



**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING**  
**April 12, 2016, 9:00 AM**  
**Ballroom 2, Fairmont Makati**  
**1 Raffles Drive, Makati Avenue, Makati City**

<b>Shareholders Present:</b>	No. of Outstanding and Voting Shares <b>23,211,628,703</b>	Percentage of Total <b>83.61%</b>
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**Directors Present:**

Fernando Zobel de Ayala	<i>Chairman of the Board Chairman, Executive Committee Member, Nomination Committee Member, Personnel and Compensation Committee</i>
Jaime Augusto Zobel de Ayala	<i>Vice Chairman of the Board Member, Executive Committee Member, Personnel and Compensation Committee</i>
Bernard Vincent O. Dy	<i>President and Chief Executive Officer Member, Executive Committee Member, Sustainability Committee</i>
Antonio T. Aquino	<i>Member, Executive Committee Member, Nomination Committee Member, Personnel and Compensation Committee Member, Audit Committee Member, Risk Committee</i>
Jaime C. Laya	<i>Chairman, Sustainability Committee Chairman, Audit Committee Member, Risk Committee Member, Related Party Transaction Review Committee</i>
Francis G. Estrada	<i>Chairman, Personnel and Compensation Committee Chairman, Nomination Committee Member, Related Party Transaction Review Committee</i>
Rizalina G. Mantaring	<i>Chairman, Risk Committee Chairman, Related Party Transaction Review Committee Member, Audit Committee Member, Sustainability Committee</i>
Arturo G. Corpuz <sup>1</sup>	

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<sup>1</sup> Elected during the meeting.

**1. Call to Order**

After the national anthem, the Chairman, Mr. Fernando 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 to each stockholder of record as of February 11, 2016 in accordance with the By-Laws and applicable rules.

**3. Determination of Quorum**

The Secretary further certified that there was a quorum for the meeting with stockholders representing 23,211,628,703 shares or 83.61% of the 27,762,126,126 outstanding and voting shares present in person or by proxy.

**4. Procedures for Discussion and Voting**

The Chairman requested that any stockholder who wished to speak should first 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 the 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 of as it is taken up at the meeting.

The Corporation also allowed voting in absentia 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 could 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 the affirmative vote of stockholders representing at least a majority of the outstanding voting stock present at the meeting. 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 Office of the Corporate Secretary and the results of the tabulation shall be validated by the external

auditor, SyCip Gorres Velayo & Co. (SGV). As the stockholders take up an item in the Agenda, the Secretary would report on the votes that have been tabulated and 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 6, 2015. He stated that copies of the minutes were distributed to the stockholders prior to the meeting and a copy thereof was posted and could be accessed on the website of the Corporation. He then opened the floor for comments. There being no question, the Chairman requested for a motion for approval.

On motion of Ms. Audry San Juan, seconded by Mr. Joemar Detalla, 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 6, 2015.

As tabulated by the Office of the Corporate Secretary 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	23,208,584,287	1,440	305
% of Shares Voted	99.99%	0.000006%	0.000001%

## 6. Annual Report of Officers

### Chairman's Message

The Chairman began by stating that at the heart of the Corporation's business is a strong desire to create an environment that gives the opportunity to improve the lives of many Filipinos. In 2015, the Corporation continued to deliver on this promise by launching new estates in new locations and growth centers which are hoped to rebalance the urbanization of Metro Manila, and activate suburban areas and key provincial cities to achieve a more inclusive growth. These new estates are expected to become platforms for creating residential projects, shopping centers, office buildings, and hotels, serving growing populations with rising incomes, and becoming sources of urban growth.

The Chairman also reported that with the Corporation's presence across the Philippines, with eighteen (18) established estates and a land bank of 8,948 hectares, it is able to take advantage of the growth of consumer spending, the steady remittance stream from overseas Filipino workers, the continuing robustness of business process outsourcing (BPO), and the thriving tourism sector. It is expected that these strengths shall remain as the anchors in carrying out the Corporation's plans to achieve a more balanced and sustainable company by 2020.

The Chairman noted that the Corporation has consistently generated substantial value to Ayala's portfolio of companies contributing 30% of the total equity earnings of the parent company in 2015. In addition, the Corporation received international recognition where governance experts in the ASEAN region, applying the ASEAN Corporate Governance Scorecard, placed the Corporation in the Top three (3) publicly listed

companies in the Philippines and Top fifty (50) publicly listed companies in the ASEAN region. The Chairman emphasized that the Corporation's success and growth will not be measured solely in terms of profitability and market presence but also in terms of the higher quality and value given to the customers by achieving the highest level of professionalism, integrity and the pursuit of excellence that have been Ayala's core values for generations.

In closing, the Chairman, on behalf of the Board of Directors, thanked the shareholders and stakeholders, for the continued support to the Corporation's strategies and plans, and for allowing the Corporation to help provide a better life for the Filipino, every day.

### President's Report

The President, Mr. Bernard Vincent O. Dy, reported the successful completion of the first year of the 2020-40 Plan, which is driven by value and pursuit of developments that are responsive and relevant to Filipinos, and is guided by a mission to contribute significantly to the nation through a balanced and sustainable business platform. The Corporation, during the first year of this plan, achieved revenues of PhP107.2 Billion and net income of PhP17.6 Billion which are 13 % and 19 % higher, respectively, as against last year. The return on equity was at 14.7% and total distributed dividends reached PhP6.2 Billion, a 41% payout ratio from 2014 earnings.

The President presented the review of the 2015 operations and highlighted the launching of three (3) new estates, namely, Vermosa in Cavite, Cloverleaf in Quezon City and Capitol Central in Negros Occidental which are all strategically located to take advantage of key infrastructure projects and the growing micro economies in the Philippines. On the other hand, revitalization of established estates are being continued including the Makati Central Business District, the Bonifacio High Street, and Nuvali. There is also continuing progress on the emerging estates through the construction and development of residential projects and leasing assets which are expected to prime up the estates in the coming years. It is through these estates that the strategy to build integrated mixed-use developments that inspire growth and create value for the stakeholders is being executed.

The President stated that the property development business continued to lead the Corporation's growth in 2015 where Ayala Land Premier maintained its leadership in the high-end market while Alveo Land Corp. solidified its strong presence in the upscale market. Also, Avida Land Corp. continued to maintain its foothold in the middle-income market despite intense competitive activity while Amaia Land Corp. and Bellavita Land Corp. continued to launch new projects to serve the mass market expanding the Corporation's footprint across the country. At the end of 2015, these five (5) residential brands registered a PhP105.3 Billion worth of reservation sales. There are new retail spaces that serve the growing number of residents within the communities and there was an increase in the ownership in one of the best performing shopping malls, Trinoma, to complement the organic growth of the Corporation's malls business. The increase led to immediate earnings contribution to the expanding malls portfolio.

The President further reported that there is a continued progress in the Corporation's office leasing business and an increased presence in the hospitality industry. To complement the performance of the core businesses, there is a continued exploration of new businesses to further fuel the Corporation's growth which included the acquisition of a 33% stake in Modular Construction Technology Berhad, a Malaysian firm that caters to the growing middle income segment of Kuala Lumpur. The Corporation also won the bid to develop and operate the South Terminal Integrated Transport System project, through a 35-year concession agreement with the national government, which is adjacent to Arca South, the 74-hectare estate of the Corporation in Taguig. In Cebu, the Corporation and its subsidiary, Cebu Holdings, Inc., together with SM Prime Holdings, Inc. won the bid for the 26-hectare parcel located in the coastal South Road

Properties which will further strengthen the presence in the Visayas region and will add to the Corporation's substantial land bank.

The President stated that in order to sustain growth and enhance capital efficiency, the Corporation laid the groundwork to provide the required financial resources. The Corporation raised PhP16 Billion through the equity capital market and PhP18 Billion in bonds and bank loans to partially support the capital expenditures of PhP82.2 Billion in 2015. The interest rates on the notes were locked in while taking advantage of the best available short-term rates in the market which allowed the achievement of an average cost of borrowing of 4.7% in 2015. Pursuant to the funding strategy of establishing an optimal balance of debt and equity, the Corporation achieved a healthy net gearing level of 0.74:1 by the end of 2015.

In construction, there is a continued aggregation of the procurement of materials and focus on dealing with the most reliable suppliers. This strategy has enabled the Corporation to source 60% of the procurement through partnering arrangements. TESDA-accredited training centers were established to provide a steady stream of skilled manpower while direct sourcing of materials were conducted and capacity of the most reliable sub-contractors were locked in.

In terms of sustainability, the Corporation accomplished key milestones in 2015 in the four (4) focus areas namely: site resilience, pedestrian and transit connectivity, local economic development, and eco-efficiency. The President noted that there is an added 372 hectares of green open spaces in the new estates while approximately 44,000 commuters were accommodated through the buses of Bonifacio Transport Corporation in addition to regular scheduled public transport in place to and from Nuvali to Bonifacio Global City (BGC) and Makati. More than 24,000 individuals across the Corporation's property management, construction, and hospitality businesses were employed and about 80% were hired from the immediate vicinity. A total of PhP131 Million was saved through energy optimization initiatives.

On corporate governance, the President mentioned that the Corporation's strict adherence to corporate governance standards and the principles of disclosure and transparency has been recognized by corporate governance experts in the ASEAN region.

The President stated that the Corporation is ready to address growth opportunities in 2016 with the successful performance of the various businesses, a solid balance sheet, a highly engaged organization, and the country's strong economic fundamentals. He expressed confidence that momentum will be sustained given the Corporation's vision, strategic land bank, diversified product lines and solid track record in developing integrated mixed-use estates. There will be a continued pursuit of balanced and sustainable business platform through a good mix of development projects and leasing assets in the portfolio to achieve the Corporation's targets by 2020.

In closing, the President thanked all employees of the Corporation for their dedication and commitment to deliver long-term growth and ensure its sustainability. He thanked the Board of Directors and the shareholders for their continued support. He expressed that the trust and confidence in the leadership inspire him to continue the creation of communities that make a difference in the life of the Filipinos and contributes to the growth of the country.

An audio-visual presentation was shown to the stockholders as the President delivered his report.

After the report of the President, another audio-visual presentation was shown to the stockholders.

Thereafter, the Chairman opened the floor for questions or comments from the stockholders.

Mr. Philip Turner congratulated the Board for its excellent performance in the previous year and commended the Corporation for setting a good example on how to do business. He also inquired on the Corporation's long-term plan regarding the procedures on the demolition works emphasizing the danger and citing as an example the Mandarin Hotel in Makati. He also asked if there are other high-rise buildings that will be demolished in the future.

The President told Mr. Turner that demolition work is now being handled by the Corporation's subsidiary, Makati Development Corporation. The take-over is the Corporation's way of ensuring that further incidents will be avoided and safety standards are observed. He further stated that the site of the Intercontinental Manila will be redeveloped and the demolition of the building will commence sometime this year.

Mr. Turner also commented that although he is impressed with the audio-visual presentation, addressing the problems on transportation and availability of access points, specifically in the BGC, seem to be missing in the Corporation's plans. He noted that beautiful places and projects are being developed, but access points to and from these projects are very minimal. He also suggested to make a different approach on the future projects to avoid access point problems similar to the BGC projects.

In reply, the President noted that since the traffic situation is Metro-wide, the focus is now given on how the Corporation's estate could improve the pedestrian experience and improve the transport terminals. This includes encouraging people to walk or to take public transportation. A transport study is being conducted before developing a project and making more access points is always considered. He further stated that the Bases Conversion Development Authority has plans of adding an access ramp going to BGC. The Chairman, on the other hand, noted that Ayala Corporation's involvement in the Light Railway Transit 1 project will add ways on how to fix traffic and transportation problems.

Mr. Joseph Sy, another stockholder, inquired why there was no mention of the Corporation's four (4) board seats and equity holdings in Ortigas & Company Limited Partnership (OCLP). The President replied that the Corporation was invited by the Rafael Ortigas Group for a strategic alliance to become an equity holder in OCLP Holdings, Inc. (OHI). He confirmed that ALI and the Rafael Ortigas Group hold four (4) board seats in OHI. OHI is the sole general partner and the owner of approximately 99% of the limited partner shares in OCLP. The Corporation's Chief Finance Officer, Mr. Jaime E. Ysmael, currently acts as OCLP's President and Chief Executive Officer and Mr. Thomas F. Mirasol, one of the Corporation's key officers, acts as OCLP's Chief Operating Officer. The President noted that the Corporation holds around 20% stake in OHI.

Mr. Sy also asked if the Corporation could convince the government to decongest EDSA and relocate Camps Crame and Aguinaldo. He believes that the relocation is the best solution to decongest the traffic along EDSA which is also affecting the Ortigas and Ayala areas. The 212-hectare property of Concrete Aggregates Corporation (an Ortigas subsidiary) in Angono, Rizal, would be an alternative in the future. The President answered that the decision to relocate belongs to the government and agreed that the property in Angono could be a good possible location for the camps if the government decided to relocate them.

Mr. Alfred Reiterer of the Philippine Active Shareholders Association Inc. commented that the property market has been good for the past few years and he asked how long the favorable market conditions would last. He also inquired if there are other future plans to go to other markets aside from Malaysia like Indonesia or Vietnam where the group also has a water business. He also inquired on the development plans for Family Mart.

On the property market, the President stated that affordable mortgage rates are still present and the industry remains to be vital although there has been a little slowdown in Metro Manila sales in the last two (2) years. Sales in 2013 reached PhP190 Billion and it went down by 11% in 2014 and by 13% in 2015 resulting to

PhP150 Billion sales last year. He stated further that there has been tapering in the demand, but the Corporation still sees an opportunity in this sector primarily because of the increase in population and in household formation. On sales overseas, the President mentioned that the Corporation has been aggressively expanding in the last seven (7) years and the Corporation will be interested if there are any new growth opportunities in Jakarta or Ho Chi Minh City. On Family Mart, he commented that the company operating Family Mart is a joint venture with Stores Specialist, Inc. and Japan Family Mart. Family Mart has over 100 stores located primarily in Metro Manila. Expansion is also being planned mostly in central business districts or places near educational institutions.

There being no other questions, comments and suggestions from the stockholders, Ms. Abegael Amboy, seconded by Ms. Cherilie Yap, 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:

#### **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 31 December 2015, as audited by the Corporation's external auditor SyCip Gorres Velayo & Co.

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

	For	Against	Abstain
Number of Shares Voted	23,190,883,878	-	17,698,150
% of Shares Voted	99.91%	-	0.08%

#### **7. Election of Directors**

The next item in the Agenda was the election of nine (9) members of the Board of Directors for the ensuing year. The Chairman requested, Francis G. Estrada, the Chairman of the Nomination Committee, to explain this item.

Mr. Francis G. Estrada 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 of Directors had been submitted to the Nomination Committee, and each one has accepted the nomination in writing:

Fernando Zobel de Ayala  
Jaime Augusto Zobel de Ayala  
Bernard Vincent O. Dy  
Antonino T. Aquino  
Delfin L. Lazaro  
Arturo G. Corpuz  
Rizalina G. Mantaring  
Francis G. Estrada  
Jaime C. Laya

Messrs. Estrada and Laya, and Ms. Mantaring had been nominated as independent directors.

Mr. Estrada further reported that the Nomination Committee of the Board has ascertained that the nine (9) nominees, including the 3 nominees for Independent Directors, are qualified to serve as directors of the Corporation. All the nominees have given their consent to their nomination.

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

There being no question on the item under consideration, the Chairman requested the Corporate Secretary for the results of the election.

The Corporate Secretary reported that based on the partial tabulation of votes, each of the nine (9) nominees for director has garnered at least 22,907,399,553 votes, which represent 82.5 % of the total voting shares. The Corporate 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. Kristina Padilla, seconded by Ms. Raquel Gamboa, the stockholders (1) elected the nominees as directors of the Corporation for the ensuing term, to serve as directors beginning today until their successors are duly elected and qualified, and (2) adopted Resolution No. S-03-16, which was shown on the screen.

#### **Resolution No. S-03-16**

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

Fernando Zobel de Ayala  
Jaime Augusto Zobel de Ayala  
Bernard Vincent O. Dy  
Antonino T. Aquino  
Delfin L. Lazaro  
Arturo G. Corpuz  
Rizalina G. Mantaring  
Francis G. Estrada  
Jaime C. Laya

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

Director	For	Against*	Abstain*
1. Fernando Zobel de Ayala	22,970,577,888	237,814,991	-
% of Shares Voted	98.96%	1.02%	-
2. Antonino T. Aquino	22,922,054,382	286,308,685	-
% of Shares Voted	98.75%	1.23%	-
3. Jaime Augusto Zobel de Ayala	22,968,607,567	239,770,645	-
% of Shares Voted	98.95%	1.03%	-
4. Delfin L. Lazaro	22,917,719,621	290,645,346	-
% of Shares Voted	98.73%	1.25%	-



5. Bernard Vincent O. Dy	23,178,967,731	29,397,236	-
% of Shares Voted	99.86%	0.13%	-
6. Arturo G. Corpuz	23,058,369,731	103,596,736	46,398,500
% of Shares Voted	99.34%	0.45%	0.20%
7. Francis G. Estrada	23,080,927,546	113,243,278	14,194,000
% of Shares Voted	99.44%	0.49%	0.06%
8. Jaime C. Laya	23,067,737,306	140,627,511	-
% of Shares Voted	99.38%	0.61%	-
9. Rizalina G. Mantaring	23,189,335,131	4,835,736	14,194,000
% of Shares Voted	99.90%	0.02%	0.06%

## 9. Election of Auditors and Fixing of Their Remuneration

At the request of the Chairman, Mr. Jaime C. Laya, the Chairman of the Audit Committee, informed the stockholders that the Committee evaluated and was satisfied with the performance of the Corporation's external auditor, SGV. Thus, the 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 Three Million Eight Hundred Twenty Thousand Pesos (Php3,820,000.00), exclusive of value-added tax and out-of-pocket expenses.

The Chairman opened the floor for questions or comments, but no stockholder raised any question or comment.

Thereafter, on motion of Mr. Miguel Jayme, seconded by Mr. Ivan Ayson, the stockholders elected SGV as external auditor of the Corporation for the current fiscal year including the approval of SGV's audit fee and adopted the following Resolution No. S-04-16, which was shown on the screen.

### Resolution No. S-04-16

**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 Php3,820,000.00, exclusive of value-added tax and out-of-pocket expenses.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the re-election of SGV as external auditor of the Corporation, the approval of its audit fee, and the adoption of Resolution No. S-04-16 are as follows:

	For	Against	Abstain
Number of Shares Voted	23,087,342,378	74,326,040	46,914,762
% of Shares Voted	99.46%	0.32%	0.20%

## 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. Federico Aldecoa aired his concern about the difficulty he is encountering in obtaining the Bureau of Internal Revenue (BIR) Form 2306 from the Corporation, which he said has been his issue since the

previous year and a problem he did not encounter with other companies. He also mentioned that the stock transfer agents of the Corporation seem to have no idea about the form, thus, he suggested that a memorandum on this matter be provided to these agents to enable them to easily address similar requests. He also aired his concern on the availability of telephone lines where stockholders can inquire about these things as well as the Php100 fee being charged for the issuance of a certification. The Chief Finance Officer clarified that the requirement for the filing of the BIR Form 2306 is still optional and mandatory compliance thereof has been deferred. He noted that coordination will be done with the stock and transfer agents and ways to address this concern will be considered.

Mr. Jay Fondoso requested the directors to say a few words for the stockholders to know them better. The Chairman requested the stockholder to refer instead to the annual report which has an elaborate write-up on the qualifications of the directors.

Mr. Ed Lucero of the Pasig Real Estate Board mentioned that he has seen excellent developments of the Corporation all over the Philippines but he has not seen a project undertaken by the Corporation in Baguio City. He inquired if there is a required minimum land area for a possible development in Baguio.

The President replied that the Corporation has a commercial development consisting of retail spaces and BPO offices inside Camp John Hay. The President explained that the Corporation is always on the lookout for areas suitable for a large scale mixed-use integrated development. The President stated that the Corporation will probably need around 12 to 30 hectares for such a development in Baguio. Mr. Lucero commented that his group can help the Corporation source the property.

## 11. Adjournment

There being no other matters to discuss, on motion of Ms. Antonette Alban, seconded by Ms. Lindsey Daquis, the Chairman declared the meeting adjourned.

  
**SOLOMON M. HERMOSURA**  
Corporate Secretary

  
**JUNE VEE D. MONTECLARO-NAVARRO**  
Assistant Corporate Secretary 

Approved:

  
**FERNANDO ZOBEL DE AYALA**  
Chairman of the Board & of the Meeting