  
**READING AND APPROVAL OF THE MINUTES OF THE PREVIOUS ANNUAL MEETING OF THE STOCKHOLDERS**

The Chairman proceeded to the next item in the agenda which is the reading and approval of the Minutes of the Stockholder's Meeting held on 09 March 2016. Copies of the minutes were distributed to the stockholders present in person or by proxy upon their registration. A copy of the draft minutes is likewise posted on the company's website.

On motion made and seconded, the stockholders dispensed with the reading of the minutes and approved and ratified the same.

**V.**  
**PRESENTATION AND APPROVAL OF THE ANNUAL REPORT OF MANAGEMENT FOR CALENDAR YEAR ENDING 31 DECEMBER 2016**

The Chairman presented the Annual Report for the calendar year 31 December 2016 to the shareholders. Copies of the Annual Report were furnished to the stockholders prior to this meeting.

## The Chairman's Message

The Chairman reported that the Philippines has posted a 6.6% economic growth in the last quarter of 2016, despite the “wait and see” attitude of the investors during an election year. He added, that according to the National Economic Development Authority, the 6.3% average of real GDP growth rate is the highest since 1978. The economic growth of the country from the first quarter until the last quarter of 2016 is very encouraging.

On the same note, Roxas and Company Inc., look back in the past year and look forward to 2017 with gratitude and optimism. The Chairman also added that the company is confident that it is in the right track in continuing on the strategic journey focused on fortifying the tourism-related real estate core business and building a legacy in the agro-industry with value-added coconut products.

To ensure the execution of the new businesses, the company has brought in a new President and Chief Executive Officer, Mr. Fernando L. Gaspar, whose important wealth of experience in various business sectors, from manufacturing and real estate, and more importantly, in turn around management and performance improvement, provides the proper perspective and exemplary guidance in governance and operational changes.

With Mr. Gaspar's inputs, the priorities of the company in 2017 dovetails the deliverables committed in the previous year. These include the Anya Hotels and Residences, Go-Hotels and the state-of-the art integrated coconut processing plant in Tupi, South Cotabato.

The Chairman also noted that the year-end report on total factor productivity showed that the Philippines is the fastest growing economy in South East Asia, growing at 2.3% and posted improvement in capital deficiency. He also added that the services sector is also reported to most likely remain strong, with a healthy financial system, expansion and retail trade and expected input in inbound tourists. These factors, alongside the government priorities set on infrastructures development and human capital investment will result in genuine, inclusive and sustainable growth.

The Chairman stated that the company will look forward to the challenges of 2017, where it expects the maturity and integrations of its operations. The company will also look for other possibilities for growth.

The Chairman also noted that the Board of Directors will work closely with the new leadership team to support their efforts to ensure delivery of its commitments to the stockholders.

The Chairman also extended his deepest and most sincere gratitude to the stockholders who have given their trust and support; the communities and various cities the company has worked with its projects, and to the organizational team who believed in and continue to believe in the Company.

The Chairman then gave the floor to the new President and CEO, Mr. Fernando L. Gaspar to deliver his speech.

## President and CEO's Message

The President and CEO, Mr. Fernando L. Gaspar, began his message by stating that engaging in new challenges invariably generates excitement, and behind the high spirits is the expectation and optimism that changes initiated will result in a solid future. These challenges will demand innovation and creativity.

Mr. Gaspar added that with the shift of the company's focus in real estate, agro-industry and renewable energy, the company is essentially re-configuring its corporate DNA to enable its new core businesses. This means building foundations and competencies, with particular emphasis on people and processes.

Mr. Gaspar also stated that the company is in unique position to grow out the best, from a legacy of values that determine everything it does: reliability, accountability, integrity and keen awareness of its social responsibility and its mandate to contribute to nation-building.

Mr. Gaspar also noted that it is necessary for the company to institute discipline, which is in fact, a reinforcement of its corporate values.

Mr. Gaspar also stated it is a privilege to work in an environment with promising opportunities and endless possibilities.

Mr. Gaspar noted that the third quarter of 2017 is a drive back to basic, to assure the company's cash flow and pushing its frontline professionals to show ingenuity in reducing cost and optimizing resources. For the second quarter, the highlight is project completion, with management and staff focusing to ensure commercial operation of Anya Resorts and Residences, the Go-Hotel Sites, and the integrated coconut processing plant, as well as establishing control points to ensure accountability and performance.

Mr. Gaspar also stated that for the rest of 2017, the company will continue to foster new and nurture existing partnership, and continually assess businesses with great potential.

Mr. Gaspar added that in 2016, the Philippine economic growth, the general positive outlook, hard work, cultural and efficient operations have paved the way for a stronger foundation for the company's growth plan.

Mr. Gaspar also stated that as the company host its 99<sup>th</sup> year, RCI looks forward to challenges ahead and the stockholders continued support in 2017.

Mr. Gaspar expressed his sincere gratitude to the Chairman and the RCI Board for the challenged to lead the organization, the present management team and to the loyal stockholders.

#### QUESTIONS AND COMMENTS

The Chairman then opened the floor for questions and comments on the Annual Report.

A stockholder inquired if the solar project is being given subsidy by the government. Mr. Gaspar replied that the government does not provide subsidies. In fact, earlier this year, there was a FIT that guaranteed fixed price for electricity from renewable sources, like solar energy. However, the FIT is no longer available for companies engaged in solar projects. Mr. Gaspar added that, as of date, the cost of electricity now is based on market price. Moreover, the cost of investment for solar has decreased substantially, compared to initial estimates. The stockholder clarified that profitability still looks good.

Another stockholder asked what is being done in the coconut processing plant that is different from similar ventures considering that there are businesses that failed in the past. Mr. Gaspar replied that there are still processing plants that exist today that are quite successful. Mr. Gaspar added that the demands for coconut products are quite high and there is not enough supply to meet the demand. Mr. Gaspar also explained that the technology that is being used in the plant is proven to work and is fairly advanced, where almost everything is automated. He added that there is a large supply of coconuts or raw material and the management team has already established supply contracts to secure the supply. Mr. Gaspar also noted that the market is growing faster than the supply and enumerated the products: virgin coconut, coconut water and coconut milk. As to date, these are the products that will be produced by the facility.

#### **VI.**

#### **APPROVAL, RATIFICATION, ANDE CONFIRMATION OF THE ANNUAL REPORT FOR CALENDAR YEAR ENDING 31 December 2016**

There being no further comments on the Annual Report for the calendar year ending 31 December 2016, upon motion made and seconded, the stockholders approved the Annual Report for the calendar year ending 31 December 2016.

**VII.**  
**RATIFICATION OF ALL ACTS, PROCEEDINGS AND RESOLUTIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE ANNUAL STOCKHOLDERS' MEETING ON 9 MARCH 2016**

There being no comments on the acts and resolutions adopted by the Board of Directors and Management, since the annual stockholders' meeting on 9 March 2016, as set forth and disclosed in the Information Statement on SEC Form 20-IS that were sent to all shareholders of record, upon motion made and seconded, the stockholders approved, ratified and confirmed all the acts and resolutions adopted by the Board of Directors and Management, since the annual stockholders' meeting on 9 March 2016.

**VIII.**  
**ELECTION OF THE BOARD OF DIRECTORS**

The Chairman stated that pursuant to and in accordance with the By-Laws, nominations for the election of members of the Board of Directors should be submitted in writing to the Chairman of the Board at least fifteen (15) working days prior to any meeting of the stockholders called for the purpose of election of the Directors. He likewise added that the following have been duly nominated and are qualified for election as members of the Board of Directors:

1. MR. PEDRO E. ROXAS
2. MR. FERNANDO L. GASPAR
3. MR. CARLOS ANTONIO R. ELIZALDE
4. MR. FRANCISCO JOSE R. ELIZALDE
5. MS. CORAZON DE LA PAZ-BERNARDO (Independent)
6. MR. GUILLERMO D. LUCHANGCO (Independent)
7. MR. AURELIO R. MONTINOLA (Independent)

A stockholder moved that since there are only seven (7) nominees for the seven (7) seats in the Board of Directors, all votes be cast in favor of the above-mentioned seven (7) nominees. The motion was duly seconded, and submitted to a vote. The Chairman then requested the Corporate Secretary to cast all votes in favor of the above-mentioned nominees. There being no objection, the seven (7) nominees were declared ELECTED as members of the Board of Directors. The Chairman thanked the stockholders for their continuing trust and confidence.

**IX.**  
**ELECTION OF EXTERNAL AUDITORS**

Director Corazon De La Paz-Bernardo, Chairperson of the Audit and Risk Committee, stated that in accordance with the Company's Manual on Corporate Governance, the Board of Directors, after consultation with the Audit and Risk Committee, recommends the election of the auditing firm of Sycip Gorres Velayo and Co., as external auditors of the company for the year 2016-2017.

Upon motion made and seconded, the stockholders approved the election Sycip Gorres Velayo and Co., as external auditors of the Company for the year 2016-2017.

**X.**  
**EXTENSION OF CORPORATE TERM**

The Chairman informed the stockholders that the corporate term of the company will expire in October 2018. Thus, there is a need to extend the corporate term for another fifty (50) years and to correspondingly amend the Articles of Incorporation for such purpose. Upon motion made and seconded, the stockholders, representing more than 2/3 of the outstanding capital stock, unanimously approved the extension of the corporate term for another fifty (50) years and the corresponding amendments of the Articles of Incorporation of the company.

## **XI. OTHER MATTERS**

### **OPEN FORUM**

The Chairman opened the floor for any matter for discussion.

A stockholder noted the majority of the holdings of the company is RHI shares but it was not mentioned as one of the subsidiaries, which means that focus is now shifting to real estate. The Chairman replied that ownership in RHI has gone down to 26%, which means that RHI is no longer classified as a subsidiary but only an affiliate. The Chairman noted that the company is now reinventing and refocusing its core businesses to real estate and agri-business (coconut processing). The stockholder then stated that he noticed that the income has declined in 2016. He suggested that the directors should focus more on the company and not hold positions as directors in other companies to avoid losses in the future. The Chairman thanked the stockholder for his comments. The Chairman explained that since most of the businesses are still in the pre-operating stage, losses are expected. However, the Chairman assured the stockholders that the new businesses will generate income and earn profits in the next few years. The President, Mr. Gaspar, also added that the investments in Go Hotels have commenced this year, where four (4) hotel sites have started operations over the last two to four months and the fifth site is schedule to start operations in August. By the end of the year, the company expects all five (5) hotel sites to be operational. As for the coconut processing project, the start of operations is expected next month. Mr. Gaspar stated that in effect, over the last months, the businesses are just at the buildup stage and are generating start up losses. The Chairman then assured the shareholder that the Board of Directors is keenly focused on long term performance and profitability of the company.

A stockholder shared that the real estate business in Batangas area is quite successful. The stockholder inquired if the company will venture into greater Manila, where the competition is quite high. The Chairman referred the comment to Mr. Santiago R. Elizalde, President and Chief Executive Officer of Roxaco Land Corporation. Mr. Elizalde replied that part of the real estate portfolio is the Go Hotels. As of even date, the management team of Roxaco is looking at the peripheral area of Metro Manila and is in the process of identifying properties to develop.

A stockholder shared his concern about the coconut processing facility in South Cotabato, particularly the peace and order situation in the area. The stockholder commented that there are more areas in Luzon that are more peaceful and asked why the company chose South Cotabato, where there are insurgency issues. The Chairman replied that when the management made the analysis of the project, it considered the following criteria: (a) the source of raw material- the Chairman stated the supply of raw material is abundant in the area and (b) the weather- the Chairman explained that Luzon is much more affected by the typhoon season, making the weather more erratic. As regards the peace and order situation, the Chairman also explained that while Mindanao is always in the news, there are still areas in Mindanao that are quite peaceful. South Cotabato is an area that is very peaceful. The Chairman added that the project has not encountered security issue ever since it began. Moreover, the local community and the local government have been very supportive of the business because of the employment opportunities created in the area. The Chairman added that management is confident that peace and order will not become an issue in the near future and added that there are other big companies operating in the area who have not experienced any issues either.

## **XII. ADJOURNMENT**

There being no other matter left for discussion, upon motion made and duly seconded, the Chairman adjourned the Annual Stockholders' Meeting.

**CERTIFIED TRUE AND CORRECT:**

**ATTY. MONICA ISABELLE I. VILLANUEVA**  
Assistant Corporate Secretary

**READ AND APPROVED:**

**MR. PEDRO E. ROXAS**  
*Chairman*

**MR. FERNANDO L. GASPAR**  
*President and Chief Executive Officer*