

**MINUTES OF THE MEETING OF THE STOCKHOLDERS  
PHILIPPINE SEVEN CORPORATION  
SAPPHIRE A-B, LEVEL 4 CROWNE PLAZA GALLERIA MANILA  
ORTIGAS AVENUE CORNER ADB AVENUE, QUEZON CITY  
JULY 18, 2013  
2:00 P.M.**

<b>TOTAL NUMBER OF SHARES OUTSTANDING</b>	-	<b>398,639,411</b>
<b>TOTAL NUMBER OF SHARES HELD BY THE STOCKHOLDERS PRESENT AND/OR REPRESENTED</b>	-	<b>390,348,984</b>

**Directors in Attendance:**

1. Vicente T. Paterno	-	Chairman of the Board and Director
2. Nan-Bey Lai	-	Vice-Chairman and Director
3. Jose Victor P. Paterno	-	President and Director
4. Jorge L. Araneta	-	Director
5. Diana P. Aguilar	-	Director
6. Jui-Tang Chen	-	Director
7. Wen-Chi Wu	-	Director
8. Mao-Chia Chung	-	Director
9. Lien-Tang Hsieh	-	Director
10. Antonio Jose U. Periquet	-	Independent Director and Chairman of Audit Committee
11. Michael B. Zalamea	-	Independent Director

**PROCEEDINGS OF THE MEETING**

**I. CERTIFICATION OF QUORUM AND CALL TO ORDER**

Upon request of the Chairman, Mr. Vicente T. Paterno, the Corporate Secretary, Atty. Evelyn S. Enriquez, announced that Philippine Seven Corporation's (the "Corporation" or "PSC") stock and transfer agent, BDO Unibank Inc.- Trust & Investment Group, in accordance with the Code of By-laws, sent notice of the meeting to all stockholders of record as of June 04, 2013. The notice was published in the Classified Section of the June 27, 2013 issue of the Philippine Star. She reported the computation of PSC's Stock and Transfer Agent that out of 398,639,411 shares of stock outstanding and entitled to vote, **390,348,984** shares or 97.92% were represented at the meeting in person and/or by proxy, and that accordingly, a quorum for the meeting existed. Thereupon, the Chairman called the meeting to order.

**II. APPROVAL OF MINUTES OF THE LAST STOCKHOLDERS' MEETING**

On motion duly made and seconded, the stockholders dispensed with the reading of minutes of the last stockholders' meeting of the Corporation held on July 24, 2012 and approved the same as recorded.

**III. MANAGEMENT REPORT AND APPROVAL OF 2012 AUDITED FINANCIAL STATEMENTS**

The Board Chairman, Mr. Vicente Paterno, read his message to the stockholders, followed by the President, Mr. Jose Victor P. Paterno, reporting the 2012 Review of Operations. The Treasurer/CFO, Mr. Ping-Hung Chen, rendered the financial highlights of the audited consolidated financial statements for

Y2012. Print copies of the 2012 Annual Report and Audited Financial Statements were distributed to the stockholders during the meeting

The stockholders were given the opportunity to ask questions or share some comments. After responding to some questions and comments, on motion duly made and seconded, the stockholders approved and accepted the report on operations for Y2012 and the audited financial statements for the same year.

**"RESOLVED**, that the stockholders of the Philippine Seven Corporation hereby approve the 2012 Annual Report and the Audited Consolidated Financial Statements of Philippine Seven Corporation for Y2012 as presented."

#### **IV. RATIFICATION OF ALL CORPORATE ACTS**

On motion duly made and seconded, the stockholders unanimously ratified all acts of the Corporation, its Board of Directors, Executive Committee, Board Committees and Management from the last annual stockholders' meeting to the present

**"RESOLVED**, that the stockholders of Philippine Seven Corporation (the "Corporation") hereby approve and ratify all the actions taken by the Corporation's Board of Directors, Executive Committee, Board Committees and Management for Y2012 and up to the present."

#### **V. ELECTION OF MEMBERS OF THE BOARD**

The Articles of Incorporation of the Corporation provide for 11 directors. The Corporate Secretary stated that the names of the eleven nominees being presented to the stockholders were submitted to the Nomination Committee in its meeting on April 18, 2013 and were cleared to have complied with the "non-compete" provision of PSC's Code of By-laws. These nominees also include the Final List of Candidates eligible for election as independent directors, pre-screened pursuant to the procedures provided in the SEC Circular No. 16 on the Guidelines on Nomination and Election of Independent Directors. Hence, the following are the nominees submitted to and screened by the Nomination Committee (in alphabetical order):

- |                     |   |
|---------------------|---|
| 1. Diana P. Aguilar | 7. Vicente T. Paterno                               |
| 2. Jorge L. Araneta | 8. Jose Victor P. Paterno                           |
| 3. Jui-Tang Chen    | 9. Wen-Chi Wu                                       |
| 4. Mao-Chia Chung   | 10. Antonio Jose U. Periquet (independent director) |
| 5. Lien-Tang Hsieh  | 11. Michael B. Zalamea (independent director)       |
| 6. Nan-Bey Lai      |   |

On motion duly made, seconded and unanimously carried, the above-named nominees were nominated as directors and independent directors of the Corporation. There being no objection, the nomination was closed.

On motion duly made, seconded and unanimously carried, the stockholders approved that the body dispense with the individual casting of votes and agreed to vote and count the shares of all the shareholders present and/or represented in favor of the 11 nominees. Hence, the above-named nominees were duly elected as directors of the Corporation for a term of one (1) year and until their successors shall have been duly elected and qualified.

## VI. APPOINTMENT OF EXTERNAL AUDITOR

The stockholders were informed that present auditor, Sycip Gorres Velayo & Co. (SGV), was appointed Company auditor in 2005. The Audit Committee and the Executive Committee recommend the re-appointment of SGV and SGV has accepted the invitation to stand for re-election this year. The current engagement partner, Ms. Julie Christine Ong-Mateo, is now on her fifth year as the designated audit partner in PSC. This is in compliance with Rule 68 of the Securities Regulation Code requiring the rotation of external auditors or engagement partners who have served the company for a period of 5 consecutive years.

On motion duly made and seconded, the stockholders unanimously approved the re-appointment of Sycip Gorres Velayo & Company as the external auditor of the Corporation for 2013.

**"RESOLVED**, that the stockholders of Philippine Seven Corporation (the "Corporation") hereby approve and ratify the appointment of Sycip Gorres Velayo and Company (SGV) as the external auditor of the Corporation for Y2013"

## VII. APPROVAL STOCK DIVIDEND DECLARATION

The Chairman informed the stockholders that the Company issued a 10% stock dividend in 2008 and 2009 and a 5% stock dividend in 2010, together with a cash dividend of five centavos per share. In 2011 and 2012, a 15% stock dividend and a ten-centavo cash dividend were issued. In view of the favorable financial performance of 2012, the Board has approved a cash dividend of ten centavo per share and a stock dividend of 15%.

Pursuant to the above, the Board recommended a 15% stock dividend for approval and ratification by at least 2/3 of the stockholders of the Corporation. The actions for approval are as follows:

1. Stock dividend declaration of 15% of the outstanding capital stock of the Corporation of 398,639,411 shares or equivalent to 59,795,912 common shares with par value of P1.00 per share;
2. Issuance of 59,795,912 common shares with par value of P1.00 per share from the authorized and unissued capital stock of the Corporation for distribution as stock dividend;
3. Any fractional shares resulting from the stock dividend shall be rounded off to the nearest one (1), following the rules of rounding off;
4. Record date for entitlement to stock dividend shall be on August 15, 2013 which is not more than (30) days from the approval thereof by the stockholders of the Corporation in the forthcoming annual meeting on July 18, 2013
5. Payment date of the stock dividend shall be September 9, 2013, which is not later than eighteen (18) trading days from the said record date.
6. Submission of the stock dividend declaration for approval and ratification by stockholders representing at least 2/3 of the outstanding capital of the Corporation in the annual meeting of July 18, 2013.

On motion duly made and seconded stockholders representing 97.92% of outstanding capital stock of the Corporation approved and ratified the following resolutions:

**"RESOLVED**, that the Board of Directors of Philippine Seven Corporation (the "Corporation") hereby approve a stock dividend declaration corresponding to 15% of the outstanding capital stock of the Corporation of 398,639,411 shares or equivalent to

59,795,912 common shares and the issuance of 59,795,912 common shares with par value of P1.00 per share from the authorized and unissued capital stock of the Corporation for distribution as stock dividend;"

"RESOLVED, ALSO, that any fractional shares resulting from the declaration of the stock dividend shall be rounded off to the nearest one (1), following the rules of rounding off;"

"RESOLVED, ALSO, that the record date for entitlement to the said stock dividend shall be on August 15, 2013 which is not more than (30) days from the approval thereof by the stockholders of the Corporation in the forthcoming annual meeting on July 18, 2013, and the payment date shall be September 9, 2013, which is not later than eighteen (18) trading days from the said record date;"

"RESOLVED, FURTHER, that the foregoing resolutions on the declaration of Stock Dividend be submitted for the ratification and approval by stockholders representing at least 2/3 of the outstanding capital stock of the Corporation in the annual meeting on July 18, 2013."

"RESOLVED, FINALLY, that any one of the Chairman of the Board, President, Treasurer or Corporate Secretary is hereby authorized to file the necessary petition and other requisite documents and papers to secure approvals from the appropriate government agencies and other entities to implement the foregoing resolutions."

#### VIII. ADJOURNMENT

There being no further business to transact, on motion duly made and seconded, the Chairman adjourned the meeting at 3:10 p.m.

Certified Correct:

  
EVELYN S. ENRIQUEZ  
Corporate Secretary

Attested by:

  
VICENTE T. PATERNO  
Chairman of the Board