

**MINUTES OF THE ANNUAL MEETING
OF STOCKHOLDERS OF
MANILA ELECTRIC COMPANY
HELD ON 29 MAY 2012
LOPEZ BUILDING, ORTIGAS AVENUE, PASIG CITY**

CALL TO ORDER

The meeting was called to order at 10:00 a.m. and presided by the Chairman of the Board, Ambassador Manuel M. Lopez. The meeting was held at the principal office of the Company located at Pasig City, Metro Manila, Philippines.

The Corporate Secretary, Atty. Simeon Ken R. Ferrer took the minutes of the meeting.

After calling the meeting to order, the Chairman introduced the members of the Board of Directors who were present, namely: Messrs. Ramon S. Ang, Ray C. Espinosa, Napoleon L. Nazareno, Manuel V. Pangilinan, Vicente L. Panlilio, Eric O. Recto, Oscar S. Reyes, Pedro E. Roxas, and (Retired) Chief Justice Artemio V. Panganiban. Mr. Manuel V. Pangilinan also serves as the President and Chief Executive Officer of the Company, while (Ret.) Chief Justice Artemio V. Panganiban serves as the Chairman of the Audit and Risk Management Committee.

Also introduced were the Corporate Secretary, Atty. Simeon Ken R. Ferrer, and the Chief Finance Officer, Ms. Betty C. Siy-Yap. The Chairman likewise acknowledged other company officers who were present.

Prior to the meeting, all shareholders were given the opportunity to submit their views on any issues that they deemed fit for inclusion in the agenda, as well as to propose qualified candidates for directors. No issues for inclusion in the agenda nor proposal for a candidate for

election as director were received. The Corporate Secretary read the following ground rules to be observed during the meeting to ensure the conduct of fair, orderly, and efficient proceedings and to protect the rights of all the shareholders:

- a) Each stockholder shall be allowed one (1) vote per share. The election of the members of the Board of Directors shall be by cumulative voting.
- b) Only stockholders or their proxies shall be allowed to speak. Any stockholder who wishes to take the floor must wait to be acknowledged by the Chairman. If acknowledged, he must identify himself and address his concerns to the Chairman;
- c) Shareholders will be given the opportunity to ask questions or raise issues, subject to the following procedure:
 - 1. Only questions relevant to the particular item in the agenda being discussed shall be allowed. Hence, questions not relevant to the agenda shall be considered "out-of-order";
 - 2. A maximum of three (3) questions shall be entertained for each item on the agenda;
 - 3. Questions about the Company and its operations will be entertained after report of the President and Chief Executive Officer;
 - 4. To give equal chance to everyone, a stockholder can ask one (1) main question and, if needed, a follow-up question; and
 - 5. If due to time constraints there are questions which could not be entertained on the floor, the Company officers will be available for consultation after the meeting.
- g) All concerns should be raised by way of a question so these can be properly addressed; and
- h) All questions raised by shareholders, and answers thereto, shall be recorded for inclusion in the minutes of the meeting.

The Chairman may waive or allow exceptions to the foregoing rules if, in his judgment, he deems it necessary or proper under the circumstances.

Lastly, the Corporate Secretary reminded everyone to observe proper decorum and due courtesy during the meeting.

SERVICE OF NOTICE

The Corporate Secretary reported that, in accordance with the provisions of the Corporation Code and the Amended By-Laws of the Company, written notice of the meeting was served to all stockholders of record as of March 16, 2012. The notices were released on April 20, 2012, which is at least twenty eight (28) working days prior to the annual stockholders meeting on May 29, 2012. The profiles of all nominees to the Board of Directors, stating their age, qualifications, experience, date of first appointment to the Board of the Company, and other directorships in other publicly listed companies (or subsidiaries, whether listed or non-listed within the group of companies) were made available as part of the Information Statement. Notification attesting to this fact is provided in the last page hereof.

DETERMINATION OF QUORUM

The Corporate Secretary reported that there was a quorum for the meeting, as stockholders who own or hold a total of 1,002,730,725 shares or approximately 88.96% of the total issued and outstanding common shares of the Company entitled to vote were present in person or by proxy.

APPROVAL OF THE MINUTES OF STOCKHOLDERS' MEETING HELD IN 2011

The Chairman submitted for approval the Minutes of the Annual Stockholders Meeting held on May 31, 2011.

Ms. Michelle Bona moved for the approval of the Minutes of the Annual Stockholders Meeting held on May 31, 2011. The motion was seconded by Mr. Lester Bernardo. Since no objection was raised despite opportunity given by the Chairman, the motion was thereupon carried. The Minutes was thus effectively approved by a unanimous vote of the stockholders present and represented at the meeting and eligible to vote, as detailed below:

Votes	Number of Votes Cast (1 share = 1 vote)	Percentage of Voting
1. Approved	1,002,730,725	100%
2. Against	0	0
3. Abstained	0	0

<p>MESSAGE OF THE CHAIRMAN OF THE BOARD</p>
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The Chairman gave the following message to the stockholders:

“My fellow stockholders and my fellow employees, good morning.

For 24 years, I have addressed this assembly as your President, COO, CEO, and Chairman, as distinct positions sometimes but oftentimes as concurrent posts. Annually, it remains a privilege and a great occasion for me. But today, let me also address you as a Meralco employee who has been serving this Company for 36 years, just like so many other employees here with me today, and many more who have left us, who have served loyally and faithfully for almost a lifetime. However, there are some differences in my case, having had the unique opportunity to experience

Meralco from a truly vantage point. Today, for the last time, I address you from that position as your Chairman.

Since my first stockholders meeting in 1986, as your President, I have not just reported the numbers but have put them into context and perspective. Through these reports, I have opened your Company more and more to all of you by explaining not just what happened but why they did and why they mattered. With those management reports, the management team sought not just to provide information and numbers but converted them into human beings and feelings.

Beyond the electric rates and the generating capacity, beyond the profits and the returns on investments, beyond the frequency and the duration of brownouts, are the men and women of Meralco. I am very much aware that the numbers is the reason why we are gathered here today, but this time I will leave this kind of message to the daily leadership of the Company. These numbers, let me remind everyone, are the results of how our Meralco employees behaved and worked. They made them possible; they made them happen; they made these results come out. Let us focus therefore on what or should I say, who really count. There are stories about them, too many to mention, yet too great in their own ways to just bury in memories.

Meralco has been very lucky that it has found and nurtured people who are unwavering in their passion for this Company and their uncommon concern for our customers. We have called it *Malasakit* here. It has become our way of life. No matter what tragedy hit us – natural or manmade alike – Meralco service continues. At this period of unimaginable changes, of business competition and profit imperatives, and of incessant intrusion in our lives by the Internet, Facebook, Twitter, YouTube, and the like – people don't talk about nor seem to care about what is real and what is truly important. I am referring to what actually produces results – *Malasakit*, integrity, teamwork, customer focus, and social responsibility. These are the values we looked for and ingrained in our people. They guide all of us in all our decisions and actions while we perform our duties in the

Company, and as we live our lives with our families and communities. Volunteerism which is the central theme of our programs in education, environment, community development, and even in outright charities, greatly enhanced responsible citizenship among our employees and much more, increased the care for the customers. That we seem to be successful through the years, with this strategy, judging by the results of our operations, is enough recompense for me.

This is the secret of why this Company is now on its 109th year, and why I am very sure, we will be celebrating another hundred years more.

The electric power business is a long-term proposition. Decisions made today impact lives and livelihood three to five years down the road. Yes, even in the distribution side of the business, such long-term commitment and long-term view is “the nature of the beast” so to speak. What we are reporting now as the state of your Company was to a great extent determined several years ago, when certain decisions were made and executed. Our commitments, choices and actions today, largely determine what we will be several years from now.

Meralco has been very fortunate that at various stages in its corporate life, the most appropriate people, management philosophy, and operation systems came its way at the most opportune moment. The periods of rehabilitation, strengthening and stabilization, transformation, and attempted takeovers necessitated and demanded distinct sets and combinations of people, processes, and culture, which either fortuitously or deliberately, were present when they were needed most.

When I came back in 1986, the rehabilitation of Meralco was the highest priority. From the lowest point in its financial position of ₱301 million in losses in 1984 to 1985, to the dismal performance of the electric system with 21% system loss and regular occurrences of brownouts and blackouts in the franchise at more than 30 times a year, with ever lengthening duration of no lights, we had to rebuild not only the electric system infrastructure but more so bring back the

Company's care for its employees. This would ensure that the employees would in turn give back to our customers the care and concern which have been the hallmarks of Meralco service before the martial law years. Our major rallying point was the spirit of Malasakit which propelled us again to another milestone in our history – the Meralco's IPO.

Meralco's IPO was the biggest stock offer in the history of the Manila Stock Exchange at that time. The IPO began on November 26, 1991 selling some 21 million shares or 23% of the Company to the public. The issue was heavily oversubscribed garnering ₱240 million in three weeks. The share price quickly and steadily soared that by December 1993, the stock price reached a high of ₱505 per share.

Two years before the Meralco public listing in 1989, the employees' Malasakit to their Company was met with equal Malasakit by the Company by the offering of the Employee Stock Ownership Plan or ESOP. Although fraught with difficulties and even with some opposition, Meralco's ESOP at 69% participation rate from its general employee population was and I believe still remains to be the most successful employee stock offering in the country to this day. The ESOP was a fulfillment of Management's commitment and promise to its employees that as the Company grows and progresses, so will its employees. Backed by several studies by various institutions such as the University of the Philippines on this employee compensation strategy, it is a known fact that the ESOP indeed improved the quality and standard of living of our employees and their families. Home and vehicle ownership became the norm and very good education for the children was ensured for their families. Perspectives were widened and confidence was boosted as travels and quality time with families and friends were attainable. Today, after 14 ESOPs, employees, retirees and former Meralco employees convey their gratitude to the Company for this part ownership and its attendant benefits, and more importantly to express their undying loyalty to

the Company. With the Rockwell property dividend, such tie of co-ownership and loyalty continues.

In the 90's, Meralco started to dream to be a world class company, able to compare very favorably with the best utilities in the world. To do this, we made a bet on the principles and practices of Total Quality Management with its twin strategy of Kaizen or continuous improvement and Kairyo, which is the way towards more fundamental and big changes. It was a massive and intricate culture-building period marked by a renewed spirit of pride and loyalty for the Company.

In 1996, we resolved that to be truly an excellent company, we needed to change the Company's very fabric, processes, organization and technical infrastructure taking advantage of new technologies and anticipating the growing demands of our customers for better service and new ways of doing things. We partnered with Union Fenosa of Spain, an electric utility in Madrid, who had the same number of employees and very similar profiles of customers and franchise area with Meralco. It took us six years from 1996 to 2002 to transform all aspects of the Company, the more apparent changes of which were in the number of employees which went down from almost 9,000 to the 6,500 presently, and the more efficient and convenient services to our customers made possible to a great extent by technology.

As Meralco succeeded in providing better service to its customers and in improving its financial performance, so with its attraction to investors and other interested parties increased. There followed in the early 2000, takeover attempts by the government. Aided by unfavorable and sometimes unfair court decisions and government rulings, overcharging, rollback, refunds, and provisional decisions became part of our everyday life in the early years of 2000. With the hostile environment, the Company's financial position suffered yet again a big setback. And your Company experienced two hostile takeovers with the excuse of helping the Company get back to its feet again.

In 2004, the government attempted to gain control of the Company through a friendly and subtle way by trying to install their people in the Company's Board of Directors and in the key positions in its Management. The timely exposure to the media of this veiled attempt put a stop to it and the government retreated in its desire for a time.

Some of you may have witnessed a few years ago, in our 2008 stockholders meeting here in this very theater, the second bolder and more aggressive attempt by the government to takeover Meralco through the GSIS. We had the longest ever stockholders meeting in the country, lasting from 9 o'clock in the morning to 10:30 in the evening. The GSIS, with the assistance of certain elements in the Securities and Exchange Commission, tried to void a number of proxies to gain control of said stockholders meeting. With the concerted effort of everyone in the Company and our excellent team of legal experts, we defied the SEC order, continued taking control of the proceedings, and thus foiled the attempt. Thereafter, we went to the Court of Appeals to finally settle the issue.

There was even a time that charges were pressed against some Company directors and officers, including yours truly, to the point where arrest warrants were issued against us already. The threat was very real that we had to tell our families to be ready if we do not go home that evening and some of us brought bags in our cars and offices just in case we get picked up and jailed.

All of these happened against the backdrop of the beginnings of deregulation. Congress passed Republic Act 9136 in 2002, known as the EPIRA or the Electric Power Industry Reform Act, ushering in a new environment for the Company. As fate would have it, we completed the Meralco Transformation Project just in time. The impending deregulation of the power industry was what had spurred the then Management to begin the re-engineering of the Company in 1992. In 2002, we

believed that the Company was ready and poised to take on the challenges of this new life in the electric power business.

I was a very lucky CEO indeed that I was there when these all happened. How can one not leave with such mixed feelings, especially if we also consider the following:

When you had a father who showed you the way; who knew you more than anyone else; and who believed in you when it seemed no one else did;

When you had a mother who defended you even at the most unlikely moments and against the fiercest of critics;

When you have a wife who stood by you no matter what and kept the family together when Meralco demanded so much of my time and energy;

When you have children who grew up very well and who with their spouses and the grandchildren they gave us, is a constant source of inspiration, stability, and joy;

When you have employees, who gave such unequalled welcome in 1986, in its exuberance and warmth; who taught you the best and the most enjoyable of the Meralco ways; who supported you through the most radical of transformations and persevered with you through the most challenging of times; who fought alongside you against the bleakest odds and stood with you in the trenches against all difficulties; who taught you that fun and loyalty is in genuine friendship, and who gave you lifetime and invaluable memories.

For these unparalleled experiences and much more than words can say, I thank all of you.

These lessons, this experience, I am using as I continue to serve our country and our countrymen as your Ambassador to Japan. In 2010, shortly after I stepped down as your CEO, I accepted the invitation to join the diplomatic service. While at first, I was reluctant to accept this post being a totally new world to me, with the prodding of my wife Maritess, I agreed. Little did I know that my immediate task after arriving in Tokyo in January 2011 was to deal with the

devastating earthquake, tsunami, and radiation threat. My years of working with all of you, the lessons we learned together pulled me through those most difficult days, and are still serving me very well till now. I am indebted to all of you for such learning experiences and toughening me up for any challenge.

Since then, aside from taking care of the 220,000 Filipinos all over Japan, with my staff of competent, devoted, and persevering civil servants in the foreign service and the cooperation of a number of our government agencies, I am concentrating on further improving our relationship not only with our host country, Japan, but also with all the members of the international community. It is very gratifying to note that all indicators in 2011 showed positive results: trading between Japan and the Philippines up by 21%; tourism up by 11%; and very importantly, the Overseas Development Assistance up by 35% from the previous year despite Japan's own economic troubles. We expect even more positive results in the coming years as the good image of our country continues with this government's apparent success in its drive for more transparency and better governance.

Let me take this occasion to express my deepest appreciation and heartfelt gratitude to all the members of our Board of Directors, past and present, for their continuous support to all of Management's initiatives; to all our stockholders for your patience and trust in us and for being with us through the years; to all Meralco employees especially the two unions and their officers, the retirees and former Meralco employees, and all your families for the Malasakit, 24 by 7, 365 days of service in good days and bad days; to all our contractors and service providers for your understanding and unstinting support; to all our suppliers and partners for giving the highest quality products and services to this Company; and finally, to all our customers for bearing with us, keeping us in our toes all the time and without whom we will not be here.

I leave this Company with full confidence on the leadership of Mr. Manuel V. Pangilinan, who definitely will bring Meralco to even higher levels of service and success. I wish to thank MVP for his astute leadership of Meralco and most especially for taking care of our employees. I believe that Meralco will continue to be the country's premier utility company, able to stand side-by-side with the best in the world. The Lopez Family also welcomes the Rockwell Company, as its ownership has now been officially turned over to us.

I just have one remaining request to MVP – please make the Meralco Bolts the PBA champion team just like Talk N' Text.

Maraming salamat sa inyong lahat at magandang umaga.”

ANNUAL REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

The President and Chief Executive Officer, Mr. Manuel V. Pangilinan, presented his report to the stockholders as follows:

“Thank you, Mr. Chairman. To our shareholders, members of the Board, co-workers at Meralco, distinguished guests – good morning.

I present this report on behalf of all of us in Meralco.

The year 2011 became challenging for your Company with the debt problems in the Eurozone and domestically, slower GDP growth, natural calamities and slightly cooler temperature, which muted our energy sales. But in terms of results, both operating and financial, 2011 was the best and defining period for Meralco.

Core Net Income in 2011 reached ₱14.9 billion, exceeding 2010 results by 22%. The year saw record energy volume sold of 30,600 gigawatt hours and customer count of 5.027 million. This is the first time Meralco breached 30,000 gigawatt hours sold and 5 million customers connected.

Our financial position became stronger with EBITDA higher by 31% to ₱24.6 billion, cash balances at record high and net debt turning negative. With favorable market conditions, we raised long-term financing to lengthen our maturity profile and lower our cost of debt. Our borrowing spreads for these new loans were lesser than those charged to other corporates.

2011 was also a record year for dividends. We paid out 70% of our core earnings as dividends equivalent to ₱9.25 per share or in aggregate ₱10.4 billion in dividends paid.

Despite a slower economic environment, total energy sales rose by 1.1% due to various selling intervention initiatives, which included shortening the processing time for customer applications, recovery of self-generating customers, and borderless marketing.

Residential customers numbering 4.6 million accounted for 31% of volume sold. We added 3.7% more customers in the year.

Commercial customers consisting of 433,000 consumed 39% of total volume sold. Demand came from malls, business process outsourcing, telecommunications and transportation sectors.

Industrial customers comprising less than 1% of customer count, purchased 30% of energy volume. The semiconductor and electronics, non-metallic and food manufacturing industries provided the impetus for industrial demand during the year.

As to sources of power purchased, 58% was procured from natural gas plants, 29% from coal, and a small fraction from geothermal hydro-power and biomass.

As to contractual supply arrangements, 47% arose from bilateral contracts with Independent Power Producers, 46% from Transition Supply Contracts, the balance of 7% from the Wholesale Electricity Spot Market.

While energy sales rose by 1.1% in the year, total purchased power increased by only half a percent. This means our system loss has decreased further in the year. Five years ago, system loss was in double digits. This has since declined to single digit – down to 7.35% in 2011, 0.59

percentage points lower than the previous year and 1.15 percentage points lower than the government-mandated 8.5%. Cumulative savings to our customers have reached ₱5.25 billion these past 4 years, all of which accrue to our customers and none to Meralco.

Let me now apprise you on how our plans laid out in 2010 have progressed.

First, on strengthening our core distribution business. As our customers increase in number, the demand for quality power and services rises correspondingly. We must therefore continue to improve and upgrade our distribution infrastructure with a view to achieving better operational efficiency and higher quality services. This year, our capital expenditure is budgeted at ₱11.3 billion, compared with actual Capex spend of ₱8.7 billion in 2011.

Second, on power generation. We've formed a dedicated subsidiary, Meralco PowerGen Corporation or MGen, to be our exclusive investment vehicle in power generation. MGen has concluded a joint venture agreement with Therma Luzon of the Aboitiz Group and Taiwan Cogeneration for a 600 megawatt coal-fired plant in Subic. MGen is also working on other generation plants and projects including liquefied natural gas, wind, hydro, and clean coal.

Third, on Retail Electricity Supply. We continue to build our organization and business processes in order to be ready for open access and retail competition in the latter part of 2012.

Fourth, on our franchise expansion. This is one area where we have to apply more focus. Our ability to expand our operational footprint to areas outside our existing franchise must be enhanced, to bring the benefits of cheaper and better electricity service to a wider population.

I said earlier that 2011 was a defining moment for Meralco – defining particularly in the notion of “innovation”.

We're implanting an innovation culture that can unleash receptivity to change, risk taking, and the learning abilities of our people. Our student cadets and management trainees have

innovation as their centerpiece. And in a recent management conference called One Meralco, more than 1,400 new ideas were posted on the great ideal wall by our management.

Your Company will continue pursuing innovation in customer service. Smart Grid is a new-generation network which significantly enhances service reliability because it possesses automation and intelligent capabilities at critical points in our network. It also provides a platform for new services, such as pre-paid electricity and the home area network.

We're seeking innovation in our advocacy for a national program that will develop environmentally friendly electric vehicles - specifically eTrikes and eJeepneys – including the development of a domestic manufacturing base for eVehicles in the agenda.

We're expressing our innovation through our One Meralco Foundation which implemented projects in 2011 under its four social pillars: community electrification, grassroots partnerships, sports and youth advocacy, and emergency preparedness and disaster response.

Finally, may I make this important point.

We all know about the perennial issue of rising power costs. Meralco must find ways to temper this upward bias.

To-date, we have entered into or will soon close new long-term Power Supply Agreements or PSAs of up to 2,900 megawatt base load. This replaces majority of our Transition Supply Contracts which will expire this year. These PSAs together with the IPPs account for 85% of our Peak Demand. This assures our customers a stable power supply over the long-term. The rates in these PSAs are lower than the prices we currently buy by more than 10%.

This means generation costs charged to customers could be lower by more than ₱0.50 per kilowatt hour – meaning savings of about ₱4.0 billion per year to our consumers.

In closing, I reiterate Management's collective thanks to all of you, specifically to our Chairman, Ambassador Manolo Lopez, for his long and enduring leadership of Meralco. This

institution recognizes your contribution to its welfare and history. The people of Meralco convey their priceless debt of gratitude to you and your family, Mr. Ambassador. We assure you that the Meralco you nurtured and continue to love is in steady hands. We ask that you stay with us in our journey towards the new Meralco.

Thank you for joining us today, and I look forward to a brighter 2012.”

QUESTIONS & ANSWERS ON THE FLOOR

At this point, the Chairman opened the floor and gave the stockholders the opportunity to ask questions and/or raise issues.

Mr. Ed Dulalia took the floor and congratulated the members of the Board and Management for the Company’s healthy revenue of more than ₱13 billion in 2011, which is a mark of good management and performance.

A certain Mr. Emil suggested including the subsidiaries’ financial statements in the Company’s annual report for appreciation of their income statement. Mr. Pangilinan stated the performances of the subsidiaries were disclosed in the Information Statement filed with the Securities and Exchange Commission. In the next annual report, the Company will be more disclosure-oriented with respect to the performance of the subsidiaries. Broadly speaking, the performances of the subsidiaries have been good where 2011 performance was better vis-à-vis 2010.

Mr. Gil Gundayao asked Chairman Lopez if he is within the coverage of Republic Act 6713 on ethical standards specifically on divestment, given that he is a non-career officer of the Philippines serving as Ambassador to Japan. Chairman Lopez replied that he is not required to

divest his shareholdings as he is not an executive of any of the corporate entities he is still involved with.

Mr. Guillermo Gili congratulated the Management and staff for having registered a healthy and strong balance sheet for the year ended December 31, 2011. He related that a certain customer of Meralco, with a monthly billing of about ₱25,000, received a bill of ₱65,000. When he complained about the bill, the customer was told to pay only ₱18,000. He asked how this came about. Mr. Reyes thanked Mr. Gili for the point he raised. However, absent the specifics about the customer account and circumstances, it would be difficult to respond. Mr. Reyes said that there are personnel who will address his concern right after the meeting, as Meralco would like to address all customer-related issues promptly. Mr. Gili asked Mr. Pangilinan whether the reason for the declaration of property dividend of Rockwell Land Corporation was because Metro Pacific Investment Corporation (MPIC) is still hounded by its sale of Fort Bonifacio. Mr. Pangilinan replied that MPIC has gotten out of the real estate business a number of years ago. With respect to the entitlement of property dividends arising from the share distribution of Rockwell Land Corporation, Management felt that it is a non-strategic asset for the Company. Thus, the interest in Rockwell Land Corporation was sold to the Lopez Group.

Mr. Emil related that his neighbor's electricity supply was disconnected due to non-payment of bill. The bill was paid at the Business Center the following day with a promise to the customer that reconnection of electric service will be made within the day. Unfortunately, electricity was reconnected only after three days. He said that the Company should improve its customer service and reconnect electric service immediately. Management took note of the concern raised.

APPROVAL OF THE 2011 AUDITED FINANCIAL STATEMENTS
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The next item on the agenda is the approval of the 2011 Audited Financial Statements.

Mr. Neil Diccion moved for the approval of the Company's 2011 Audited Financial Statements. The motion was seconded by Ms. Gretchel Tolosa. There being no objection despite opportunity given by the Chairman, the motion was thereupon carried.

Accordingly, the Company's Audited Financial Statements for the period ended December 31, 2011 is approved by a unanimous vote of the stockholders present and represented at the meeting and eligible to vote, as detailed below:

Votes	Number of Votes Cast (1 share = 1 vote)	Percentage of Voting
1. Approved	1,002,730,725	100%
2. Against	0	0
3. Abstained	0	0

The following resolution was thus adopted and approved:

“RESOLVED, that the audited financial statements for the year ended December 31, 2011 be, as the same hereby are, approved.”

RATIFICATION OF ACTS, RESOLUTIONS, AND DEEDS OF THE BOARD OF DIRECTORS AND MANAGEMENT
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The next item on the agenda was the ratification of the acts, resolutions, and deeds of the Board of Directors and Management of the Company from the Annual Stockholders' Meeting held on May 31, 2011 up to this meeting.

Ms. Freedom Navidad moved for the ratification of all acts, resolutions, and deeds of the Board of Directors and Management of the Company from the Annual Stockholders' Meeting held on May 31, 2011 up to this meeting. This was seconded Mr. Lester Bernardo. No objection was raised despite opportunity extended by the Chairman. Accordingly, the motion was carried.

Consequently, all acts, resolutions, and deeds of the Board of Directors and Management of the Company from the Annual Stockholders' Meeting held on May 31, 2011 up to this meeting were ratified by a unanimous vote of the stockholders present and represented at the meeting and eligible to vote, as detailed below:

Votes	Number of Votes Cast (1 share = 1 vote)	Percentage of Voting
1. Approved	1,002,730,725	100%
2. Against	0	0
3. Abstained	0	0

The following resolution was thus adopted and passed:

“RESOLVED, that all acts, resolutions, and deeds of the Board of Directors and Management of the Company from the Annual Stockholders' Meeting held on May 31, 2011 up to the date of this meeting be as they hereby are, confirmed, ratified and approved.”

ELECTION OF DIRECTORS

The next item on the agenda was the election of the members of the Board of Directors for the ensuing year. The Company's Articles of Incorporation provide for eleven (11) seats in the Board. The Corporate Secretary was requested by the Chairman to read the names of the nominees.

The Corporate Secretary reported that the following nominees to the Board were received by his office in accordance with the Company's By-laws and pertinent laws and regulations:

1. Mr. Ramon S. Ang
2. Atty. Ray C. Espinosa
3. Mr. Jose Ma. K. Lim
4. Ambassador Manuel M. Lopez
5. Atty. Estelito P. Mendoza
6. (Ret.) Chief Justice Artemio V. Panganiban
7. Mr. Manuel V. Pangilinan
8. Mr. Vicente L. Panlilio
9. Mr. Eric O. Recto
10. Mr. Oscar S. Reyes
11. Mr. Pedro E. Roxas

(Retired) Chief Justice Panganiban and Mr. Roxas were nominated as independent directors.

Copies of the profiles of all nominees for seats in the Board of Directors, stating their age, qualifications, experience, date of first appointment to the Board of the Company, and other directorships in other publicly listed companies (or subsidiaries, whether listed or non-listed within the group of companies) were provided in advance to the stockholders through the Company's Information Statement.

On motion made by Ms. Zarah Castro and seconded by Mr. Neil Diccion, the following were declared duly elected members of the Board of Directors to serve for the ensuing year and until their successors are duly elected and qualified, having received the following number of votes from the stockholders present and represented at the meeting:

1. Mr. Ramon S. Ang	1,002,730,725
2. Atty. Ray C. Espinosa	1,002,730,725
3. Mr. Jose Ma. K. Lim	1,002,730,725
4. Ambassador Manuel M. Lopez	1,002,730,725
5. Atty. Estelito P. Mendoza	1,002,730,725
6. (Ret.) Chief Justice Artemio V. Panganiban	1,002,730,725
7. Mr. Manuel V. Pangilinan	1,002,730,725
8. Mr. Vicente L. Panlilio	1,002,730,725
9. Mr. Eric O. Recto	1,002,730,725
10. Mr. Oscar S. Reyes	1,002,730,725
11. Mr. Pedro E. Roxas	1,002,730,725

APPOINTMENT OF EXTERNAL AUDITOR

The next order of business was the appointment of external auditors for the Company. (Retired) Chief Justice Panganiban stated that in the evaluation of the performance during the past year of the Company's present external auditor, SGV & Company, the Audit and Risk Management Committee found their performance satisfactory. The reappointment of SGV & Company as external auditor of the Company for the ensuing year was thus endorsed by the Audit and Risk Management and the Board of Directors.

On motion made by Ms. Marian dela Fuente and seconded by Ms. Freedom Navidad and there being no objection despite opportunity given, SGV & Company's appointment as the Company's external auditor was approved by a unanimous vote of the stockholders present and represented at the meeting and eligible to vote, as detailed below:

Votes	Number of Votes Cast (1 share = 1 vote)	Percentage of voting
1. Approved	1,002,730,725	100
2. Against	0	0
3. Abstained	0	0

The following resolution was thus adopted:

“RESOLVED, that SGV & Company, Certified Public Accountants, be, as they hereby are, appointed external auditors of the Company.”

ADJOURNMENT

There being no other business to transact, upon motion made and seconded, the meeting was adjourned at 11:30 a.m.

SIMEON KEN R. FERRER
Corporate Secretary

A T T E S T:

MANUEL M. LOPEZ
Chairman of the Board

PROOF OF NOTICE

I HEREBY CERTIFY, as duly elected, qualified and incumbent Corporate Secretary of Manila Electric Company (MERALCO), that written notice of the annual meeting of stockholders was sent to all stockholders of record at least ten (10) days before the date of the meeting, in accordance with the By-laws of the Company. A copy of the notice is attached as Annex "A" hereof.

Pasig City, Philippines, May 29, 2012.

SIMEON KEN R. FERRER
Corporate Secretary