

Draft

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS OF MANILA ELECTRIC COMPANY HELD ON 30 MAY 2017 LOPEZ BUILDING, ORTIGAS AVENUE, PASIG CITY

CALL TO ORDER

The Company's 2017 Annual Stockholders Meeting was called to order at 10:00 a.m. on May 30, 2017 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 Corporate Secretary, Atty. Simeon Ken R. Ferrer, 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 to 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: Atty. Ray C. Espinosa, Messrs. James L. Go, John L. Gokongwei, Jr., Lance Y. Gokongwei, Jose Ma. K. Lim, Oscar S. Reyes, Pedro E. Roxas, Ms. Anabelle L. Chua, Ambassador Manuel M. Lopez, and retired Chief Justice Artemio V. Panganiban. Mr. James L. Go was not present in today's meeting as he is out of the country. 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 Corporate Secretary, Atty. Simeon Ken R. Ferrer, 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.

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 30, 2017 calling for the submission of the proposed agenda and nomination of qualified candidates on or before March 6, 2017.

Upon registration, all stockholders were provided with ballots and proxy forms allowing them to vote whether in person or *in absentia* 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 Corporate 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 2017 Annual Stockholders’ Meeting.

As each item in the agenda is taken up, the Corporate 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 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 10, 2017. The notices were released on April 10, 2017, fifty (50) working days prior to the annual stockholders meeting. 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 Corporate Secretary reported and certified that there was a quorum for the meeting, as stockholders who own or hold over 944,212,393 shares or approximately 83.77% 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 31, 2016.

Ms. Madel delos Santos moved to dispense with the reading of the Minutes of the Annual Stockholders' Meeting held on May 31, 2016 and to approve the same since copies of the Minutes have 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. Catherine Viray. 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 below:

VOTES	NUMBER OF VOTES CAST (1 share = 1 vote)	PERCENTAGE OF VOTING
1. Approved	943,496,873	83.71 %
2. Against	9,357	0 %
3. Abstained	32,475	0 %
Total Votes	943,538,705	83.71 %

The following resolution was thus adopted and approved as Resolution 2017-1:

“RESOLVED, that the Minutes of the Annual Stockholders’ Meeting held on May 31, 2016 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, a warm welcome to our 2017 Annual Stockholders’ Meeting.

Early this year, Meralco commemorated its 25th year listing anniversary at the Philippine Stock Exchange with a special bell ringing ceremony on January 10. Our shares of stock were first traded on January 8, 1992 at the then Manila and Makati Stock Exchanges, following an initial public offering. At the time of listing, our Company’s market capitalization stood at ₱1.7 Billion, revenues at ₱28.0 Billion, and a customer base at 2 Million customer accounts. After 25 years, our latest market cap now stands at ₱314.2 Billion, revenues in 2016 at ₱257 Billion and customer base of over 6 Million.

Our Company continues to achieve new milestones in creating value for our investing public, our consumers, the Philippine economy and communities at need, even outside our franchise area through our various Corporate Social Responsibility (or CSR) programs. We are entering into a new phase of heightened customer centricity and service, power generation, operating and financial excellence, advances in technology, an expanded

distribution footprint within and outside of the country and other business ventures.

And our growth story continues.

ON THE PHILIPPINE ECONOMY

In 2016, we benefited from a highly favorable economic climate for businesses, investors and Meralco's customers.

The Philippines remained a strong performer in the region, despite slower global growth, and political surprises and shifts here and overseas that seem to herald that major change in trade and investment flows is coming.

We witnessed new economic benchmarks achieved, with Gross Domestic Product (or GDP) soaring to 6.9% compared with 6.1% in 2015. Inflation was sustained at below 2% for the second straight year, the lowest in more than two (2) decades. Interest rates remained highly supportive of capital formation, investment, and consumer spending, with the average benchmark, Phil. Dealing System 1-year and 7-year rates at 2.2% p.a. and 3.9% p.a. respectively, lower than in 2015. The Philippine Stock Exchange index continued to hover in 2016 at 7,000, and is now near 7,800. These new records underpinned Meralco's positive financial results and enabled good returns to our shareholders.

ON THE POWER INDUSTRY

Continuing positive growth in economic activity and consumer demand, warmer temperatures, lower electricity rates, stable power supply and election year spending drove strong electricity demand in 2016.

However, the year was not without its share of challenges. The key challenges remained to be successfully managing changing market conditions, embracing new and potentially disruptive technologies and coping with changing policies and regulations.

Our role in the electricity supply chain has changed since mid-2013 with Retail Competition and Open Access (or RCOA). On a phased basis, customers are being given the option to switch to contestability and choose

their Retail Electricity Supplier (or RES) or to remain as a captive customer of the Distribution Utility. We are actively competing in this RES market which has become intensely price competitive, to the benefit of consumers.

The Luzon peak demand in 2016 was 8.9% higher than in 2015, at 9,726 MW. This year, Peak Demand has so far risen 3.4% to 10,054 MW last May 9.

Growth in energy demand in 2016 was complemented by soft fuel prices, with coal, oil and natural gas prices at relatively low levels for a good part of 2016.

Renewable Energy is becoming a new source of supply in the electricity supply chain, particularly utility scale solar and rooftop solar for commercial, industrial and residential customers. To support the Feed-in-Tariff (FIT) program, the Energy Regulatory Commission (ERC) approved the collection of a FIT-Allowance (or FIT-All) of 4.06 centavos per kWh in 2015, billed to on-grid electricity consumers nationwide. This FIT-ALL charge was increased to 12.40 centavos per kWh, on April 1, 2016, triple the initial rate. Just this month, on May 18, the FIT-All Rate was further raised to 18.30 centavos per kWh, effective June 2017, more than four-fold the initial FIT-All charge. These are fairly substantial subsidy charges to be added on to the consumers' bills.

In March of 2016, the ERC restated the effectivity date for Competitive Selection Process (CSP) for Power Supply Agreements (or PSAs) of all Distribution Utilities and Electric Cooperatives to April 30, 2016. This enabled our Company to finalize, sign and file for ERC approval before the end-April 2016 deadline seven (7) PSAs that had long been under extensive preparation and negotiations. These are still awaiting approval by the ERC.

Our Company continues to engage constructively with our regulators and policy-makers on new rules and regulations. We manifested to our regulators that the issuance of regulations on mandatory contestability and on the phase-out of the Local Retail Electricity Supply (or LRES) units of over 20 Distribution Utilities (DUs) and 120 Electric Cooperatives (ECs) would deprive customers their freedom of choice, and deprive DUs and ECs, including Meralco, the right to continue competing in the growing RES market. We further pointed out to ERC that these regulations which also prescribed a winding down period of three (3) years for longer-term RES contracts and

arbitrary RES market share caps, were an undue intervention on free and competitive markets. They resulted in operational and commercial prejudice to Meralco (and any other similarly situated DU or EC). These constrained our Company, and other adversely affected consumers and business groups, to seek judicial resolution of these regulatory issuances.

ON OUR FINANCIAL AND OPERATING RESULTS

A robust economy and positive conditions in the power industry enabled yet another exceptional year of sales, operating, and financial performance for Meralco and our subsidiaries in 2016.

Consolidated Core Net Income (or CCNI) grew 3.7% to ₱19.583 Billion in 2016. This translates to an average annual core income increase of close to 6% over the last five (5) years.

Consolidated Reported Net Income was marginally higher than in 2015 at ₱19.176 Billion.

Consolidated Core EBITDA rose by 10% to ₱33.956 Billion over 2015.

Total cash dividends out of our 2016 CCNI amounted to ₱13.91 per share, or a payout of 80% of 2016 CCNI. These cash dividends consisted of an interim dividend of ₱4.61 per share and a final cash dividend of ₱9.30 per share, inclusive of a special cash dividend of ₱5.22 per share.

Meralco's share price was ₱256.00 at the last trading day of 2016. 2016 Core Earnings per Share (or EPS) was ₱17.37 while Reported Earnings Per Share was ₱17.01. For March 2017, year-to-date, Core EPS is ₱4.08 while Reported EPS is ₱4.27.

Our market cap amounted to ₱298.681 Billion as of end-2016. Based on the share price of ₱278.80 last May 19, our market capitalization stands at ₱314.2 Billion.

Excellent performance and favorable results have allowed us to sustain a strong balance sheet, with shareholders' equity of ₱75.146 Billion, and borrowings at ₱40.347 Billion as of December 31, 2016.

Cash and cash equivalents amounted to ₱46.656 Billion, excluding investments in available-for-sale ("AFS") and held-to-maturity ("HTM")

instruments of ₱46.533 Billion, as of end 2016. Our total interest-bearing debt, all denominated in pesos, was at ₱40.3 Billion. This translates to a Gross Debt to EBITDA ratio of 1.18 x. Total assets stood at ₱296.0 Billion as of December 31, 2016.

ON OUR CUSTOMER BASE AND ENERGY SALES

Total customer base expanded beyond the six (6)-million mark, a new milestone, with 6,038,407 customer accounts as of end-2016. This is 4.4% higher than in 2015, boosted by the Company's continued engagement with customers and focus on facilitating customer applications and accelerating energization.

Residential customers numbered 5.54 Million, Commercial customers 486 thousand and Industrial customers nearly 10,000 accounts.

Meralco views 2016 as a year of new all time-highs and sustained successes. Consolidated energy sales volume broke the 40,000 GWh-mark, closing at 40,142 GWh or a growth of 8.1% over 2015, the highest since 2010.

Residential volumes propelled Meralco to new heights growing at 11.9%.

Commercial volumes grew by 8.3% with real estate, retail trade, hotel and restaurant industries as the key growth sectors, with average increases of 9.5% to 10%.

Industrial volumes were up 4.3% over 2015 with the cement, food and beverage, rubber and plastics manufacturing industries leading the growth on the back of increasing consumer spending.

ON MERALCO'S DISTRIBUTION SYSTEM AND CUSTOMER RETAIL

Our distribution system has remained highly responsive to the stresses of surging Peak demand, energy sales and customer expansion. And our operating performance has been outstanding.

2016 Peak demand within the Meralco franchise area increased by 7.1% to 6,748 MW, on May 4. This year, Peak demand spiked by 2.3% to 6,906 MW on May 9.

System loss has been tightly managed and is at its all-time low. This achievement has been enabled by continuing capital expenditures as well as operating expenses incurred in engaging law enforcement personnel, local government units and the community in addressing electricity theft, pilferages and service violations. The 12-month moving average system loss rate at December 31, 2016 was 6.35%, below the regulatory cap of 8.5%. This translates to total deemed savings for our consumers within the Meralco franchise area amounting to ₱21.5 Billion or 12 centavos per kWh over the last five (5) years.

Our Company remains focused on containing the generation charge and our customers' bill. 2016 saw our customers benefitting as average generation charge was at ₱3.94 per kWh, the lowest since 2004, and average retail price at ₱7.50 per kWh, the lowest since 2005 or over the last 11 years.

The average customer bill of ₱7.50 per kWh was 9.2% lower than in 2015. Generation Charge continues to be the largest component at 52%, Meralco's distribution charge accounted for only 19%, transmission charge 11%, Taxes and Subsidies at 13% of the average 2016 customer bill.

Meralco has managed to generate these improvements, with an even leaner organization of 5,569 employees, down 1.6% from 2015. This translates to higher workforce productivity with all-time highs in our Energy Sales Per Employee, and our Customer per Employee Ratios, improving by 9.9% and 6.1% respectively over 2015.

All of these, supported by focused efforts to enhance customer experience, products, services and programs, touchpoints, and a robust and reliable network, have earned for Meralco its highest ever Customer Satisfaction Index at 8.29%.

HOW WILL WE SUSTAIN MERALCO'S GROWTH TRAJECTORY IN THE COMING YEARS

Our strategy for profitable growth, and for sustained enhancement of value to our customers and our shareholders, remains anchored on five strategic business pillars:

(1st) Strengthening Meralco's Core Distribution Business; (2nd) Profitably Competing in the Retail Electricity Supply Business; (3rd) Building our Power Generation Portfolio; (4th) Growing our Electricity Distribution Presence; and (5th) Driving the Expansion of our Subsidiaries and Affiliates.

ON STRENGTHENING OUR CORE DISTRIBUTION PRESENCE

We have been continuously investing sizable capital expenditures to meet customer and load growth, to upgrade our Network and customer service infrastructure and ensure the robustness, resiliency, system loss performance and safety of our electricity system. We are increasingly investing as well in automation, innovation and technology for quality customer service.

Our Company has been providing our customers the best value in energy through an array of programs, products and services. We continue to look for solutions to help customers achieve efficiency in their electricity service. In 2016, Meralco embarked on key projects such as our Customer Experience Transformation Program (or CxTP), Prepaid Electricity Service, Advance Metering Infrastructure (or AMI), Energizing Partnerships with LGUs, Joint Strategic Planning and Power Up Forums with major customers.

We are also engaging in solar and other renewables as an integral part of providing energy solutions to our customers. The rapid and continuing decline in the EPC cost of solar installations, with the drop in the prices of solar panels, inverters and balance of plant, has allowed solar to grow its presence in the market against traditional supply sources, without the need for subsidies, including FIT.

Our Company entered into Power Supply Agreements (or PSAs) with Solar Philippines and Powersource First Bulacan Solar for a total of 100 MW, with rates ranging from ₱4.69 per kWh to ₱5.39 per kWh, much lower than the latest FIT rate of ₱8.69 per kWh. These PSAs are also still awaiting regulatory approval.

ON COMPETING IN THE RETAIL ELECTRICITY SUPPLY BUSINESS

Meralco's local retail electricity supply unit, MPower, actively competes in the highly competitive RES market. From 1,576 GWh sold in 2013 since RCOA started in June that year, MPower sales have reached 4,792 GWh in 2016. There were a total of 431 contestable customers in the Meralco franchise area who have switched to the contestable market as of end 2016, of which 237 are served by MPower.

MPower views its customer partnerships to be one beyond electricity supply. Customer service delivery initiatives focus on providing best-in-class customer experience and strengthening partnerships, to meet changing customer requirements in a dynamic retail energy market.

The year also marked another milestone, as an affiliate RES company, Vantage Energy Solutions and Management, Inc. (Vantage), was issued its affiliate retail electricity supply license by the Energy Regulatory Commission on January 10, 2017. This allows Vantage Energy to provide highly competitive quality energy products and services to contestable customers outside the Meralco franchise in the Luzon and Visayas regions. Two other subsidiary companies, Meralco PowerGen Corporation (MGen) and Comstech Integration Alliance, were issued affiliate RES licenses to enable them to compete in their respective target markets. Another subsidiary, Clark Electric Development Corporation, is in the process of securing its own affiliate RES license.

ON BUILDING OUR POWER GENERATION PORTFOLIO

Presence in power generation is strategic to Meralco's ability to fulfill its franchise mandate of ensuring adequate, reliable and competitive power supply to the growing number of customers in our franchise area. Absent this, we would be a pure price taker, and a pure supply taker, fully dependent on, and without competitive price tension to, third party power suppliers for the requirements of our customers.

Our power generating entity, Meralco PowerGen Corporation (MGen), remains focused on the delivery of its targeted power generation portfolio of

over 3,000 MW of new coal-fired and renewable power generating plants, in joint venture with major players in the industry.

Substantial progress has been achieved by MGen in bringing its joint venture power projects to financial close, or nearer this milestone, with the signing of PSAs, and the award or shortlisting of EPC contracts for these projects.

These include (1) the San Buenaventura Power Ltd. Co. (SBPL), a 455 MW (net) coal-fired power plant in Mauban, Quezon. SBPL is the first coal-fired power plant in the country to use supercritical technology, with a planned commercial operations date (COD) in 2019. SBPL is a joint venture of MGen with New Growth B.V., a subsidiary of the Electricity Generating Company Limited of Thailand (“EGCO”).

(2) Redondo Peninsula Energy, Inc. (or RP Energy), a 2 x 300 MW Circulating Fluidized Bed (or CFB) power plant in Subic, Zambales. RP Energy is a joint venture among MGen, Therma Power, Inc. of Aboitiz Power Corporation and Taiwan Cogeneration International Corporation – Philippine Branch.

RP Energy’s first 300 MW plant is originally scheduled for commercial operations in 2020.

and (3) Atimonan One Energy Inc. (A1E), a 2 x 600 MW coal-fired power plant in Atimonan, Quezon. It will be the first coal-fired power plant in the country to use the ultra-supercritical technology. A1E’s plant is originally scheduled for commercial operations in 2021 (unit 1) and 2022 (unit 2).

ON GROWING THE ELECTRICITY DISTRIBUTION AND GENERATION PRESENCE

Meralco continues to pursue opportunities in growing its distribution service footprint. 2016 saw Pampanga Electric Cooperative II, PELCO II, become a Class A electric cooperative. Operating performance including System Loss, Collection efficiency, Processing time for Service application, have seen major improvements. Meralco Ecozone Power (MEP) has also been profitably operating the electric distribution network within the Cavite Ecozone under a 25-year Concession Agreement with the Philippine

Economic Zone Authority (PEZA), providing excellent service to the locators in the Ecozone.

Overseas, Meralco is now on our 3rd year of advisory and support operations in Nigeria, serving as technical partner to the Ibadan Electric Distribution Company. Our Company has also requested to provide advisory and operations support to the Port Harcourt Electricity Distribution Company (PHED).

Pure Meridian Hydropower Corp. (PMHC), our Company's joint venture for minihydro projects, launched the 10.6MW Pulanai MHP (in Bukidnon), our first foray into run-of-river hydropower.

ON DRIVING THE EXPANSION OF SUBSIDIARIES AND AFFILIATES

A new subsidiary, Spectrum Inc., was formed to provide rooftop solar energy to commercial, industrial and residential customers for their own use. Spectrum will also engage in utility scale solar energy generation and supply. This is Meralco's first foray into the renewable energy business as part of our commitment to sustainability.

A number of our subsidiaries notched their own milestones in 2016, making a positive impact in their respective areas of business. They provided an uplift to the Company's bottom line. These include Bayad Center (the country's largest multi-biller payment collection service); Meralco Industrial Engineering Services Corporation or MIESCOR (in engineering, construction, and maintenance services); Meralco Energy, Inc. or MServ (in energy solutions and services), and Radius Telecoms, Inc. They contributed to our CCNI in amounts ranging from ₱139 Million to ₱283 Million. Clark Electric Distribution Corporation, or CEDC, a 65%-owned subsidiary, also added close to ₱180 Million to our bottom line.

ON MERALCO BEYOND OUR BUSINESS UNDERTAKINGS

Consistent with the Meralco values of "Malasakit" and "Makabayan", fully supporting electric cooperatives restore power in their respective areas has been One Meralco Foundation's (or OMF) flagship disaster response initiative. In 2016, in response to three (3) major typhoons, 229 Meralco

personnel, including linemen and Networks personnel, were dispatched and worked a total of 33,636 man-hours over a period of 93 days to help restore power and provide emergency relief to Batanes, Cagayan, and Isabela in the North and Quezon, Mindoro Oriental, Catanduanes and Camarines Sur, in the South. Our men were faced with unique challenges, yet delivered on their mission. Even with only basic tools at their disposal at times, the Meralco teams' hard work benefited over 130,000 households.

It was another vibrant year for our corporate social responsibility projects under the stewardship of OMF. In 2016, OMF energized close to 6,800 low income households, exceeding its target of 5,000 households. Collaboration within the Meralco organization, and stronger relationships with external parties, including local governments and urban poor homeowners associations, were instrumental in achieving such result.

Education being critical to enable progress, OMF energized a total of 50 schools located in 12 far-flung provinces including Tawi-Tawi, Palawan, Occidental Mindoro, and Oriental Mindoro.

TO CONCLUDE

In our engagement with various publics and the conduct of our business, we have been honored with various awards by international and local organizations on corporate governance, people management and communications excellence, and business leadership.

In delivering superior performance to our customers and value to you, our stockholders, we profusely thank all of you, and all our people in Meralco, our subsidiaries and affiliates, and the One Meralco Foundation.

LOOKING AHEAD

Viewed from the perspective that 2016 was an ideal business setting and a high base, we deem 2017 to be a more challenging year for Meralco. Externally, mixed global economic performance, volatile interest, exchange rate and commodity prices, and geographical tensions, persist. Domestically, broader economic inclusiveness, particularly jobs, amidst heightened social

expectations, and stronger socio-political cohesion or unity, are continuing challenges for sustained and higher growth.

We remain alert to the potential economic pressures our consumers may face in the near to medium-term from higher inflation, interest and exchange rates, and commodity prices. For us, innovation goes beyond addressing the changing markets and disruptive technologies, but is rather, the means by which we sustain the transformation of our business. We will strive to continue delivering what our customers want and need, and stay well ahead of competition by constantly anticipating and adapting to the market and to emerging technologies and disruptions.

In closing, we thank our over six (6) million customers and the communities we serve for their continued trust in Meralco's service, and you, our valued stockholders, for your confidence in us. We express our gratitude to our Board of Directors for their vision, governance and guidance; our Management Team and our employees for their unwavering commitment to service excellence; and our regulators and policy makers for providing the enabling environment within which we can succeed in fulfilling our franchise mandate and in delivering the best value to our customers and shareholders.

Maraming salamat po sa inyong lahat."

QUESTIONS AND ANSWERS ON THE FLOOR

The Chairman opened the floor and gave the stockholders the opportunity to ask questions and/or raise issues. Stockholders with technical or customer service concerns were advised to approach the Customer Help Desk near the Registration Area.

Mr. Rafael Abaga asked why the country is not pursuing nuclear power plants instead of coal-fired power plants. The President & CEO, Mr. Oscar S. Reyes, replied that the Company is building coal-fired power plants, as well as other power plants, to fulfill its franchise mandate of providing adequate and reliable energy at the least cost. He explained that coal-fired power plants are currently the cheapest available technology to achieve this mandate. Mr. Reyes shared that in the 1980's, the 660 MW Bataan nuclear power plant was nearing

completion. However, because of serious safety and security concerns, that project was put to stop. Other countries have also taken note of the need to ensure safety and security in the nuclear power plants. He also noted that the Company must await the policies and guidelines from the government regarding nuclear power as studies are still being conducted to consider the safety and security concerns.

Mr. Rafael Abaga also asked about the country's electricity rates, stating that the country has the most expensive rates in the planet. He also asked about the perceived differences between the electricity rates of residential and commercial customers. The President & CEO responded that based on studies by independent third party experts, the country does not have the most expensive electricity rates in the region and that the Philippines has cheaper electricity rates than Japan and Singapore. He explained that the electricity rates in the country are fully priced and reflect a true market price as there is no subsidy. Electricity rates in other countries, such as Indonesia, Malaysia, and Brunei, have the benefit of subsidies by their state power corporations or agencies and also have indigenous natural resources such as gas, oil and coal that help lower their electricity price. On the perceived differences between the electricity rates of residential and commercial customers, the President & CEO explained that the rates differ among residential, commercial and industrial customers based on the cost to serve and that this is also regulated by the Energy Regulatory Commission.

Mr. Rafael Abaga also raised a point about electricity pilferage. The President & CEO assured the body that the Company is relentless in continuing to fight this and encouraged the public to help by reporting incidents of electricity pilferage.

Mr. Nestor Lim asked about the projected growth of the Company and how the refund mandated by the ERC would affect the shareholder value. The Chairman responded that in the first four (4) to five (5) months, there has been growth in both the volume of customer accounts

and electricity volume. He stated that there is continued growth in the business and is optimistic about the Company's position for the year. On the refund mandated by the ERC, the President & CEO explained that this has been fully provided for and should not affect shareholder value.

In as much as enough time was given and there was enough questions from the floor, Ms. Celeste Canete moved to proceed to the next item on the agenda. Mr. Dan Yao seconded the motion. There being no objection despite opportunity given by the Chairman, the motion was thereupon carried.

<p>APPROVAL OF THE 2016 AUDITED FINANCIAL STATEMENTS</p>

The next item on the agenda was the approval of the Audited Financial Statements for the Year 2016.

Mr. Gabriel Enriquez moved for the approval of the Company's 2016 Audited Financial Statements and the motion was seconded by Mr. Randy Sandoval. 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, 2016 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	943,514,040	83.71%
2. Against	8,690	0%
3. Abstained	14,378	0%
Total Votes	943,537,108	83.71%

The following resolution was thus adopted and approved as Resolution 2017-2:

"RESOLVED, that the audited financial statements for the year ended December 31, 2016 be, as the same hereby are, approved."

RATIFICATION OF ACTS, RESOLUTIONS, AND DEEDS OF THE BOARD OF DIRECTORS AND MANAGEMENT

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 31, 2016 up to this meeting. Upon the Chairman's request, the Corporate 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.

Ms. Freedom Navidad 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 31, 2016 up to this meeting.

This was seconded by Mr. Andrew Borja. 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, 2016 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 below:

VOTES	NUMBER OF VOTES CAST (1 share = 1 vote)	PERCENTAGE OF VOTING
1. Approved	943,487,800	83.71%
2. Against	15,456	0%
3. Abstained	24,847	0%
Total Votes	943,528,103	83.71%

The following resolution was thus adopted and passed as Resolution 2017-3:

“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, 2016 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. 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. Ray C. Espinosa	Beacon Electric Asset Holdings, Inc.
2. James L. Go	JG Summit Holdings, Inc.
3. Lance Y. Gokongwei	JG Summit Holdings, Inc.
4. John L. Gokongwei, Jr.	JG Summit Holdings, Inc.
5. Jose Ma. K. Lim	Metro Pacific Investments Corporation
6. Manuel M. Lopez	First Philippine Holdings, Corporation
7. Anabelle L. Chua	Beacon Electric Asset Holdings, Inc.
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. Mark Asuncion and seconded by Mr. Dan Yao, 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	942,906,424
2. Ray C. Espinosa	943,182,467
3. James L. Go	942,856,444
4. John L. Gokongwei, Jr.	943,236,701
5. Lance Y. Gokongwei	943,219,008
6. Jose Ma. K. Lim	942,824,902
7. Manuel M. Lopez	946,408,843
8. Artemio V. Panganiban	943,730,660
9. Manuel V. Pangilinan	943,931,569
10. Oscar S. Reyes	943,929,293
11. Pedro E. Roxas	942,933,115
A total of 67,906 shares (746,966 equivalent votes) abstained from the election of directors.	

The above was thus adopted and passed as Resolution 2017-4.

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, 2016, the Company paid an audit fee of ₱7.3 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. Angelo Manlangit and seconded by Mr. Andrew Borja, 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	943,343,144	83.70%
2. Against	18,137	0%
3. Abstained	40,507	0%
Total Votes	943,401,788	83.70%

The following resolution was thus adopted and passed as Resolution 2017-5:

“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 for which a stockholder asked additional question.

Mr. Gili Guillermo asked if it was possible to categorize all the directors of publicly-listed companies as independent directors. The Chairman explained that he is not aware if there is any jurisdiction that requires private companies to have a Board that is composed of all independent directors.

ADJOURNMENT

There being no other business to transact, upon motion made by Mr. Garri Calabio and seconded by Mr. Randy Sandoval, the meeting was adjourned at 11:20 a.m.

SIMEON KEN R. FERRER
Corporate Secretary

ATTEST:

MANUEL V. PANGILINAN
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 30, 2017.


SIMEON KEN R. FERRER
Corporate Secretary