

**MINUTES OF THE ANNUAL GENERAL MEETING
OF THE STOCKHOLDERS
OF**

SOUTH LUZON TOLLWAY CORPORATION

Held at the Boardroom, 8/F, San Miguel Corporation HOC
SMC Compound, 40 San Miguel Avenue, Mandaluyong City
on 9 May 2019 at 4:00 p.m.

<u>PRESENT:</u>	<u>No. of Shares</u>
Ramon S. Ang	
for himself	1
and as proxy for:	
MTD Manila Expressways, Inc.	2,899,999,991
Antonette C. Tionko	
for herself	1
and as proxy	
The Republic of the Philippines	724,999,998
Lorenzo G. Formoso III	1
Mario K. Surio	1
Jose P. de Jesus	1
Fema C. Q. Piramide-Sayson	1
Jose Portugal Perez	1
Consuelo Ynares-Santiago	1
Total number of shares present	3,624,999,997
Total number of shares issued and outstanding	3,625,000,000
Percentage attendance of stockholders	99.99%

ALSO PRESENT:

Aurora T. Calderon
Raoul Eduardo C. Romulo
Virgilio S. de Guzman
Cynthia M. Laureta
Noellie R. Majarucon
Shaina Anella B. Ramirez
Patrick Philip L. Capulong

1) Call to order and certification of notice and quorum

The Chairman, Mr. Ramon S. Ang, called the meeting to order and presided over the same. The Corporate Secretary recorded the minutes of the proceedings and certified to the presence of a quorum for the valid transaction of business by the Corporation, there being present in person and by proxy stockholders representing 99.99% of the issued and outstanding capital stock of the Corporation. Upon the request of the Corporate Secretary, the stockholders waived the venue requirement as provided under the By-Laws of the Corporation.

**2) Approval of the Minutes of the Annual General Meeting
of the Stockholders held on 10 May 2018**

The meeting proceeded to the second item in the agenda, that is, the approval of the minutes of the Annual General Meeting of the Stockholders held on 10 May 2018. The Chairman requested the stockholders to peruse their copies of the minutes, which had been furnished them prior to the meeting. A copy of the same is attached to these minutes by reference.

Upon motion duly made and seconded, the minutes of the Annual General Meeting of the Stockholders held on 10 May 2018 was unanimously approved.

3) President's Report

Upon the request of the Chairman, and in the absence of the President, Mr. Lorenzo G. Formoso III requested to dispense with the reading of the President's Report on the operations and performance of the Corporation for the year 2018 since copies of the same were furnished to the stockholders prior to the meeting. The slide presentation of the said report was also projected before the stockholders during the meeting. A copy of the report is appended to these minutes by reference.

The report highlighted the following:

Income Statement Highlights

- Toll revenues of P6.1 Billion, or a 5% increase compared to 2017
- Costs of Services increased by 10% to P1.6 Billion primarily due to (a) higher amortization of concession assets due to costs of enhancement activities, (b) increase in PNCC revenue share corresponding to the increase in toll revenue, and (c) higher provision for resurfacing and maintenance obligations.
- Operating Expenses increased by 29% to P268.5 Million due to, among others, (a) repair and maintenance of toll equipment; (b) depreciation for new equipment under the fast lane and network enhancement projects; (c) taxes and licenses; and (d) outside services.
- Total Comprehensive Income increased by 4% to P3.1 Billion
- EBITDA increased by 3% to P5.0 Billion

Balance Sheet Highlights

- Total Assets = P14.9 Billion
- Total Liabilities = P8.2 Billion
- Total Equity = P6.7 Billion
- Cash dividends in the total amount of P1.9 Billion were paid

Repairs and upgrading projects for the SLEX

- Additional lanes and toll plazas in Alabang and Carmona in the amount of P28.7 Million
- New toll equipment, office furniture and shuttle vehicle in the amount of P121.5 Million.

Toll Road 4 (TR-4)

- TR-4 will extend the SLEX up to Lucena City, Quezon Province
- Project development costs in the amount of P40.5 Million
- Construction commenced in March 2019
- Target completion still at 2022

Upon motion duly made and seconded, the President's Report for the year 2018 was duly noted.

4) **Approval of the Acts of Management for the year ended 31 December 2018**

Upon the request of the Chairman, the Corporate Secretary presented the Acts of Management for the year ended 31 December 2018. Copies of the presentation were furnished to the stockholders prior to the meeting, and a copy thereof is appended to these minutes by reference. The Corporate Secretary gave a brief summary of the acts of management for approval, as follows:

- (i) Acts approved at the regular meeting of the Board held on March 7, 2018
- BD Res. No. 01-2018 – Approving the declaration of a cash dividend in the total amount of ₱652,500,000.00, to be paid out of the retained earnings of the Corporation as of 31 December 2017, and payable on 13 March 2018 to all shareholders of record as of the date of the approval of this resolution, in proportion to their respective shareholdings
 - BD Res. No. 02-2018 – Approving the audited financial statements for the year ended 31 December 2017 and authorizing the Chairman, President and Treasurer to sign the Statement of Management Responsibility, and the President to sign the Authority to Print, and designating alternate signatories in the event of the inability of the main authorized signatories to timely sign the Statement of Management Responsibility
 - BD Res. No. 03-2018 – Approving the implementation of all works for the South Luzon Expressway Phase II Toll Road 4 (TR4) project, at the estimated cost of ₱14.852 Billion, with the basic terms as presented at the regular meeting of the Board held on 7 March 2018, and authorizing Management to negotiate with contractors and finalize the terms and conditions of the EPC contracts and to review, modify, amend and thereafter approve, any changes in such terms and conditions as they may deem necessary
 - BD Res. No. 04-2018 – Designating authorized signatories for the reportorial requirements of the Securities and Exchange Commission and Philippine Dealing & Exchange Corporation in relation to the Corporation's registered peso-denominated fixed rate retail bonds
 - BD Res. No. 05-2018 – Approving the establishment of the South Luzon Tollway Corporation Retirement Plan ("SLTC Retirement Plan") effective 1 January 2018, as presented to the Board at its meeting held on 7 March 2018; appointing the members of the Board of Trustees of the SLTC Retirement Plan; and authorizing Management to file the requisite application with the Bureau of Internal Revenue (BIR), for the registration of the SLTC Retirement Fund with the BIR
- (ii) Acts approved at the organizational meeting held on May 10, 2018
- Electing the officers for the current year:
 - Ramon S. Ang – Chairman
 - Jose P. de Jesus – Vice Chairman
 - Shadik Wahono – President
 - Raoul Eduardo C. Romulo – Treasurer

- Nadiya W. Stamboel – Chief Financial Officer (CFO)
 - Virgilio S. de Guzman – Deputy CFO and Deputy CIO
 - Cynthia M. Laureta – Corporate Secretary and Compliance Officer
 - Shaina Anella B. Ramirez – Assistant Corporate Secretary
 - Alvin B. Bugtas - Assistant Corporate Secretary
 - Patrick Philip L. Capulong – Alternate Assistant Corporate Secretary
- BD Res. No. 07-2018 – Appointing the following:
 - Cynthia M. Laureta – Compliance Officer
 - Raoul Eduardo C. Romulo – Corporate Information Officer (CIO)
 - Virgilio S. de Guzman – Deputy CIO
 - BD Res. No. 08-2018 – Appointing the chairpersons and members of the following committees:

<i>Corporate Committee</i>	<i>Governance</i>	
Chairperson	:	Jose Portugal Perez
Members	:	Consuelo Ynares-Santiago Mario K. Surio
<i>Audit and Risk Oversight Committee</i>		
Chairperson	:	Consuelo Ynares-Santiago
Members	:	Jose Portugal Perez Jose P. De Jesus Mario K. Surio Fema C. Q. Piramide-Sayson
<i>Related Party Transaction Committee</i>		
Chairperson	:	Jose Portugal Perez
Members	:	Consuelo Ynares-Santiago Jose P. De Jesus
<i>Finance Committee</i>		
Chairperson	:	Lorenzo G. Formoso III
Members	:	Nadiya Stamboel Paola Sherina A. Alvarez

- BD Res. No. 09(a)-2018 to 9(x)-2018 – Granting general authority for the Company to engage in transactions in the routine and ordinary course of business of the Company and designating the authorized signatories and setting the signing parameters for the said transactions

(iii) Acts approved at the regular meeting held on September 13, 2018

- BD Res. No. 10-2018 – Approving the declaration of a cash dividend in the total amount of ₱1,268,750,000.00 to be paid out of the retained earnings of the Corporation as of 31 July 2018, and payable on 14 September 2018 to all shareholders of record as of the date of the approval of the resolution
- BD Res. No. 11-2018 – Approving the supplemental capital expenditure (CAPEX) budget for the year 2018, in the amount of ₱139,885,882.95
- BD Res. No. 12-2018 – Amending BD Res. No. 05-2018 (BD RM 03-07-18) approving the Retirement Plan of the Corporation by subsuming

the Retirement Plan of the Corporation under the SMHC Multi-Employer Retirement Plan, for the purpose of the administration and implementation of the Corporation's Retirement Plan

(iv) Acts approved at the regular meeting held on November 27, 2018

- BD Res. No. 13-2018 – Approving the capital expenditures and operating expenditures budget for the year 2019
- BD Res. No. 14-2018 – Approving the redundancy program and approval of the filing with the Bureau of Internal Revenue (BIR) of an application for tax exemption for the separation payments under the redundancy program
- BD Res. No. 15-2018 – Amending and revoking as necessary all prior resolutions on the matter, and authorizing the Corporation to establish, together with the San Miguel Holdings Corporation (SMHC) and its other affiliated toll road companies, namely, the Manila Toll Expressway Systems, Inc. (MATES), STAR Infrastructure Development Corporation (SIDC) and STAR Tollway Corporation (STC), the SMHC Multi-Employer Retirement Plan (SMHC-MERP), under and pursuant to the SMHC-MERP Rules and Regulations presented to the Board
- BD Res. No. 16-2018 – Authorizing the renewal of the Salary Loan Facility with the Bank of Commerce, designating the signatories of the Corporation for the said purpose, and designating the Head, Human Resources and Administration Department (HRAD), as the authorized signatory for the implementation of the said facility

The stockholders are requested to approve the above enumerated acts of the Board and management, through the following resolution:

SH Res. No. 01-2019 (SH AGM 05-09-19)

“RESOLVED, that the stockholders representing at least a majority of the issued and outstanding capital stock of the South Luzon Tollway Corporation (the ‘Corporation’) approve, as they so hereby approve, the acts of management and of the Board of Directors of the Corporation for the year ended 31 December 2018, as presented at the Annual General Meeting of the stockholders on 9 May 2019.”

5) Election of Directors for the Current Year

The meeting proceeded to the election of directors for the current year. The Corporate Secretary informed the Board that there are eleven (11) Board seats, two (2) of which are reserved for the Independent Directors and the remaining nine (9) Board seats are allocated among the principal shareholders, with their respective nominees as follows:

Republic of the Philippines : *Two (2)*

Antonette C. Tionko
Paola Sherina A. Alvarez

MTD Manila Expressways, Inc. : *Seven (7)*

Ramon S. Ang
Shadik Wahono

Jose P. de Jesus
Mario K. Surio
Lorenzo G. Formoso III
Nadiya W. Stamboel
Fema C. Q. Piramide-Sayson

Independent Directors : Two (2)

Justice Jose Portugal Perez
Justice Consuelo Ynares-Santiago

Upon nominations duly made and seconded, the following were elected as directors of the Corporation for the current year, to serve as such until their successors are duly elected and qualified:

Ramon S. Ang
Jose P. de Jesus
Ery Shadik Wahono
Mario K. Surio
Lorenzo G. Formoso III
Nadiya W. Stamboel
Fema C. Q. Piramide-Sayson
Antonette C. Tionko
Paola Sherina A. Alvarez
Jose Portugal Perez
Consuelo Ynares-Santiago

6) Appointment of external auditor for the financial year ending 31 December 2019

The meeting proceeded to the appointment of the external auditor for the financial year ending 31 December 2019. Hon. Consuelo Ynares-Santiago, chairperson of the Audit Committee, manifested that the committee is recommending the appointment of the auditing firm Reyes Tacandong & Co. as the external auditor of the Corporation for the financial year ending 31 December 2019.

Upon motion duly made and seconded, the following resolution was unanimously approved and adopted by the stockholders representing at least a majority of the issued and outstanding capital stock of the Corporation:

SH Res. No. 02-2019 (AGM 05-09-2019)

“RESOLVED, that stockholders representing at least a majority of the issued and outstanding capital stock of the South Luzon Tollway Corporation (the ‘Corporation’) appoint, as they so hereby appoint, the auditing firm of Reyes Tacandong & Co. as the external auditor of the Corporation for the audit of the financial statements of the Corporation for the financial year from 1 January to 31 December 2019.”

7) Adjournment

There being no other matters to discuss, the meeting was adjourned.

ATTEST:



RAMON S. ANG
Chairman/Director



SHAINA ANELLA B. RAMIREZ
Assistant Corporate Secretary