

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 September 28, 2016

TOTAL NUMBER OF SHARES OUTSTANDING	1,732,865,522
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	1,353,195,645

MEMBERS OF THE BOARD OF DIRECTORS PRESENT:

WALTER W. BROWN
ANNABELLE P. BROWN
ROBERTINO E. PIZARRO
ROEL Z. CASTRO
ELPIDIO M. PARAS
ANTONIO S. SORIANO
MARIE ANTONETTE U. QUINTO
RENATO M. MIGRIÑO

OTHER OFFICERS PRESENT:

ANNA FRANCESCA C. RESPICIO
MILAGROS YU
JOHN L. BATAK
ALLAN ACE R. MAGDALUYO

CALL TO ORDER

The Chairman, Dr. Walter W. Brown, called the meeting to order and presided over the same. The Assistant Corporate Secretary, Ms. Anna Francesca C. Respicio, recorded the minutes of the proceedings.

CERTIFICATION OF NOTICE AND QUORUM

Thereafter, the Secretary reported that out of the 1,732,865,522 outstanding capital stock of the Corporation, there were present in person or by proxy holders of 1,353,195,645 shares, or 78.09% of the total outstanding capital. Accordingly, the Secretary certified that a quorum existed for the transaction of the business at hand.

The Secretary certified that, based on the certification of the courier service engaged by the Corporation, notices of the meeting were sent to all shareholders of record as of August 22, 2016, in accordance with the provisions of the By-Laws. The Chairman instructed the Secretary to append the Certificate attesting to the mailing of notices to the original Minutes of the Meeting.

The Secretary certified that, based on the register of attendees and proxies, out of One Billion Seven Hundred Thirty-Two Million Eight Hundred Sixty-Five Thousand Five Hundred Twenty-Two (1,732,865,522) shares of the total outstanding capital stock of the Corporation, One Billion Three Hundred Fifty Three Million One Hundred Ninety Five Thousand Six

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Hundred Forty Five (1,353,195,645) shares were present in person or by proxy, broken down as follows:

	Number of Shares
Present in Person	877,804,777
Represented by Proxy	475,390,868
	1,353,195,645

representing an attendance of 78.09% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

APPROVAL OF THE PREVIOUS MINUTES

Upon motion duly made and seconded, the reading of the minutes of the last stockholders' meeting held on June 19, 2015 was dispensed with as the same had been previously distributed to the shareholders. The Chairman provided the shareholders present in the meeting to ask questions on the Minutes of the 2015 Annual Stockholders' Meeting, however, none was raised.

The Minutes of the said meeting was thereafter approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of the Minutes of the Previous Annual Stockholders' Meeting held on June 19, 2015.	1,353,195,645	0	0

The following resolution was likewise passed:

“RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of **A Brown Company, Inc.** held on June 19, 2015 is hereby approved.”

PRESIDENT’S REPORT AND PRESENTATION OF AUDITED FINANCIAL STATEMENTS

At the request of the Chairman, the President, Mr. Robertino E. Pizarro, presented the report on the Corporation’s Real Estate and Agri-Business operations for the year ended December 31, 2015, and noted the following performance highlights:

1. Real Estate Business

Adelaida Park Residences

The ongoing development of Adelaida Park Residences located at Mid-Balulang, Cagayan de Oro City offers regular units with a floor area of 100 sq.m for ₱2.18 Million and corner lot units with a floor area of around 126-161 sq.m for ₱2.6 to ₱3 Million. The project boasts of its linear park, a first of its kind in the area. The park is 600 linear meters in length with a total area of 10,000 sq.m with a lighted path for joggers and cyclists alike.

Mountain View Homes 2

Next presented was the Mountain View Homes 2 Project. The total area for housing is 1.2 hectares including a tree park. The project shall have 52 row houses of 50 sq.m each for socialized housing and 30 units at 74-100 sq.m each for economic housing. The License to Sell is expected to be released in the coming weeks and Management is positive that the units will sell quickly. The expected revenue for the sale of these units is at around ₱23.4 Million.

2017 Subdivision Projects

The Corporation shall likewise develop the following projects in 2017:

1. **West Highlands Phase 2**, Barangay Bonbon, Butuan City - total saleable area is 54,167 sq.m with a fairway area of 30,577 sq. m. Management expects a revenue of around ₱100 Million from the sale of the fairway lots alone.
2. **Golden Tara Subdivision**, Barangay Bancasi, Butuan City - located a kilometer away from the Butuan Airport, this project shall be the site of 85 units of socialized housing with a lot area of 90 sq.m each and 35 units of economic housing with a lot area of 100-228 sq.m each.
3. **Valencia Homes**, Barangay Lumbo, Valencia City, Bukidnon – the total project area is 60,195 sq.m with 500 units for socialized housing at 50 sq.m each for lot area. High-end units will likewise be available at 1,083 sq.m each.

St. Francis Xavier Parish Columbarium

The Corporation also has undertook the construction of a Columbarium in Cagayan de Oro City which shall be launched within the 4th quarter of 2016. The project shall feature 3,328 vaults and an open area in the center where masses may be held.

West Highlands Golf Club

Finally, the President updated the Body on the completed 9-hole golf course in the West Highlands Golf Club.

2. Agri-Business

The Corporation shall be launching “Golden Bell” cooking oil. The sales of the product is seen to generate around ₱6 Million per month.

At the request of the Chairman, the Executive 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

Palm Concepcion

The power plant stated commercial operation in August 16, 2016 and has generated a net of 12,617.92 MWh. Civil works on the auxiliary buildings (i.e.

dormitory, guest house, etc.) are almost complete. Unit 2 of the power plant shall commence construction in a few months.

Peakpower Energy

Peakpower Energy, Inc., seeks to address the peaking power requirements of various electric cooperatives in Mindanao through the installation of bunker-fired power plants.

As of September 17, 2015, Peakpower Socsargen has generated 14,043 MWh and has not experienced outages from its 3 engines. In 2016, average daily operating hours was recorded at 8.6 hours. The expansion project is nearing completion at 77.56% and will be operation by December 2016.

Peakpower San Francisco has generated 2,050 MWh and has used 848 hours of the allowed 1,080 hours or outages. 2016 average daily operating hours of 7.87 hours. The expansion project is more than halfway done and commercial operation is seen to begin by March 2017.

The plant to be operated by Peakpower Bukidnon is still under construction and shall commence commercial operation by May 2017.

Carac-an Hydropower

Finally, the Company has also embarked on a Hydroelectric Project in Madrid, Surigao del Sur which shall help solve the peaking power shortfall in Mindanao. As of September 2016, the Hydropower Service Contract is ready for execution and is now awaiting the issuance of Certificate of Commerciality.

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

Thereafter, the Chairman opened the floor for questions to be raised on the report on the Corporation’s operations. He noted that representatives of the Corporation’s external auditor, Constantino Guadalquiver & Co., 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. No questions having been raised, the President’s Report for the year ended December 31, 2015 together with the Audited Financial Statements for the Fiscal Year ended December 31, 2015, upon motion duly made and seconded, were approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of President’s Report for the year ended December 31, 2015	1,353,195,645	0	0
Approval of the Audited Financial Statements for the Year Ended December 31, 2015	1,353,195,645	0	0

The following resolution was likewise approved:

“RESOLVED, that the President’s Report on the Operations and Results of **A Brown Company, Inc.** for 2015, together with the Audited Financial Statements and accompanying notes for the year ended December 31, 2015, be approved.”

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

The next item in the agenda was the ratification of the corporate acts.

After the motion to confirm, ratify, and approve all the acts of the Board of Directors and Officers of the Corporation from the date of the last meeting up to date of the present meeting was duly made and seconded; the Chairman opened the floor for issues to be taken up pertaining to the ratification of all corporate acts. No questions or issues, however, were raised on the corporate acts. Accordingly, motion was then approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of all acts of the Board of Directors and Officers from the date of the last meeting up to the date of the present meeting.	1,353,195,645	0	0

The following resolution was likewise approved:

“RESOLVED, that all acts of the Board of Directors and Officers of **A Brown Company, Inc.** from the date of the last meeting of the shareholders on June 19, 2015 up to the date of this meeting, are hereby confirmed, ratified and approved.”

DECLARATION OF STOCK DIVIDENDS

The Body next discussed the proposal to declare dividends out of the Corporation’s unrestricted retained earnings. As of date, the Corporation has sufficient retained earnings to declare twenty percent (20%) stock dividend, consisting of approximately 346,573,104 shares. After deliberation and upon motion duly made and seconded, the Board approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Declaration of 20% stock dividends	1,353,195,645	0	0

The following resolution was likewise passed:

“RESOLVED, that **A BROWN COMPANY, INC.** (the ‘Corporation’) hereby declares stock dividends equivalent to twenty percent (20%) of the outstanding capital stock of the Corporation, or equivalent to 346,573,104 common shares, to be distributed to the Corporation’s shareholders as of record date to be set immediately upon the approval by the Securities and Exchange Commission (‘SEC’) of the Corporation’s increase in authorized capital stock

out of which increase the stock dividend shares shall be issued;

The Record and Payment Dates for the stock dividend declaration will be set as soon as the requisite corporate and regulatory approvals are secured.

INCREASE IN AUTHORIZED CAPITAL STOCK; CAPITAL RAISING EXERCISE

The Chairman next discussed the proposal to amend the Articles of Incorporation to increase its authorized capital stock from Two Billion Pesos (₱2,000,000,000.00) divided into Two Billion (2,000,000,000) common shares to up to Five Billion Pesos (₱5,000,000,000.00) divided into Five Billion (5,000,000,000) common shares. The proposed increase in capital stock, however, will be implemented in two tranches, as follows:

1. First, an increase by One Billion Three Hundred Million Pesos (₱1,300,000,000.00) divided into One Billion Three Hundred Million (1,300,000,000) shares to be immediately implemented in order to pay the 20% stock dividend as previously declared;
2. Second, an increase of up to One Billion Seven Hundred Million Pesos (₱1,700,000,000.00), divided into One Billion Seven Hundred Million (1,700,000,000) common shares, to be issued, together with the remaining unissued capital stock of the Corporation in a capital raising exercise to be undertaken by the Corporation subsequent to the issuance and listing of the 20% stock dividend.

After deliberations and upon motion duly made, the increase in authorized capital stock was approved as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Increase of Authorized Capital Stock from Two Billion Pesos (₱2,000,000,000.00) to up to Five Billion Pesos (₱5,000,000,000.00)	1,353,195,645	0	0

The following resolutions were thereafter approved:

“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 Three Hundred Million Pesos (₱3,300,000,000.00) with par value of One Peso (₱1.00) per share, be approved and for this purpose, the Seventh Article of the Articles of Incorporation be amended to read as follows:

‘SEVENTH: That the amount of the capital stock of this Corporation is **THREE BILLION THREE HUNDRED MILLION PESOS (₱3,300,000,000.00)**, Philippine Currency and the said capital stock is divided into **THREE BILLION THREE HUNDRED MILLION (3,300,000,000)** 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.’

“RESOLVED, FURTHER that, subsequent to the approval of the increase in capital stock by the Securities and Exchange Commission and listing of the stock dividend shares with the Philippine Stock Exchange, the Corporation be authorized to again raise its authorized capital stock from Three Billion Three Hundred Million Pesos (₱3,300,000,000.00) to Five Billion Pesos (₱5,000,000,000.00) with par value of One Peso (₱1.00) per share, and for this purpose, the Seventh Article of the Articles of Incorporation be amended to read as follows:

‘SEVENTH: That the amount of the capital stock of this Corporation is **FIVE BILLION MILLION PESOS (5,000,000,000.00)**, Philippine Currency and the said capital stock is divided into **FIVE BILLION (5,000,000,000)** 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 next item in the agenda is the election of the members of the Board of Directors for the ensuing year. He noted that the profiles of those nominated for election as members of the Board were included in the Company’s Information Statement as well as in the Annual Report. The information included their age, nationality, qualifications, dates of first appointment and other directorships in publicly- listed companies.

After their nominations were duly made and seconded from the floor, the following persons were elected as members of the Board of Directors of the Corporation for the year 2016-2017 after receiving the votes indicated opposite their names:

	Number of Votes Received
Walter W. Brown	1,353,195,645
Annabelle P. Brown	1,353,195,645
Robertino E. Pizarro	1,353,195,645
Roel Z. Castro	1,353,195,645
Elpidio M. Paras	1,353,195,645
Thomas G. Aquino	1,353,195,645
Antonio S. Soriano	1,353,195,645
Renato N. Migriño	1,353,195,645
Marie Antonette U. Quinito	1,353,195,645

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.

The Chairman congratulated the re-elected directors and welcomed the newly elected directors, Mr. R. N. Migriño and Ms. M. A. U. Quinito who likewise serve the Corporation as the Treasurer and Chief Finance Officer, respectively.

APPOINTMENT OF EXTERNAL AUDITOR

The Body next considered the appointment of the Corporation’s external auditors for Year 2016. The Chairman announced that the Corporation’s Audit Committee has recommended, and the Board of Directors has endorsed for the consideration of the shareholders, the re-appointment of Constantino Guadalquiver & Co. as the Corporation’s

external auditor for Year 2016. The Chairman likewise expressed gratitude to the auditors of Constantino Guadalquiver & Co, on behalf of the Board of Directors, for their service to the Corporation.

No questions or objections having been raised by the shareholders present despite opportunity having been given by the Chairman, the proposal to re-appoint Constantino Guadalquiver & Co. as the Corporation's external auditor for Year 2016 was approved by the shareholders as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of CG & Co. as External Auditor for 2016	1,353,195,645	0	0

The following resolution was likewise approved:

“RESOLVED, that Constantino Guadalquiver & Co. be re-appointed as the external auditor of **A Brown Company, Inc.** for Year 2016.”

ADJOURNMENT

The Chairman then encouraged the stockholders to ask questions or raise any issues they may have, but no questions were asked on the floor. There being no other matters to discuss, the meeting was adjourned.

Attested By:

WALTER W. BROWN
Chairman

ANNA FRANCESCA C. REPSICIO
Assistant Corporate Secretary

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