

Draft - Subject to approval in the 2020 annual stockholders' meeting



Integrated Micro-Electronics, Inc.

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**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING**  
**April 8, 2019 at 9:00 AM**  
**Karangalan Multi-Purpose Hall, Integrated Micro-Electronics, Inc.**  
**North Science Avenue, Laguna Technopark, Biñan, Laguna**

Shareholders present:	No. of Outstanding and Voting Shares 1,706,328,789	Percentage of Total 76.96%
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**Directors Present:**

Jaime Augusto Zobel de Ayala	<i>Chairman of the Board</i>
Arthur R. Tan	<i>Chief Executive Officer Chairman, Executive Committee</i>
Gilles Bernard	<i>President</i>
Fernando Zobel de Ayala	
Delfin L. Lazaro	<i>Chairman, Finance Committee Member, Compensation Committee</i>
Rafael C. Romualdez	<i>Vice Chairman, Executive Committee Member, Audit and Risk Committee Member, Finance Committee Member, Related Party Transactions Committee</i>
Hiroshi Nishimura	<i>Chairman, Related Party Transactions Committee Member, Corporate Governance and Nomination Committee Member, Audit and Risk Committee</i>
Jose Ignacio A. Carlos	<i>Member, Compensation Committee</i>
Edgar O. Chua	<i>Chairman, Audit and Risk Committee Member, Related Party Transactions Committee Member, Corporate Governance and Nomination Committee Lead Independent Director</i>
Jose Teodoro K. Limcaoco	<i>Member, Executive Committee Member, Finance Committee Member, Related Party Transactions Committee</i>
Sherisa P. Nuesa	<i>Chairman, Corporate Governance and Nomination Committee Chairman, Compensation Committee</i>

## **1. Call to Order**

After the invocation and national anthem, the Chairman, Mr. Jaime Augusto Zobel de Ayala, called the meeting to order at 9:00 AM. He welcomed the stockholders and noted the presence of the members of the Board of Directors, the Chief Executive Officer, the President, other officers of the Corporation and representatives of the external auditor of the Corporation.

## **2. Notice of Meeting**

The Secretary, Mr. Solomon M. Hermosura, certified that the notice of the meeting was sent by March 18, 2019, to each stockholder of record as of February 22, 2019, in accordance with the By-Laws and applicable rules. The notice was also published on March 22, 2019, in the Philippine Daily Inquirer, a newspaper of general circulation.

## **3. Determination of Quorum**

The Secretary certified that there was a quorum for the meeting with stockholders owning 1,706,328,789 shares or 76.96% of the total outstanding shares, present in person or by proxy.

## **4. Instructions on Rules of Conduct and Voting Procedures**

The Chairman requested that any stockholder wishing to speak should first identify himself or herself after being acknowledged by the Chair and to limit his or her remarks to the item under consideration.

Thereafter, the Secretary explained that the rules of conduct and the voting procedures had been provided to the stockholders together with the notice of the meeting and printed copies were made available to the stockholders or their proxies upon registration at the meeting.

Stockholders may cast their votes either manually using the ballot provided upon registration or electronically using the computers near the registration area. Both the paper ballot and electronic voting platform set forth the proposed resolutions for consideration by the stockholders, which resolutions would be shown on the screen as they are taken up during the meeting. Beginning this year's meeting, the Corporation has introduced a facility for voting *in absentia* or through remote communication as an additional mode through which stockholders who are not in the venue may cast their votes. Registration under such mode began on March 20, 2019 with stockholders who were able to successfully register having until the end of the meeting to cast their votes *in absentia*.

The Secretary reported that as of April 1, 2019, after the end of the proxy validation process, stockholders owning 1,700,247,735 voting shares representing 99.99% of the total voting shares represented in the meeting and 76.68% of the total outstanding voting shares had cast their votes on the items for consideration; that the votes of these stockholders had been tabulated; that he would be referring to such partial tabulation when reporting the voting results during the meeting; and that there were remaining votes which have yet to be counted but the results of the complete tabulation of votes would be reflected in these minutes.

## 5. Approval of Minutes of the 2018 Stockholders' Meeting

The Chairman then proceeded with the approval of the minutes of the annual stockholders' meeting held on April 13, 2018. Copies of the minutes were distributed to the stockholders upon registration and a copy thereof was posted on the website of the Corporation. After opening the floor for comments and there being no question, the Chairman requested for a motion for approval.

On motion of Ms. Lisa Mona D. Cariaso, seconded by Mr. Joel O. Peña, the stockholders approved the minutes and adopted Resolution No. S-01-19, which was shown on the screen:

### Resolution No. S-01-19

**RESOLVED**, to approve the minutes of the annual stockholders' meeting held on April 13, 2018.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the motion for the approval of the minutes and the adoption of Resolution No. S-01-19 are as follows:

	For	Against	Abstain
Number of Shares Voted	1,700,585,653	0	16,800
% of Shares of Shareholders Present	99.66%	0%	0.001%

## 6. Annual Report of Officers

### Message from the Chairman

The Chairman, Mr. Jaime Augusto Zobel de Ayala, acknowledged the macroeconomic uncertainties of 2018 that had an impact on IMI, the Ayala group's most global business. Potential gains from the stabilizing United States economy were offset by uncertainty around politics and trade. A global component shortage, fueled by outsized demand for the devices and infrastructure that feed the ever-growing connected and digital world, tightened supply competition and business execution across many industries.

Amid these challenging times, IMI is able to retain its intrinsic business proposition, validated by its sustained rise through the ranks of global manufacturing groups. It remains a top 20 electronics manufacturing services provider in terms of revenues and now ranks in the top five for automotive-related manufacturing services using the same metric. Beyond the financial metrics, IMI is maintaining its industry-leading levels of customer satisfaction, operational efficiency, and employee engagement.

IMI also continues to transform itself to remain relevant as a global force in the manufacturing space, developing technological assets that align with the disruptive megatrends sweeping the world today. Its pursuit of global leadership as a standalone manufacturing solutions firm is now just one arm of IMI's growth strategy. It also continues to serve as a base platform and the manufacturing engine of AC Industrials, Ayala's fast-growing industrial technologies platform. AC Industrials has grown its portfolio exponentially in the last few years, with integrated yet standalone businesses that now span global manufacturing, house proprietary enabling technologies, and develop and deliver high value products for end markets. Within AC Industrials, IMI deploys its array of technologies and processes to help create innovative business models, deliver precision and efficiency, and enable many attractive offerings for its partners and customers.

Meanwhile, the headwinds that buffeted IMI in 2018 also underscore how interconnected the world has become and highlights the increasing importance of generating value via a sustainable and inclusive approach. Thus, as IMI accelerates growth along its twin paths – as a global manufacturing solutions firm and as a core component within AC Industrials – it remains committed to do so in alignment with the Ayala group’s support for the United Nations’ Sustainable Development Goals.

As IMI approaches its fourth decade of existence, it continues to demonstrate resilience and an ability to repeatedly reinvent itself to succeed in an increasingly interconnected and highly competitive global environment.

The Chairman expressed his appreciation for the constant support of the shareholders, customers, management and staff, and for the guidance of his fellow Directors. He expressed confidence that through collective efforts and commitment, the aspirations for IMI and AC Industrials will be achieved, and that the best years remain ahead.

#### Message from the Chief Executive Officer

The Chief Executive Officer, Mr. Arthur R. Tan, reported that despite a challenging worldwide market for the industry, IMI finished 2018 with financial and operational achievements, proving the strength of its dual growth model.

The backdrop for this growth is what many experts in the field have called the “Electronics Supercycle” which is brought about by exponential advancement in technologies such as connectivity, automation, machine learning and artificial intelligence. Mr. Tan identified and expounded on the key trends in the areas of mobility, industrial and security, and aerospace and defense, among others.

In the mobility space, the first key trend is Autonomous Driving with the global self-driving cars and trucks market being expected to grow at a compounded annual growth rate of 58% from 2017-2026. Core technologies that enable a vehicle to drive itself in real-life situations with multiple permutations of what might occur include automotive cameras that can sense the vehicle’s surroundings and advanced displays that communicate actively with the driver regardless of outside conditions. In a few more years, automotive cameras will eventually replace side and rear-view mirrors with growth rates of close to 17% compounded annually, addressing the need for increased safety. These camera modules, as well as the ones used in the front and back, are being manufactured in the Laguna plant of IMI.

Apart from the camera and displays, IMI is also involved in various electronic control units (ECUs) used in advanced driver assistance systems (ADAS). The ADAS segment alone is expected to continue growing at a CAGR of 19% per year up to 2025, the highest among all automotive segments. One of the several ECUs being manufactured by IMI is the Steering ECU, which is intended to control the motor in response to the inputs from sensor signals to assist the driver's steering effort. IMI partnered with a major Tier 1 automotive supplier to co-design and develop the product that is now being mass-produced in IMI plants in Jiaxing, China and in Guadalajara, Mexico.

The rapid rise of Electric Vehicles (EVs) is another major trend reshaping the automotive industry. EVs on the road have been growing at close to 75% annually with more than 2 million units sold in 2018. To support the growing number of EVs, charging stations must be strategically installed. The Electric Vehicle charging module market is projected to have a CAGR of 34% up to 2022 with a target of more than 11 million units. One of the leading manufacturers of EV charging modules in China is IMI’s partner. Specific modules are designed and produced in IMI facility in Chengdu with a rising volume of about 130,000 units per year. IMI is doing similar work with another customer in Europe through its subsidiary STI Ltd UK. As demand for EVs increases, so will the demand for efficient and robust power modules. This segment is

expected to grow by 21% CAGR up to 2023. IMI has an exclusive power module line in Laguna to serve the rising demand of its customers.

After automotive, the businesses in the industrial market make up the second largest segment in the portfolio of IMI. The market for biometric lock systems, which are being manufactured by IMI in its Laguna factory, is projected to grow by more than 17% CAGR up to 2025. IMI is also manufacturing in its facility in Pingshan, Shenzhen and in the Cebu factory of STI Ltd., smart meters which use wireless and digital technologies to connect, monitor, and manage power distribution in homes, offices, and factories.

The third area that is driving disruptive change is Power and Energy Systems. This is being led by rapid developments in the adoption of renewable energy, the reduction of fossil fuels and the optimization of stored energy. Growth in the use of renewable energy continues to grow exponentially at more than 10% CAGR up to 2027. In addition to IMI developing its competencies to serve its own customer base in power and energy systems, it also supports AC Industrials' broader strategy to develop a direct, product-driven foothold in the space. In February 2018, AC Industrials acquired majority ownership of Merlin Solar, a company which developed proprietary solar technology that enables lightweight, flexible, robust, and highly efficient (up to 30% more) panels for specialized applications. One of these applications is automotive – where Merlin's panels can be installed on existing vehicles to supply power for battery management and onboard auxiliary electrical systems. IMI serves Merlin as its partner and supplier of manufacturing services in Laguna. With demand emanating from the automotive and industrial segments, IMI expects its power module production line in Laguna factory to ramp up by more than 50% this year.

The growth in the Internet of Things, satellite and connectivity spaces within the aerospace and defense sector is expected to grow exponentially with a CAGR of 12% up to 2023. Demand for small satellites that provide internet connectivity in areas where there is lack of infrastructure is increasing 20% per year. There is also a rising need to address external issues in security and safety from governments and private institutions, by utilizing high technology devices and systems that can counter new threats. All these areas are covered by IMI's subsidiary STI Limited with their factories in Hook and Poynton in the United Kingdom as well as a facility in Cebu, Philippines.

Mr. Tan emphasized that IMI has strategically positioned itself to be right in the middle of all the changes, raising its invaluable human inputs such as design, innovation, creativity, and collaboration -- not just to provide solutions to its customers, but to consistently deliver value to all its stakeholders.

In closing, Mr. Tan announced that IMI has moved up to the 17<sup>th</sup> spot in the top 50 Electronic Manufacturing Services companies in the world, up 24% year-on-year, the highest growth rate among all EMS companies in the global top 20. For his final word, Mr. Tan declared that "IMI is future-ready".

#### President's Report

The President, Mr. Gilles Bernard, noted that 2018 proved to be a challenging year not only for IMI but the entire electronics industry. IMI nevertheless finished the year well with a strong revenue growth of 24% year-on-year, reaching US\$1.35 billion of consolidated revenues and a net income of US\$45.5 million, 34% higher than the prior year.

IMI's traditional business pipeline further progressed with US\$320 million of new project awards in 2018, 72% of which are for automotive applications and 19% for the industrial segment. The uptake of more electronics in the car through ADAS, body electronics, lighting, power management, safety systems and infotainment are driving more businesses for IMI globally.

STI Enterprises, Ltd. closed its 2018 pipeline with \$33.2 million worth of new programs further strengthening the industrial, aerospace and defense portfolio of IMI.

VIA Optronics Inc, in 2018, started to establish its reputation in the industrial and automotive segments. It received its first business award for metal mesh touch solution in automotive dual display bonding in an electronic vehicle project in China.

PSi continues to handle the power semiconductor packaging business of IMI and posted solid gains in 2018 as operations in both Taguig and Calamba were consolidated. This resulted in a positive bottom line for the group, a milestone achievement since its acquisition in 2010.

Over the past year, IMI continues to see the need to invest in the necessary systems and processes needed for the future. Last year, IMI spent US\$65.0 million on capital expenditures, approximately 70% of which had been spent for new businesses and expansion projects.

In the automotive segment, IMI was able to complete International Automotive Task Force (IATF) certifications for nine factories. An IATF certification supersedes the older ISO version and defines higher requirements of quality management systems for suppliers in the automotive industry. To date, with regular audits from its customers and partners, IMI is confident that it has reached the expected level of capability required by even the most demanding TIER 1 automotive suppliers – regardless if this is a make or buy decision. As an effective TIER 2 partner, IMI hopes to exceed expectations to qualify for more complex and high valued projects in the future.

In September 2018, IMI opened its 21st production facility in Niš, Serbia located at southeastern Europe, that will support the growing market for automotive components in the region. The new factory is located close to NIS university, a possible source of manpower among well-educated graduates in mechanical, electronics and software engineering.

Mr. Bernard reported that one of the major challenges in 2018 was the shortage of certain material components brought about by the rapid evolution of electronics and the internet-of-things in the automotive and industrial segments. This strained the supply-side in the industry and caused high material prices, backlogs and extra logistics costs raising the total cost of manufacturing. This trend may gradually normalize this year as markets adjust accordingly.

Another important milestone in 2018 was IMI's achievement in being named the Employer of the Year by the Asia CEO Awards. The recognition is an affirmation of IMI's continuing commitment to a holistic development of its human capital and will further boost the morale of its people in terms of talent development, skills building, succession planning and volunteerism.

IMI began in 2018 its initiatives to globally monitor its water and energy consumption and responsible waste treatment and recycling. In its Philippine sites, IMI was able to recycle and recover close to 100% of its hazardous wastes.

The President concluded that 2018 was a good year for IMI because they were able to deliver the results and made the necessary decisions to prepare the company for greater challenges ahead. He echoed the Chief Executive Officer's declaration that IMI is future-ready.

Audio-visual presentations were shown to the stockholders after the Message from the Chairman and the Report from the President.

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

Mr. Ronald M. Hilaria asked if there is a plan to list AC Industrials. The Chairman responded that there is presently no plan to do so.

Mr. Stephen Soliven, noting that IMI has already been in existence for more than 30 years, asked whether the Corporation's auditor provided an amortization schedule to reflect the expiration of its corporate term and if there is a plan to amend the Articles of Incorporation to make its term perpetual which is now allowed by the new Corporation Code. The Chairman and the Corporate Secretary assured Mr. Soliven that since IMI is only celebrating its 39<sup>th</sup> anniversary this year, the end of its corporate term is not a concern at this time.

Ms. Joy Bondoc addressed her question to the President, Mr. Bernard, regarding the effect of the tariff war and Brexit on IMI's operations. Mr. Bernard explained that the effect on IMI is very minimal because the business model of IMI is to have its units manufacture products locally for the local businesses. For example, IMI China manufactures products for the Chinese market, IMI Europe for the European market, and IMI Mexico for the US market. Their calculation shows that 4% of the total revenue of IMI will be affected by these events.

In reference to the reported shortage of some raw materials or components which made 2018 a challenging year for IMI, Ms. Cecilia D. Puertollano asked the Chief Finance Officer, Mr. Jerome S. Tan, how IMI's P&L was affected and when this situation is expected to normalize. Mr. Tan responded that because of the shortage of raw materials and in view of its committed delivery schedules, IMI had to expedite manufacturing and shipping which led to increased costs that significantly impacted IMI's approximately 12% gross profit margin by 0.6%. He added that they are expecting the situation to normalize towards the latter part of the year but they will continue to closely monitor the situation.

Responding to the query of Ms. Mary Grace S. Ibañez about the benefits that IMI derives from its synergies with other AC Industrials entities, Mr. Arthur R. Tan explained that IMI, with its global footprint, serves as a manufacturing and production platform for AC Industrials which actively searches for different technologies that are relevant to the identified global megatrends.

There being no other questions and comments from the stockholders, Mr. Ezekiel Demetrio J. Navarro, seconded by Ms. Blesilda L. Santiago, moved for the noting of the annual report and the approval of the 2018 audited financial statements of the Corporation, and the adoption of the following Resolution No. S-02-19, which was shown on the screen:

**Resolution No. S-02-19**

**RESOLVED**, to note the Corporation's Annual Report, which consists of the Message from the Chairman, the Message from the Chief Executive Officer, the Report from the President, and the audio-visual presentations to the stockholders, and to approve the consolidated audited financial statements of the Corporation and its subsidiaries as of December 31, 2018, as audited by the Corporation's external auditor SyCip Gorres Velayo & Co.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the motion for the noting of the annual report and the approval of the 2018 audited financial statements, and the adoption of Resolution No. S-02-19 are as follows:

	For	Against	Abstain
Number of Shares Voted	1,699,016,295	0	1,586,158
% of Shares of Shareholders Present	99.57%	0%	0.09%

## 7. Ratification of the acts of the Board of Directors and Officers

The Secretary, upon the Chairman's request, stated that stockholders' ratification was sought for all the acts and resolutions of the Board, the Executive Committee, and other Board Committees exercising powers delegated by the Board, which were adopted from April 13, 2018 until April 8, 2019 as well as for all the acts of the Corporation's officers performed to implement the resolutions of the Board or its Committees, or in connection with the Corporation's general conduct of its business. The acts and resolutions of the Board are reflected in the minutes of the meetings, and they include the election of officers and members of the various Board Committees, updating of the lists of authorized representatives and bank signatories, treasury matters and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange.

The Chairman asked the stockholders if they have any questions or comments. There being none, the Chairman requested for a motion for approval.

Mr. Rodel S. Buan, seconded by Mr. Alvin Laurena, moved for the ratification of the acts and resolutions of the Board of Directors, the Executive Committee, and other Board Committees, as well as all the acts of the officers performed pursuant to Board resolutions and the By-Laws of the Corporation since the annual stockholders' meeting on April 13, 2018 until April 8, 2019, and the adoption of Resolution No. S-03-19, as shown on the screen:

### Resolution No. S-03-19

**RESOLVED**, to ratify each and every act and resolution, from 13 April 2018 to 8 April 2019 (the "Period"), of the Board of Directors (the "Board") and the Executive Committee and other Board committees exercising powers delegated by the Board, and each and every act, during the Period, of the officers of the Corporation performed pursuant to the resolutions of the Board, the Executive Committee and other Board committees as well as the By-laws of the Corporation.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the ratification of the acts of the Board of Directors and Officers of the Corporation and the adoption of Resolution No. S-03-19 are as follows:

	For	Against	Abstain
Number of Shares Voted	1,699,016,295	0	1,586,158
% of Shares of Shareholders Present	99.57%	0%	0.09%

## 8. Approval of the Amendment of the Second Article of the Articles of Incorporation to authorize the performance and provision of information technology services

At the request of the Chairman, the Secretary explained that the Board of Directors approved on February 11, 2019 through Resolution No. B-04-19 the amendment of the Second Article of the Articles of Incorporation to authorize the Corporation to perform and provide information technology services including data labeling or encoding or image annotation services.

The Chairman asked the stockholders if they have any questions or comments. There being none, Mr. Christopher B. Topacio moved for the approval of the amendment of the Second Article of the Articles of Incorporation to authorize the Corporation to perform and provide information technology services, and for the adoption of Resolution No. S-04-19, as shown on the screen. Mr. Ruel S. Ardeña seconded the motion:



**Resolution No. S-04-19**

**RESOLVED**, as recommended by the Board of Directors in Resolution No. B-04-19, to approve and authorize the amendment of the Second Article of the Articles of Incorporation to authorize the Corporation to perform and provide information technology services, so that, as amended, the Second Article shall henceforth read as follows:

“SECOND: The purposes for which the Corporation is formed are:

**PRIMARY PURPOSE**

To undertake the production, assembly or manufacture of any and all types of electronic and non-electronic products (including among others, automobiles, motorcycles, solar panels) or parts, components or materials of non-electronic products, as well as to perform and provide information technology services such as but not limited to data labeling/encoding or image annotation services, and in providing services related thereto and to the extent permitted by law, may either directly or indirectly, through its subsidiaries, affiliate organizations or through correspondent enterprises, engage and/or undertake the following and other activities related thereto: xxx xxx xxx *(As amended on April 8, 2019)*”

xxx    xxx    xxx

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes to amend the Second Article of the Articles of Incorporation and to adopt Resolution No. S-04-19 are as follows:

	For	Against	Abstain
Number of Shares Voted	1,700,582,645	0	19,808
% of Outstanding Shares	76.70%	0%	0.001%

**9. Approval of the Amendment of the Second Article of the Articles of Incorporation to expressly include in the primary purpose the power to guarantee and act as surety for, the debts, loans, obligations and liabilities of other corporations in which it has lawful interest**

As requested by the Chairman, the Secretary expounded on the next item for consideration, reporting that for the avoidance of any doubt concerning the Corporation’s authority to guarantee or act as surety for the loans and obligations of corporations it has lawful interest in, the Board of Directors approved on February 11, 2019 through Resolution No. B-04-19 the amendment of the Second Article of the Articles of Incorporation to expressly include such authority in the Corporation’s primary purpose.

There being no questions and comments from the stockholders , Mr. Martin D. Pasion, seconded by Mr. Arjay O. Narvaez, moved for the further amendment of the Second Article of the Articles of Incorporation to expressly include in the Corporation’s primary purpose the authority of the Corporation to act as guarantor and surety for corporations in which it has lawful interest, to pursue its primary purpose, and for the adoption of the following Resolution No. S-05-19, as shown on the screen:

## Resolution No. S-05-19

**RESOLVED**, as recommended by the Board of Directors in Resolution No. B-04-19, to approve the amendment of the Second Article of the Articles of Incorporation to expressly include in the Corporation's primary purpose the authority of the Corporation to act as guarantor and surety for corporations it has lawful interest in, such that, as amended, the Second Article shall henceforth read as follows:

“SECOND: The purposes for which the Corporation is formed are:

### PRIMARY PURPOSE

xxx xxx xxx

i) To guarantee and act as surety for, solely or jointly, any debt, obligation, loan or liability of any corporation in which it has lawful interest, as may be authorized by the Corporation's Board of Directors, to pursue the Corporation's primary purpose.

xxx xxx xxx (As amended on April 8, 2019)”

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes to approve the further amendment of the Second Article of the Articles of Incorporation to expressly include therein the authority of the Corporation to guarantee or act as surety for the loans and obligations of corporations it has lawful interest in and to adopt Resolution No. S-05-19 are as follows:

	For	Against	Abstain
Number of Shares Voted	1,700,582,445	0	19,808
% of Outstanding Shares	76.70%	0%	0.001%

## 10. Election of Directors

The next item in the agenda was the election of the eleven (11) members of the Board of Directors for the ensuing year. The Chairman requested Ms. Sherisa P. Nuesa, Chairperson of the Corporate Governance and Nomination Committee, to discuss this item.

Ms. Nuesa informed the stockholders that, in accordance with the requirements of the Corporation's By-laws, the Manual of Corporate Governance and the SEC Rules, the names of the following nominees to the Board of Directors had been submitted to the Corporate Governance and Nomination Committee who had endorsed their nominations, and each one has accepted the nomination in writing: Jaime Augusto Zobel de Ayala, Fernando Zobel de Ayala, Arthur R. Tan, Gilles Bernard, Jose Ignacio A. Carlos, Edgar O. Chua, Delfin L. Lazaro, Jose Teodoro K. Limcaoco, Hiroshi Nishimura, Sherisa P. Nuesa, and Rafael C. Romualdez.

Messrs. Chua and Nishimura, and Ms. Nuesa had been nominated as independent directors.

Ms. Nuesa further reported that all the nominees possessed all the qualifications and none of the disqualifications under the Corporation's By-Laws and Manual of Corporate Governance, and were eligible to be nominated and elected directors of the Corporation.

The Chairman asked the stockholders if they have any questions or comments. There being none, the Chairman requested the Secretary to disclose the results of the election.

The Corporate Secretary reported that based on the partial tabulation of votes, each of the eleven nominees has garnered at least 1,447,650,759 votes. Given this, he certified that each nominee has received enough votes for election to the Board.

With such certification, the Chairman requested for a motion.

On motion of Ms. Janice M. Arsenio, seconded by Ms. Eleanor B. Misa, the stockholders elected the eleven (11) nominees as directors of the Corporation for the ensuing year to serve as such until their successors are elected and qualified, and adopted Resolution No. S-06-19. Resolution No. S-06-19, as shown on the screen, provides as follows.

**Resolution No. S-06-19**

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

Jaime Augusto Zobel de Ayala  
 Fernando Zobel de Ayala  
 Arthur R. Tan  
 Gilles Bernard  
 Jose Ignacio A. Carlos  
 Edgar O. Chua (*independent director*)  
 Delfin L. Lazaro  
 Jose Teodoro K. Limcaoco  
 Hiroshi Nishimura (*independent director*)  
 Sherisa P. Nuesa (*independent director*)  
 Rafael C. Romualdez

As tabulated by the Office of the Corporate Secretary and validated by SGV, the final votes received by the nominees are as follows:

Director	For	Against	Abstain
Jaime Augusto Zobel de Ayala	1,447,809,392	52,550,687	0
Fernando Zobel de Ayala	1,447,796,282	52,550,687	0
Arthur R. Tan	1,493,427,124	7,343,467	0
Gilles Bernard	1,449,107,028	51,237,670	0
Jose Ignacio A. Carlos	1,448,919,383	51,427,586	0
Edgar O. Chua	1,500,334,698	0	0
Delfin L. Lazaro	1,455,409,852	44,926,087	0
Jose Teodoro K. Limcaoco	1,447,785,252	52,550,687	0
Hiroshi Nishimura	1,500,055,024	290,700	0
Sherisa P. Nuesa	1,498,922,132	1,413,801	0
Rafael C. Romualdez	1,447,796,282	52,550,687	0

## 11. Election of External Auditor and Fixing of its Remuneration

As requested by the Chairman, Mr. Edgar O. Chua, Chairman of the Audit and Risk Committee, informed the stockholders that the Committee evaluated the performance of the Corporation's external auditor, SyCip Gorres & Velayo (SGV) for the past year and found it satisfactory. Thus, the Committee and the Board agreed to endorse the re-election of SGV as the external auditor of the Corporation for the current fiscal year for an audit fee of Pesos: Four Million Fifty Thousand (PhP4,050,000.00), exclusive of out-of-pocket expenses.

With no stockholder raising any question or comment, on motion of Mr. Fernando V. Dizon, seconded by Mr. Noelito A. Gamao, the stockholders elected SGV as external auditor of the Corporation for the current fiscal year and approved SGV's audit fee, and adopted the following Resolution No. S-07-19, which was shown on the screen:

### Resolution No. S-07-19

**RESOLVED**, as endorsed by the Board of Directors, to approve the re-election of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the year 2019 for an audit fee of PhP4,050,000, exclusive of out-of-pocket expenses.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the re-election of SGV as external auditor of the Corporation, the approval of its audit fee, and the adoption of Resolution No. S-07-19 are as follows:

	For	Against	Abstain
Number of Shares Voted	1,687,001,749	13,275,204	325,300
% of Shares of Shareholders Present	98.87%	0.78%	0.02%

## 11. Other Matters

The Chairman opened the floor for questions or comments from the stockholders on other matters which are relevant and of general concern to them.

Mr. Gregorio Fageta requested that the authorization given to him by his two grandsons and son be recognized as they were unable to attend the annual stockholders' meeting due to the distance from Makati City to Laguna. The Chairman explained that the IMI is complying with relevant laws to hold its annual stockholders' meeting in Laguna, its principal place of business. The Corporate Secretary informed Mr. Fageta that someone will be attending to his request.

## 12. Adjournment

There being no other matters to discuss, on motion of Ms. Teresita A. Mariano, seconded by Mr. Tristan John T. de Guzman, the meeting was adjourned



**SOLOMON M. HERMOSURA**  
Corporate Secretary



**JOANNE M. LIM**  
Assistant Corporate Secretary

Approved:

**JAIME AUGUSTO ZOBEL DE AYALA**  
Chairman of the Board and the Meeting