

DRAFT ONLY
FOR APPROVAL BY SHAREHOLDERS

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF
A BROWN COMPANY, INC.

Held at the Xavier Sports and Country Club
Xavier Estates, Balulang, Cagayan de Oro City
On May 9, 2014

TOTAL NUMBER OF SHARES OUTSTANDING	1,732,865,522
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	1,368,987,675

MEMBERS OF THE BOARD OF DIRECTORS PRESENT:

WALTER W. BROWN
ANNABELLE P. BROWN
ROBERTINO E. PIZARRO
ANTONIO S. SORIANO
ELPIDIO M. PARAS
ROSA ANNA DUAVIT- SANTIAGO
ROEL Z. CASTRO

OTHER OFFICERS PRESENT:

JASON C. NALUPTA
MARIE ANTONETTE U. QUINTO
MILAGROS YU
ALLAN ACE R. MAGDALUYO

CALL TO ORDER

The Chairman, Dr. Walter W. Brown, called the meeting to order and presided over the same. The Corporate Secretary, Mr. Jason C. Nalupta, recorded the minutes of the proceedings.

CERTIFICATION OF NOTICE AND QUORUM

Upon the request of the Chairman, the Secretary certified that notices of the meeting were sent to all shareholders of record as of March 31, 2014 in accordance with the provisions of the By-Laws.

Thereafter, the Secretary noted that out of the 1,732,865,522 outstanding capital stock of the Corporation, there were present in person or by proxy holders of 1,368,987,675 shares, or 79.0% of the total outstanding capital. Accordingly, the Secretary certified that a quorum existed for the transaction of the business at hand.

APPROVAL OF THE PREVIOUS MINUTES

Upon motion duly made and seconded, the reading of the minutes of the previous Annual Shareholder's Meeting of June 7, 2013 was dispensed with and the same was approved as circulated.

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**PRESIDENT'S REPORT AND PRESENTATION
OF AUDITED FINANCIAL STATEMENTS**

The President, Mr. Robertino E. Pizarro, presented the report on the Corporation's operations for the year ended December 31, 2013, and noted the following performance highlights:

1. Real Estate Business

To date, 2,874 lots have been developed in the various phases of Xavier Estates, of which 2,652 have been sold.

Real estate sales in 2013 amounted to ₱335.14 Million, a 24.9% decrease from the previous year's sales of ₱446.16 Million. The 2013 figures in terms of number of units sold (218), however, is higher than in 2012 (205); however, a substantial number of the units sold in 2013 (57 units or 26% of total units sold) were from the socialized housing units inventory.

The statuses of the real property development projects of the Corporation were likewise discussed.

2. Agri-Business

In 2013, sales of crude palm oil decreased by 21.7% from ₱82.6 Million in 2012 to ₱64.7 Million.

Also, as of end of 2013, the Company has been able to utilize its land dedicated for the palm oil business as follows:

	Gross Area (hectares)	Plantable Area (hectares)	Area Planted (hectares)
Kalabugao	1,267.53	1,087.75	975.55
Impasug-ong	4.14	4.14	4.14
Opol	1,089.85	690.80	623.16
Tinagpoloan	1,382.56	929.96	-
Xavier Estates	43.74	43.74	43.74
Total	3,742.82	2,696.36	1,591.59

The President likewise presented the Corporation's Audited Financial Statements.

At the request of the Chairman, the Vice President for Business Development and concurrent President of Palm Thermal Consolidated Holdings Corp. and Palm Concepcion Power Corporation, Mr. Roel Z. Castro, presented to the shareholders an update on the Corporation's power generation projects, and noted as follows:

3. Power Business

The Company, through its subsidiary, Palm Thermal Consolidated Holdings Corporation (PTCHC) has now partnered with Jin Navitas Resources, Inc. (JNRI) in Palm Concepcion Power Corporation (formerly, DMCI Concepcion Power Corporation). Having been able to secure financing for most of the total project cost for the Palm Concepcion Power Project, the construction is

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now well underway. Negotiations with off-takers in Cebu and Panay are also underway, with 94.6 MW of the 121 MW target off-take from the power plant already contracted as of April 2014.

Another subsidiary, Peakpower Energy, Inc., will also seek to address the peaking power requirements of various electric cooperatives in Mindanao through the installation of bunker-fired power plants. Peakpower will be partnering with A+ rated and GREEN category electric cooperatives in a 15-year Build-Operate-Maintain-Transfer contract. Peakpower is looking at supplying a substantial portion of the forecasted 500 MW shortfall in the peaking demand for Mindanao.

Finally, the Company is also involved with the Carac-an Hydroelectric Project in Madrid, Surigao del Sur. The project will have a 26 MW capacity that is expected to be easily absorbed by the electric utilities. The electricity generated will also help solve the peaking power shortfall in Mindanao.

Thereafter, the Chairman opened the floor for questions to be raised on the reports on the Corporation's operations. He noted that the Corporation's external auditor, Constantino Guadalquiver & Co., is likewise represented by its audit partner, Mr. Roger Guadalquiver, who will be on hand to entertain questions on the Corporation's financial reports.

No questions, however, were raised by the shareholders present on the reports on the Corporation's operations and its Audited Financial Statements. And no questions having been raised, the stockholders, upon motion duly made and seconded, and there being no objections:

(i) noted and approved the President's Report for the year ended December 31, 2013; and,

(ii) noted and approved the Audited Financial Statements for the Fiscal Year ended December 31, 2013.

RATIFICATION OF ALL ACTS OF THE BOARD, THE EXECUTIVE COMMITTEE AND MANAGEMENT

Upon motion duly made and seconded, the stockholders unanimously approved, confirmed and ratified all acts and resolutions of the Board of Directors, the Executive Committee, and the officers of the Corporation from the date of the last Annual Stockholders' Meeting up to the date of this present meeting.

INCREASE IN AUTHORIZED CAPITAL STOCK

The body next discussed the proposal for the Corporation's Articles of Incorporation to be amended to increase the authorized capital stock.

The Chairman noted that the proposed increase in capital was previously approved by the Board of Directors on April 4, 2014. He likewise explained that, as reported by Mr. Castro, the development of the Concepcion Power Project as well as the Peaking Projects are already in full swing, hence, the need for the Corporation to raise fresh capital which will ultimately be infused into the ongoing power generation projects.

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After deliberations, and upon motion duly made and seconded, the shareholders unanimously approved the following resolution:

“RESOLVED, that the proposal to increase the authorized capital stock of **A BROWN COMPANY, INC.** (the ‘Corporation’) from Two Billion Pesos (₱2,000,000,000.00) to Three Billion Pesos (₱3,000,000,000.00), with par value of One Peso (₱1.00) per share, be, as it is hereby approved; and for this purpose, the Seventh Article of the Corporation’s Articles of Incorporation be amended to read as follows:

‘SEVENTH: That the amount of the capital stock of this Corporation is THREE BILLION PESOS (₱3,000,000,000.00), Philippine Currency and the said capital stock is divided into THREE BILLION (3,000,000,000) shares with a par value of ONE PESO (₱1.00) each, provided that, stockholders shall have no preemptive right to subscribe to unissued shares unless otherwise approved by the Board of Directors.’”

ELECTION OF DIRECTORS

The Chairman then opened the nominations for the election of the Directors. Upon nominations duly made and seconded, the stockholders elected the following as directors for the year 2014-2015, to serve as such until their successors shall have been duly elected and qualified:

WALTER W. BROWN
ANNABELLE P. BROWN
THOMAS G. AQUINO
GERARDO DOMENICO V. LANUZA III
ELPIDIO M. PARAS
ROBERTINO E. PIZARRO
ANTONIO S. SORIANO
ROSA ANNA DUA VIT-SANTIAGO
ROEL Z. CASTRO

Messrs. Paras and Aquino were elected as independent members of the Board in accordance with the requirements of the Securities Regulation Code and the Code of Corporate Governance.

APPOINTMENT OF EXTERNAL AUDITOR

The next item in the agenda is the reappointment of the auditing firm of Constantino Guadalquiver & Co. (CG & Co.) as the Corporation's external auditor for the year 2014-2015 as recommended by Management. Upon motion duly made and seconded, the following resolution was approved:

“RESOLVED, that the auditing firm of Constantino Guadalquiver & Co. (CG & Co.) be appointed as the Corporation's external auditor for the year 2014-2015.”

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OTHER MATTERS

(Authority to Act as Third Party Surety or Guarantor)

At the request of the Chairman, the Chief Financial Officer discussed Management's recommendation, as endorsed by the Board of Directors, for the Corporation to act as third party surety and/or guarantor for the loan obligations that will have to be secured by the Corporation's subsidiaries in connection with the Concepcion Power Project.

After further discussions, and upon motion duly made and seconded, the body unanimously agreed to authorize the Corporation to act as surety or guarantor to the obligations of its subsidiaries and, for this purpose, to also encumber such of the Corporation's assets as the creditor-bank shall deem necessary to support the loan obligation. Accordingly, the following resolutions were approved:

“RESOLVED, that **A BROWN COMPANY, INC.** (the ‘Corporation’) be authorized to act as surety or guarantor to the loan obligations of its subsidiary(ies) that are to be secured in connection with the Concepcion Power Project, and, for this purpose, to encumber such of the Corporation's assets as the creditor-bank(s) shall deem suitable to support the loan obligations to be secured;

“RESOLVED, FURTHER, that ANY TWO (2) of the following officers of the Corporation:

<u>Name</u>	<u>Position</u>
Walter W. Brown	Executive Chairman
Robertino E. Pizarro	President
Rosa Anna Trinidad D. Santiago	Vice President & CFO

be authorized and empowered, for and on behalf of the Corporation, to negotiate, enter into, sign, execute and deliver suretyship agreements and/or guarantee agreements, and such other documents as may be necessary or required to effect the foregoing authority.”

ADJOURNMENT

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

Attested By:

WALTER W. BROWN
Chairman

JASON C. NALUPTA
Corporate Secretary