

Draft

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS OF MANILA ELECTRIC COMPANY HELD ON 29 MAY 2018 LOPEZ BUILDING, ORTIGAS AVENUE, PASIG CITY

CALL TO ORDER

The Company's 2018 Annual Stockholders Meeting was called to order at 10:00 a.m. on May 29, 2018 by the Chairman of the Board, Mr. Manuel V. Pangilinan, who presided over the same at the Company's principal office at Lopez Bldg., Ortigas Ave., Pasig City, Metro Manila. The Assistant Corporate Secretary, Atty. William S. Pamintuan, took the minutes of the meeting.

The Chairman addressed the stockholders and reminded them that given the level of complexity and the time needed to resolve questions on customer service, dividend delivery, invitations to or notice of the Annual Stockholders' Meeting and other technical matters, all stockholders with concerns or questions on these are requested to approach the Customer Help Desk or Stockholder Concerns Desk near the Registration Area. They may also write these concerns with their contact details and submit the same to the marshals/ushers/placard holders nearest them, so they can forward these concerns to the responsible person in the Company.

The Chairman introduced the members of the Board of Directors, namely: Ms. Anabelle L. Chua, Atty. Ray C. Espinosa, Messrs. James L. Go, Lance Y. Gokongwei, Jose Ma. K. Lim, Oscar S. Reyes, Pedro E. Roxas, Ambassador Manuel M. Lopez, and retired Chief Justice Artemio V. Panganiban. Mr. John L. Gokongwei, Jr. was not able to join the meeting.

Mr. Oscar S. Reyes also serves as the President and Chief Executive Officer of the Company, while retired Chief Justice Artemio V. Panganiban serves as the Chairman of the Audit Committee.

Also introduced were the Chief Finance Officer, Ms. Betty C. Siy-Yap, and the Assistant Corporate Secretary, Atty. William S. Pamintuan. Other company officers and executives present in the meeting were likewise acknowledged.

The Company's Corporate Secretary, Atty. Simeon Ken R. Ferrer, was not able to join the meeting. Thus, the Assistant Corporate Secretary, Atty. William S. Pamintuan, served as Secretary for this meeting.

Upon registration, all stockholders were provided with ballots allowing them to vote, whether in person or *in absentia* through their proxy, on matters to be passed upon in the meeting and to elect the Company's Board of Directors. The proposed Resolutions for the meeting were contained in the Information Statement, a copy of which was provided to all stockholders prior to the meeting. The proposed Resolutions were also posted at the registration area for further reference of the attending stockholders. This practice is in line with the Company's commitment to good governance and its desire to encourage broader participation of its stockholders in deciding fundamental matters involving the Company.

Thereafter, the Secretary read the following ground rules and voting procedure to be observed during the meeting to ensure the conduct of fair, orderly, and efficient proceedings:

- a) Only stockholders as of record date 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.
- b) Questions from the floor shall be entertained subject to the following:
 - i. 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";
 - ii. A maximum of three (3) questions shall be entertained for each item on the agenda;

- iii. Questions about the Company and its operations will be entertained after the President and Chief Executive Officer's report;
 - iv. To give equal chance to everyone, a stockholder can ask one (1) main question and, if needed, a follow-up question; and
 - v. If, due to time constraints, there are questions which could not be entertained on the floor, Company officers will be available for consultation after the meeting.
- c) All concerns should be raised by way of a question so that these can be properly addressed.

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

For voting procedure, the Company's class of outstanding shares entitles the holder to one vote for one share. The affirmative vote of the stockholders representing at least a majority of the outstanding and voting shares shall be needed to pass and approve each proposed resolution unless the law provides otherwise.

For the election of directors, stockholders are allowed to elect directors individually or to cumulate their votes. Election of directors shall be by plurality of votes.

Ballot boxes are placed at the registration area where stockholders may drop their ballots.

All votes received shall be tabulated by the Office of the Corporate Secretary and results thereof shall be validated by the auditing firm, Reyes Tacandong & Co., which was duly appointed by the Board to act as such for the 2018 Annual Stockholders' Meeting.

As each item in the agenda is taken up, the Secretary will report on the votes received and tabulated as of 10:00 a.m. today. The minutes will, however, reflect the final tally of votes.

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

SERVICE OF NOTICE

The 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 9, 2018. The notices were released on April 18, 2018, twenty-eight (28) working days prior to the annual stockholders meeting in accordance with the Corporation Code and the By-Laws of the Company. The rationale and explanation for each agenda item which require shareholders' approval were provided in the notice of this meeting. 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 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 Secretary reported and certified that there was a quorum for the meeting, as stockholders who own or hold over 897,283,790 shares or approximately 79.61% of the 1,127,098,705 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 2015

The Chairman submitted for approval the Minutes of the Annual Stockholders Meeting held on May 30, 2017.

Mr. Gabriel Enriquez moved to dispense with the reading of the Minutes of the Annual Stockholders' Meeting held on May 30, 2017 and to approve the same since copies of the Minutes have previously been made available at the Office of the Corporate Secretary and posted at the registration area and at the Company's website. The motion was seconded by Ms. Marissa Trinidad. No objection was raised despite opportunity given by the Chairman, thus the motion was thereupon carried. The Minutes was approved by stockholders

representing more than a majority of the total voting shares, present and represented at the meeting, as detailed in the table below:

VOTES	NUMBER OF VOTES CAST (1 share = 1 vote)	PERCENTAGE OF VOTING
1. Approved	896,692,819	79.55%
2. Against	384	0.00%
3. Abstained	39,246	0.00%
Total Votes	896,732,449	79.56%

The following resolution was thus adopted and approved as Resolution 2018-1:

“RESOLVED, that the Minutes of the Annual Stockholders’ Meeting held on May 30, 2017 be, as the same is hereby approved.”

<p>REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER</p>

The President and Chief Executive Officer, Mr. Oscar S. Reyes, presented his report to the stockholders quoted hereunder as follows:

“Meralco Stockholders,

Thank you for the privilege of your presence at this 2018 Annual Stockholders’ Meeting.

This year marks 115 years of operation of Meralco, 115 years of committed service to our customers, with our Company now serving 25% of our country’s population, powering 50% of our country’s GDP and continuing to be a full partner in our nation’s progress, transforming lives and businesses.

And as our country and the Philippine economy move forward, the Meralco “growth story” continues. From some 3,000 customers in 1903, the Meralco customer base has grown to 6,327,000 accounts by the end of 2017, adding around one million customers every 6 years since 1991.

2017 proved to be another strong year for your Company, another equally good year for our economy, even as it was a challenging year for our electric power sector.

The economic climate remained favorable for business, investment and consumers. GDP rose by 6.7%, slightly below the 6.9% growth in 2016. Inflation which had been sub-2% in 2015 and 2016, the lowest in more than two (2) decades, was contained below 3% in 2017. Interest rates, while higher than in the last four (4) years, were at a level supportive of investment and consumer spending, with the benchmark Phil. Dealing System (PDST R2)

average 7-year rate at 4.79%. Taxation, trade and investment shifts in the U.S. and domestically led to a stronger U.S. dollar and a weakening of the Peso in 2017, with the exchange rate rising to 50.40 Pesos per U.S. dollar in 2017 from around 42.50 to 47.50 Pesos per U.S. dollar in the preceding four (4) years. The Phisix soared to 8,500's by the end of 2017 from below 7,000 in 2015 and 2016.

These conditions, on the whole, enabled our Company to sustain excellent sales, operating and financial results, create value for, and provide good returns to you, our shareholders in 2017, with robust energy sales, an expanding customer base, new highs in operational excellence, enabling us to deliver record profitability, growing shareholder returns, a strong balance sheet and high customer satisfaction, even as we managed and contained the cost of electricity to our Customers.

ON OUR ENERGY SALES, AND CUSTOMER ACQUISITION

Consolidated energy sales reached 42,102 GWh in 2017, 4.9% higher than in 2016 and growing at 5.4% p.a. since 2013. Sales to Commercial Customers were up 4.6% and accounted for 40% of total sales, Residential Customers up 4.9% and contributed 31%, and Industrial Customers up 5.2% and represented 29% of total sales.

These were driven by new and expanding customers in real estate, hotels and restaurants and retail trade for the commercial sector; semiconductor, food and beverage and basic metals for the industrial sector, and vertical and horizontal property developments for the residential sector.

Our Customer Base expanded by 4.8% to 6,327,000 by the end of 2017.

Residential Customers grew by 5.0% to 5.8 million accounts, comprising 92% of the total; Commercial Customers up 2.7% to 500,000 accounts or 8% of the total; and Industrial Customers up 1.9% to 10,000 accounts.

Peak demand in the Meralco franchise area rose 3.3% to 6,973 MW registered on June 14, 2017, and has been growing by 4.1% p.a. since 2013, while peak demand for the Luzon Grid rose by 3.4% in 2017 to 10,054 MW, and 4.9% since 2013. Surging Luzon peak demand and the aging fleet of power plants argue for the need for accelerating new capacity builds and the related regulatory approvals to avert risking the country's sustained progress and the interests of 11.5 million electricity customers and 53.3 million people in Luzon.

ON OUR OPERATING PERFORMANCE

Operational excellence in order to deliver highly reliable, quality power, 24/7, at least cost to our customers, has been a high priority in Meralco. Success in this area is best exemplified by continuing improvements over the last ten (10) years in our System Loss Performance which hit an all-time 115 year low of 5.91% in 2017, and has resulted in savings to our customers of 10 centavos per kWh or ₱33.5 Billion since 2008.

We delivered on our service commitments to our customers with a leaner employee base of 5,539 people, achieving further productivity gains in terms of Sales per Employee, up 5.5% to 7.50 GWh per employee, and Customers per Employee, up 5.3% to 1,142 customers per employee.

ON OUR FINANCIAL PERFORMANCE

Our strong sales and operating performance has fueled highly positive financial results.

Consolidated Core Net Income (CCNI) rose 3.2% to ₱20.2 Billion in 2017, rising 4.4% p.a. since 2013.

Consolidated Reported Net Income was slightly higher at ₱20.4 Billion, up 6.3% over 2016.

Consolidated Core EBITDA increased by 2.0% to ₱34.6 Billion in 2017.

Cash dividends out of 2017 Consolidated Core Net Income (CCNI) amounted to ₱12.55 per share, or a payout of 70%. A special dividend of ₱4.44 per share equivalent to 20% of 2017 CCNI was also declared, raising total cash dividends to ₱16.99 per share, or a payout ratio to 95%.

Core Earnings per share (or EPS) was ₱17.93 in 2017 while Reported Earnings per share was ₱18.09.

Meralco's share price at the last trading day of 2017 was ₱328.60 and has risen to ₱335.00 as of last Friday, May 25, 2018.

Meralco's market capitalization surged 24% to ₱370.4 Billion by end 2017 from ₱298.7 Billion in 2016, and rose further to ₱377.6 Billion as of last Friday, May 25.

We closed 2017 with an equally strong balance sheet as in 2016, with Stockholders Equity of ₱74.4 Billion, total Borrowings of ₱40.3 Billion, and Cash and Cash Equivalents excluding Held to Maturity and Available for Sale Securities, of ₱45.9 Billion, all at a level approximately similar to 2016. We remained net debt negative, with Cash and Cash Equivalents roughly ₱5.7 Billion higher than our Borrowings.

Our strong balance sheet, liquidity, stable cash flows, financial discipline and expectation of our ability to meet operational cash requirements, distribution business capex and capital calls for our power generation joint ventures, provided the basis for Standard & Poor's upgrade of Meralco's credit rating to Investment Grade at BBB-, with Outlook Stable, last June 2017. This was our 3rd upgrade in the last four (4) years.

ON CUSTOMER SERVICE PERFORMANCE

Customer service excellence, along with operational excellence, are a strong commitment of the entire Meralco organization. We continue to outperform the regulatory S-Factor and Guaranteed Service Level (GSL) standards as last set by the Energy Regulatory Commission (or ERC) for our 3rd Regulatory Period, including System Loss, System and Customer interruption duration and interruption frequency indices, power quality, time to connect or energize customers.

Managing and containing, the average Customer Bill remains a key focus of our people, even as Meralco's distribution charge is only 17% of the Customer Bill, and 83% of the Bill represents third party charges for the generation, transmission, system loss, feed-in tariff allowance, and tax, and universal charge components, for which we are merely collecting agents.

In 2017, the average retail rate or Customer Bill was ₱8.03/kWh, up 7.1% from the 7-year low of ₱7.50/kwh in 2016. This was largely due to increases in Generation charges, as fuel cost, particularly coal, and WESM charges, rose, driving up the Generation charge, and as ERC approved significantly higher Feed-in Tariff (FIT)-Allowance charges.

Meralco regularly tracks its Customer Satisfaction Index (or CSI). In 2017, CSI was at its highest since the year 2000 at 8.39 on a scale of 10, indicative of continuing gains in enhancing customer experience.

We are determined to drive this further as the various phases of our Customer Experience Transformation Program (or CXTP) encompassing the various customer engagement processes and touchpoints, "I Join, I Pay, I Ask, I Need Repair" are implemented, and as other anchor products, services and programs such as Prepaid Electricity, Advance Metering Infrastructure (AMI), Joint Strategic Planning and Power Up Fora with Industrial and Commercial customers and LGUs are expanded.

With the gains realized over the years,

WILL MERALCO'S GROWTH STORY CONTINUE AND.... WHAT WILL UNDERPIN THIS?

We remain committed to pursuing and delivering profitable growth and further value creation for our customers and you, our shareholders. And we will continue to underpin these on our five (5) platforms for profitable growth: we will (1st) further Strengthen our Core Distribution Business; (2nd) Profitably Compete in the Retail Electricity Supply Business; (3rd) Build our Power Generation portfolio; (4th) Drive the Expansion of our Subsidiaries; (5th) Develop and Grow New Energy Businesses.

ON STRENGTHENING OUR CORE DISTRIBUTION BUSINESS

We have been investing heavily in growing the future of Meralco's Distribution Business, with capital expenditures of nearly ₱58 Billion over the past five (5) years.

And capex will continue to be ramped up to meet customer and load growth, network and customer service infrastructure, system and software upgrades, innovation and technology resiliency and cyber security.

These include the completion of Power Tech, Meralco's power and energy research and development and training facility, and M-Tech, the Meralco Technology and Innovation Summit.

Even as headwinds are emerging in the economic environment such as higher inflation, higher interest rates and a weaker peso, which may put at risk the country's high trajectory of growth, we remain cautiously positive that the current momentum will help sustain Meralco's distribution business growth.

ON COMPETING IN RETAIL ELECTRICITY SUPPLY

Meralco has managed to grow its retail electricity sales through its local RES, MPower, and its affiliate RES, Vantage Energy, to 5,110 GWh in 2017, up 6.6% over 2016, and its RES customer base to 293 accounts, up 23.6% over 2016.

Profitable growth in the RES market will be a significant challenge, as the market has become highly price competitive. This will require various measures such as sourcing of highly cost competitive supply, highly customer-responsive pricing, product and service offerings and other initiatives, to profitably retain existing, and acquire new, customers.

ON BUILDING OUR POWER GENERATION PORTFOLIO

Building Meralco's power generation portfolio is key to strengthening our Core Distribution Business and generating a new revenue and core net income stream.

Meralco Powergen Corporation (MGen) remains intent on (1st) the completion and commercial operation of the country's first super critical coal-fired power plant, the 455 MW San Buenaventura Power plant, by the second half of 2019, and (2nd) the start of construction and eventual commercial operation of the country's first ultra-supercritical coal-fired power plant, the 1200 MW Atimonan One Energy plant, as well as the 2 x 300 MW Redondo Peninsula Energy (or RP Energy), and the 2 x 350 MW St. Raphael Power Generation, plants.

Meralco already has an equity interest in two (2) operating power companies, Global Business Power Corp. (or GBPC) with an aggregate of 749MW in various power plants in the Visayas, and PacificLight Power Ltd., a 2 x 400 MW LNG-fired power plant in Jurong, Singapore.

ON DRIVING THE GROWTH OF SUBSIDIARIES

A number of our subsidiaries in electricity distribution outside the Meralco franchise area, in renewable energy, in communications and in related business services, have been income and cash flow accretive, and contributing, albeit still at a modest level, to Meralco's consolidated core net income in 2017. These include Clark Electric Distribution Co., Meralco Ecozone, Radius Telecoms Inc., and Bayad Center, among others.

A new subsidiary, Spectrum Inc., Meralco's first entry in renewable energy, started commercial operations recently, providing rooftop solar energy solutions to commercial, industrial and residential customers, and developing utility scale solar energy projects.

A newer subsidiary, eSakay, was formed in the first quarter of 2018 to pursue commercial prospects in electric vehicles (or EVs).

We are looking to these subsidiaries to improve their operations and grow their contribution to the bottom line.

ON DEVELOPING NEW ENERGY BUSINESSES

The rapid pace of technology and innovation is ushering in developments that are disruptive to legacy businesses, including conventional distribution and generation. At the same time, they present the prospect of profitable engagement.

These include non-conventional power generation and renewables (such as solar, wind, biomass, waste to power), energy storage, distributed generation, e-vehicles, microgrids and Smart Cities.

We remain alert to these possible disruptors, and on potential participation in any opportunities they offer, with a view to developing new energy businesses.

ON TOUCHING LIVES BEYOND OUR BUSINESS AND OUR FRANCHISE AREA

Beyond our business, as I stated at the start, we remain committed to being a full partner in Philippine progress, and in transforming lives and businesses.

2017 was another year of intense activity by Meralco and the One Meralco Foundation in our core social responsibility programs.

These are more clearly described in the 2017 One Meralco Foundation Annual Report which has been provided together with the 2017 Meralco Annual Report.

TO CONCLUDE

In recognition of what we do, international and local organizations have privileged us with various awards for business leadership, communications, and governance, among others.

These serve to encourage us to persist in our commitment to operational and customer service excellence.

But no greater recognition can inspire us to continue to outperform than the statement of support by our customers, as manifested in their patronage and engagement with us and in improved *Customer Satisfaction Indices*, and the statement of support by you, our stockholders, through your confidence in us.

For these, we thank our 6.33 million customers, you, our stockholders, all our people in One Meralco, and our Board of Directors who have enabled our achievements with their vision, wisdom and guidance.

Maraming salamat po sa inyong lahat.”

After the presentation of the President and CEO, a brief video clip of Meralco's and One Meralco Foundation's, engagement and impact with the customers, and with people in need in communities within and beyond our franchise area was shown.

QUESTIONS AND ANSWERS ON THE FLOOR

The Chairman opened the floor and gave the stockholders the opportunity to ask questions and/or clarifications of the President's Report. Stockholders with technical or customer service concerns were advised to approach the Customer Help Desk near the Registration Area.

Mr. Eduardo Lucero asked, with regards the fantastic performance of the Company and the good dividends that have been given, can stock dividends be given to the shareholders aside from the cash dividends in the future? He added that if there will be stock dividends then the cash dividend in the future will be higher. Chairman Pangilinan said that this is noted and may be considered in the future. Mr. Lucero further said that he would like to thank and congratulate the Meralco Board of Directors and Management for the Company's outstanding performance and service to the nation for the past 115 years. This was acknowledged by the shareholders in attendance by a standing ovation. Chairman Pangilinan thanked the shareholders.

Given that the Company has an e-vehicle program, Mr. Robert Go asked if there are plans to go into the drone business and to expand service to the local government units (LGUs) to assist in crime fighting. Mr. Reyes said that the Company uses drones at times to survey certain areas, however, this has not been done extensively. Meralco has received proposals from some groups to consider going to the drone business but there are already organizations who are ahead in this business. Mr. Go also inquired about which cities Meralco is partnering with for the e-Vehicle program. Mr. Reyes responded that the Company is working with the various cities such as Mandaluyong, Quezon City, and Parañaque for e-trikes or e-tricycles. Mr. Reyes added that the cities of Manila, Caloocan and Navotas are also potential partners for the e-Vehicle program.

In line with the Company's expansion, Mr. Sam Canua asked if there are plans for Radius Telecoms Inc. to roll out fiber optic internet to be available in residential areas or to

join the big four to become a TelCo. Chairman Pangilinan responded that there is a great deal of business cooperation between Radius and its enterprise customers. He added that if plans could be coordinated, there should not be any objection for Radius itself to put out fiber optics in certain areas.

Mr. Canua further inquired about the Bayad Center expansion on the number of biller partners that will be added in the online and mobile bill payments this year. Chairman Pangilinan said that as a matter of principle Bayad Center is agnostic to all the payment channels that are available to it in terms of accepting payments online. He added that Bayad Center itself is looking at developing some payment channels. The development of online payment systems may be considered depending on the feasibility of going into that particular area. However, it is something that the Company should be aware of and on the lookout as to its impact to the business.

Lastly, Mr. Canua asked what would be the impact of the Tax Reform Package 1 into power distribution companies like Meralco, e.g., excise tax information, petroleum products, and foreign exchange rates, to effect electricity hikes. Mr. Reyes explained that tax on coal will push up generation charge. He added that aside from that, what the Company is trying to monitor is if there is any inflationary impact because inflation tends to create a softening in demand as customers tend to be more conscious about their spend. There is a demand impact as a result of higher prices of commodities and services.

In as much as enough time was given and there was enough questions from the floor, Mr. Michael Robles moved to proceed to the next item on the agenda. Mr. Rain Villaran seconded the motion. There being no objection despite opportunity given by the Chairman, the motion was thereupon carried.

<p>APPROVAL OF AMENDMENT OF THE FOURTH ARTICLE OF THE ARTICLES OF INCORPORATION TO EXTEND THE CORPORATE TERM</p>
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The next item on the agenda was the approval of the Amendment of the Fourth Article of the Company's Articles of Incorporation to extend the corporate term for another fifty (50) years.

The Secretary informed the stockholders that the current provision of the Fourth Article of our Articles of Incorporation, reads: *"That the term for which said Corporation is to exist is (1) 50 years from and after the date of its incorporation, May 7, 1919, and (2) 50 years more upon the expiration of the said original term of 50 years, or fifty years more from and after May 7, 1969."*

Section 11 of the Corporation Code of the Philippines states that *"the corporate term stated in the articles of incorporation may be extended for periods not exceeding fifty years in any single instance by an amendment of the articles of incorporation in accordance with the Code."*

Since the Corporation Code allows the extension of corporate term through amendment of the Company's Articles of Incorporation, the Board, in its meeting held last January 29, 2018, adopted a resolution amending the Fourth Article of the Articles of Incorporation, as follows:

"That the term for which said Corporation is to exist is fifty years from May 7, 2019."

Under the Corporation Code, the amendment is subject to the approval of at least 2/3 of the Company's outstanding capital stock.

Ms. Tina Amador moved to approve the amendment to the Fourth Article of the Company's Articles of the Incorporation as earlier approved by the Board and the motion was seconded by Ms. Cristet Celis. There being no objection despite opportunity given by the Chairman, the motion was there upon carried.

Accordingly, the amendment to the Fourth Article of the Company's Articles of Incorporation was approved by the stockholders representing at least a majority of the total voting shares, present and represented at the meeting, as detailed below:

VOTES	NUMBER OF VOTES CAST (1 share = 1 vote)	PERCENTAGE OF VOTING
1. Approved	896,551,172	79.54%
2. Against	4,717	0.00%
3. Abstained	176,893	0.01%
Total Votes	896,732,782	79.56%

With stockholders representing at least two-thirds (2/3) of the total outstanding capital stock having voted affirmatively for the motion, the following resolution was thus adopted and approved as Resolution 2018-2:

"RESOLVED, that the Fourth Article of the Company's Articles of Incorporation be amended to read as follows: *"The term for which said Corporation is to exist is fifty years from May 7, 2019."*

<p>APPROVAL OF THE 2017 AUDITED FINANCIAL STATEMENTS</p>

The next item on the agenda was the approval of the Audited Financial Statements for the Year 2017.

Ms. Catherine Viray moved for the approval of the Company's 2017 Audited Financial Statements and the motion was seconded by Ms. Marissa Trinidad. 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, 2017 was approved by stockholders representing at least a majority of the total voting shares, present and represented at the meeting, as detailed below:

VOTES	NUMBER OF VOTES CAST (1 share = 1 vote)	PERCENTAGE OF VOTING
1. Approved	896,699,840	79.55%
2. Against	304	0.00%
3. Abstained	32,758	0.00%
Total Votes	896,732,902	79.56%

The following resolution was thus adopted and approved as Resolution 2018-3:

“RESOLVED, that the audited financial statements for the year ended December 31, 2017 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 acts, resolutions, and deeds of the Board of Directors, its Committees and Management of the Company from the Annual Stockholders' Meeting held on May 30, 2017 up to this meeting. Upon the Chairman's request, the Secretary briefly explained that these acts are provided in the minutes of meetings of the Board, its Committees and the Management. These also include the approval of contracts and agreements, projects and investments, treasury matters, dividend declaration, and disclosures to the Securities and Exchange Commission and Philippine Stock Exchange.

Acts of Management pertain to those taken to implement the resolutions, directives and instructions of the Board and its Committees and those done in the regular course of the Company's business.

Mr. Angelo Sanchez moved for the confirmation, approval and 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 30, 2017 up to this meeting. This was seconded by Ms. Celeste Cañete.

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, its Committees and Management of the Company from the Annual Stockholders' Meeting held on May 30, 2017 up to this meeting were ratified by the stockholders representing at least a majority of the total voting shares, present and represented at the meeting, as detailed in the following table:

VOTES	NUMBER OF VOTES CAST (1 share = 1 vote)	PERCENTAGE OF VOTING
1. Approved	896,675,128	79.55%
2. Against	925	0.00%
3. Abstained	56,849	0.00%
Total Votes	896,732,902	79.56%

The following resolution was thus adopted and passed as Resolution 2018-4:

“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 30, 2017 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 provides for eleven (11) seats in the Board. The Company’s stockholders, including shareholders in the minority, were given the opportunity to nominate candidates for election to the Board of Directors.

Prior to the meeting, all stockholders were given the opportunity to submit their views on any issue that they deemed fit for inclusion in the agenda, as well as to propose qualified candidates for directors. A “Call for Nomination” was also posted in the Company’s website last January 29, 2018 calling for the submission of the proposed agenda and nomination of qualified candidates on or before March 9, 2018.

The Chairman of the Nomination and Governance Committee, Mr. Pedro E. Roxas, was requested by the Chairman to explain the screening process and to read the names of the nominees.

Mr. Roxas stated that in accordance with the Company’s By-Laws and Manual of Corporate Governance, as well as the Corporation Code and the Securities Regulations Code, the following stockholders were duly nominated as members of the Company’s Board of Directors to serve as such for the ensuing term:

Name	Nominated by
1. Anabelle L. Chua	Beacon Electric Asset Holdings, Inc.
2. Ray C. Espinosa	Beacon Electric Asset Holdings, Inc.
3. James L. Go	JG Summit Holdings, Inc.
4. Lance Y. Gokongwei	JG Summit Holdings, Inc.
5. John L. Gokongwei, Jr.	JG Summit Holdings, Inc.
6. Elpidio L. Ibañez	First Philippine Holdings Corporation
7. Jose Ma. K. Lim	Metro Pacific Investments Corporation
8. Artemio V. Panganiban	Mr. Julio C. Perez
9. Manuel V. Pangilinan	Beacon Electric Asset Holdings, Inc.
10. Oscar S. Reyes	Beacon Electric Asset Holdings, Inc.
11. Pedro E. Roxas	Mr. Julio C. Perez

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

The Nomination and Governance Committee had evaluated the qualifications of the nominees, including the nominees for Independent Directors, and determined that they have all the qualifications and none of the disqualifications to serve as directors of the Company. All these nominees have given their consent to their nomination.

On motion made by Mr. Clarence Octaviano and seconded by Ms. Marissa Trinidad, 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:

Name	Approved
1. Anabelle L. Chua	896,195,479
2. Ray C. Espinosa	896,416,978
3. James L. Go	896,138,969
4. John L. Gokongwei, Jr.	896,749,166
5. Lance Y. Gokongwei	896,643,493
6. Elpidio L. Ibañez	896,516,175
7. Jose Ma. K. Lim	896,089,332
8. Artemio V. Panganiban	896,994,110
9. Manuel V. Pangilinan	897,727,595
10. Oscar S. Reyes	897,722,185
11. Pedro E. Roxas	896,493,337
A total of 35,618 shares (391,798 equivalent votes) abstained from the election of directors.	

The above was thus adopted and passed as Resolution 2018-5.

The Chairman acknowledged and welcomed the newly elected Board member, Mr. Elpidio L. Ibañez, to the Company's Board of Directors.

The Chairman thanked outgoing Director, Ambassador Manuel M. Lopez, for his valuable contributions to the Company and wish him well in his future endeavors. A short video of appreciation for Ambassador Lopez was presented.

APPOINTMENT OF EXTERNAL AUDITORS

The next order of business was the appointment of external auditor for the Company.

Retired Chief Justice Artemio V. Panganiban stated that in the evaluation of the performance during the past year of the Company's present external auditor, SyCip Gorres Velayo & Company. For the year ended December 31, 2017, the Company paid an audit fee of ₱7.7 million. The Audit Committee found their performance satisfactory. The reappointment of SGV & Company as external auditors of the Company for the ensuing year was thus endorsed by the Audit Committee and the Board of Directors.

On motion made by Mr. Norleen Alban and seconded by Ms. Cristet Celis, there being no objection despite opportunity given, SGV & Company's reappointment as the Company's external auditor was approved by the stockholders representing a majority of the voting shares, 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	896,567,406	79.54%
2. Against	15,101	0.00%
3. Abstained	151,959	0.01%
Total Votes	896,734,466	79.56%

The following resolution was thus adopted and passed as Resolution 2018-6:

"RESOLVED, that SGV & Company, Certified Public Accountants, be, as they hereby are, retained and appointed external auditor of the Company."

QUESTIONS & ANSWERS ON THE FLOOR

The Chairman inquired if there are other business to consider. Some stockholders requested to ask additional questions to the Chair.

Mr. Guillermo Gili, Jr. suggested for Meralco to secure a prior written consent from the registered lot owner as indicated in the Transfer Certificate of Title (TCT) before installing electric facilities in private properties. Chairman Pangilinan said while the Company is already doing this, his suggestion will be duly noted.

Mr. Robert Go addressed his question to retired Chief Justice Artemio V. Panganiban regarding the present government shifting to Federal System of government and the possible outcome considering that Meralco will be in business for another 50 years. Retired Chief Justice Panganiban responded that there is a more appropriate forum to address the question. Mr. Go also asked if the independent directors can be more proactive in the Annual Stockholders' Meeting. In response to the question, retired Chief Justice Panganiban explained that as an independent director, he is proactive as a member of the Board of Directors of Meralco and as the Chairman of the Audit Committee. He added that in the Annual Stockholders' Meeting, his role as the Chairman of the Audit Committee is to deliver the recommendation of the Audit Committee, and this has been approved by the Board of Directors and stockholders.

Mr. Sam Canua inquired if Meralco will provide electronic jeepneys in the Jeepney Modernization Program of the government. Mr. Reyes said that Meralco is looking at the possibility of getting a dedicated line for e-jeepneys.

Mr. Gregorio R. Fagela requested to see the Manager of the Makati Branch as there is something confidential that he would like to report. Mr. Redel M. Domingo, Head of HMB – Central Business Area, then approached Mr. Fagela to assist him with his concern.

ADJOURNMENT

There being no other business to transact, upon motion made by Ms. Celeste Cañete and seconded by Mr. Rain Villaran, the meeting was adjourned at 11:28 a.m.



WILLIAM S. PAMINTUAN
Assistant Corporate Secretary

ATTEST:

MANUEL V. PANGILINAN
Chairman of the Board

PROOF OF NOTICE

I HEREBY CERTIFY, as duly elected, qualified and incumbent Assistant 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, 2018.


WILLIAM S. PAMINTUAN
Assistant Corporate Secretary