

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING**  
**OF**  
**SEMIRARA MINING CORPORATION**

May 5, 2014, 10:00 A.M.  
Turf Room, Manila Polo Club, Inc.  
McKinley Road, Forbes Park, Makati City, Metro Manila

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**Present:**

1. **David M. Consunji**, *Chairman of the Board*
2. **Isidro A. Consunji**, *Vice-Chairman, CEO, Chairman of the Nomination and Election Committee*
3. **Victor A. Consunji**, *President, Chief Operating Officer, and Member of the Audit Committee*
4. **Jorge A. Consunji**, *Non-Executive Director*
5. **Herbert M. Consunji**, *Non-Executive Director*
6. **Cesar A. Buenaventura**, *Non-Executive Director*
7. **Ma. Cristina C. Gotianun**, *Executive Vice President and Chairman of the Compensation & Remuneration Committee*
8. **Ma. Edwina C. Laperal**, *Non-Executive Director*
9. **George G. San Pedro**, *Vice-President for Operations and Resident Manager*
10. **Victor C. Macalincag**, *Independent Director, Chairman of the Audit Committee and Member of the Compensation & Remuneration Committee and Nomination & Election Committee.*

**Absent:**

1. **Federico E. Puno**, *Independent Director, Member of the Audit Committee and Compensation & Remuneration Committee and Nomination & Election Committee.*

**Others Present:**

1. **John R. Sadullo**, *VP-Legal and Corporate Secretary*
  2. **Junalina S. Tabor**, *Chief Finance Officer*
  3. **SGV & Co:**
    - a. **J. Carlitos Cruz**, *Deputy Managing Partner*
    - b. **Cyril Jasmin B. Valencia**, *Assurance Partner*
    - c. **Bernalette L. Ramos**, *Partner-in-Charge*
    - d. **Hilario Rufino A. Sabado III**, *Engagement Manager/Director*
    - e. **Leo Carl T. Chin**, *Senior Associate*
    - f. **Beatriz Mari V. Carlos**, *Associate*
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## 1. CALL TO ORDER

Mr. David M. Consunji, Chairman of the Board, turned over the floor to the Vice-Chairman and Chief Executive Officer of the Corporation, Mr. Isidro A. Consunji. Mr. Isidro A. Consunji. Thereafter, he presided over the meeting.

Mr. John R. Sadullo, the Corporate Secretary of the Corporation, recorded the minutes of the proceedings.

## 2. PROOF OF NOTICE OF MEETING AND CERTIFICATION OF QUORUM

The Secretary certified that the Definitive Information Statement and Notice of today's meeting were transmitted and delivered by registered mail to the stockholders' of record at their respective addresses as indicated in the corporate records, at least fifteen (15) business days prior to the date of this meeting or on April 7, 2014. As of March 21, 2014, the "Record Date", the Corporation has 356,250,000 issued and outstanding common shares. Based on the Certification of the Corporation's Stock Transfer Agent, Rizal Commercial Banking Corporation, at least 286,821,469 or 80.51% of the Corporation's issued and outstanding capital stock were present in person or represented by proxies at today's meeting. Thus, a quorum existed for the transaction of corporate business.

Before proceeding, the Corporate Secretary apprised the stockholders that matters requiring approval by the stockholders will be voted upon through poll balloting after all items have been discussed and the proper motion for its approval duly made and seconded.

The counting and validation of votes shall be supervised by a committee appointed by the Nomination & Election Committee of the Corporation headed by the Corporate Secretary. The Corporation appointed the auditing firm of SyCip Gorres Velayo & Co. as the independent body to count and validate the votes by poll cast by the stockholders at today's meeting.

## 3. APPROVAL OF MINUTES OF PREVIOUS MEETING OF STOCKHOLDERS

The Vice Chairman proceeded with item 3 of the Agenda on the approval of the minutes of the previous meeting of stockholders held on May 6, 2013, copies of which were duly furnished to the stockholders' present at the meeting. After due deliberation, a motion was entertained, which was duly seconded, and the votes cast as validated showed the following results:

<b>Opinion</b>	<b>Vote Cast (one vote per share)</b>	<b>Percentage of Shares represented at ASM with balloting rights</b>
For	286,033,695	99.73%
Against	None	None
Abstain	769,450	0.27%

Based on the foregoing, the stockholders consisting of at least 286,033,695 or 99.73% of the Corporation's issued and outstanding capital stock unanimously approved, confirmed and ratified, and the following resolution was adopted by the stockholders:

### **Stockholders' Resolution**

**"RESOLVED**, as it is hereby resolved, that the stockholders of **Semirara Mining Corporation** (the "Corporation") consisting of at least

286,033,695 or 99.73% of the Corporation's issued and outstanding capital stock, approve, confirm and ratify, as they do hereby, by poll balloting the Minutes of Annual Stockholders' Meeting held on May 6, 2013."

#### **4. MANAGEMENT REPORT FOR THE FISCAL YEAR 2013**

Mr. Victor A. Consunji, President and Chief Operating Officer of the Company rendered the Management Report, as follows:

*2013 was a banner year for your Company, with both financial and operational metrics registering high marks. The coal segment, despite the incident last February, managed to match previous year's coal production at 7.6 million tons of net total product coal with total materials moved of 82 million bank cubic meters or 7% improvement year-on-year.*

*Additional mine safety measures were immediately instituted to prevent incident of similar nature.*

*Total volume sold in 2013 increased 6% to 7.6 million tons from 7.2 tons the previous year. Average composite FOB price per ton dropped 10% year-on-year at P2,185 from P2,454 in 2012, reflective of the drop in global coal prices.*

*Meanwhile, total energy generation of 3.6 million MWh in 2013 marked the highest in the history of the Calaca power plants, representing 48% increase from the 2.5 million MWh generated in 2012.*

*Total operating hours increased 39% to 14,538 hours from only 10,457 hours in 2012. Average capacity also increased at 501 MW from 446 MW last year.*

*As a result, higher generation of the newly rehabilitated power plants drove sales volume up by 46% to 3,460 GWh from just 2,365 in 2012. Of the total energy sold, 96% were sold through bilateral contracts, which were up remarkably by 65%, to 3,313 GWh in 2013 from 2,007 GWh in 2012.*

*The rehabilitation of the power plants contributed greatly to the shift in the financial structure of your Company in 2013.*

*Consolidated net income after tax increased 18% to P7.5 billion. Notably, the mix has shifted to 24% - 76%; coal income of P1.8 billion and power income of P5.8 billion.*

*The increase in income correspondingly increased earnings per share to P21.11, from 2012's P17.85.*

*Semirara's stock closed at P288/share in 2013, bringing the Company's market capitalization to P102.6 billion or USD2.3 billion. The stock price also indicated strong public confidence with a price earnings ratio of 13.64x.*

*Consolidated cash generated from operations during the period, amounting to P12.7 billion, gave your Company the flexibility to undertake capital expenditures that would further strengthen its prospects in the long term. The strong cash position also enabled your Company to declare cash dividends amounting to P4.3 billion in 2013. Subsequently, in our meeting last 29 April, your Board of Directors declared cash dividends of P12/share, totaling to P4.3 billion this year, payable on 28 May 2014.*

*The group's engineering and management competence, has proven key to providing solutions to challenges, enabling your Company to transform from being a coal mining company to a professional, world-class energy corporation.*

*The historical high achieved in power generation is a testament to the success of the rehabilitation of the power plants. More highs are expected in the coming years especially since the 2 x 150 MW Phase 1 expansion project is proceeding as planned. Testing and commissioning for one unit will be in Q1, while the second unit will be in Q2 2015.*

*The awards received in 2013 by Your Company, attest to our constant pursuit of excellence. In 2013, it became one of the ten finalists for the Bell Award of the Philippine Stock Exchange.*

*It was also named among FinanceAsia's Best Philippine Companies, recognized as 6th Most Committed to a Strong Dividend Policy in 2013.*

*Your Company is aware, however, that our remarkable financial achievements are not the sole measure of success and impact.*

*Your Company is cognizant of its responsibility, not just to its shareholders and employees but to the environment and to its host communities, to the government, to its business partners and other stakeholders.*

*As a corporate citizen, Your Company has always anchored itself on the principles of its 5Es program -- Education, Environmental Protection, Economic Empowerment, Employment and Livelihood, and Electrification.*

*Your Company recognizes the invaluable support of our host communities and the paramount importance of their economic and environmental sustainability. This commitment is recognized when we were named second runner-up in the Corporate Social Responsibility category of the 2013 Asean Energy Award.*

*Good things are in store in 2014 and onward. We thank you for your unfaltering support and we renew our commitment to make you proud of Semirara.*

After the delivery of the Management Report, the Vice-Chairman then welcomed shareholders' queries for more details and other views, as follows:

**Question and Answer**

Mr. Alfred Reiterer, stockholder of the Corporation asked the following questions:

*Q: My question is related to the coal price. Coal prices now is very low, at what price will the Company begin to incur losses?*

*A: If coal prices will continue to go down, our mining cost as far as coal mining operations is concerned is at PHP900/MT. This is the direct mining cost. If coal prices will be lower than PHP900 to PHP1,000 level, the Company will be incurring losses, replied by Ms. Junalina S. Tabor, Chief Finance Officer of the Corporation to whom the question was directed.*

*Q: How much production is contracted for long-term?*

A: *We have a long-term contract with Global Power for ten years. Currently, the contract is on its fourth year and about six years to go. Contracted coal is about 900 MTS per annum, replied by Mr. Victor A. Consunji, President and Chief Operating Officer of the Corporation.*

Q: *When do you expect coal prices to go up?*

A: *I think one of the contributing factors is the slowdown in China that is why the price is depressed, and Indonesia, has a very uncontrolled production and exporting, that is probably one of the reasons why there is a big over supply, explained by Mr. Victor Consunji.*

A member from the media inquired to the Board as follows:

Q: *Aside from the 2x150 MW power plant, do you have another project in the pipeline?*

A: *Yes, we applied recently with the Board of Investments (BOI) and with Department of Energy (DOE)'s consent and approval for another 2x350 MW power plant.*

Q: *That is the 2x350 MW right?*

A: *No, only the first 1x350 MW power plant which uses the pulverized coal technology, replied by Mr. Victor Consunji.*

Q: *How about the one with St. Raphael, the 400MW?*

A: *That is "up to 400 MW capacity", said Mr. Victor Consunji.*

Q: *How much is the capital expenditure (CAPEX) per megawatt of the power plant?*

A: *The CAPEX for the first 2x150 is about USD450 million or about USD1.3 million per megawatt, replied by Mr. Victor Consunji. Mr. Isidro Consunji added that "unlike the first one, this is not thoroughly financed, this called break-finance so we have not contracted the power yet regarding the offtake.*

Q: *Regarding the issue with Meralco, how much is the Company's receivables because of the issue on higher rates?*

A: *Our receivable is around PHP700 million, which was restrained by Supreme Court via temporary restraining order (TRO). However, with recent ruling of the ERC, the Company is being asked to refund PHP700 plus million, so basically we do not know whom to follow, said Mr. Isidro Consunji.*

Q: *What is the Company's performance for the second quarter in relation to the stock market?*

A: *Mr. Isidro Consunji said: Right now, unfortunately our second quarter is not very good, because we have a problem in the power plant, but we hope to recover. As we speak, we are testing and commissioning our plant (Unit 2 of the Calaca Plant)*

After all queries or clarifications have been clarified and there were no other questions raised, the Vice-Chairman entertained a motion, which was duly seconded for the approval of the Management Report. The votes cast as validated showed the following results:

<b>Opinion</b>	<b>Vote Cast (one vote per share)</b>	<b>Percentage of Shares represented at ASM with balloting rights</b>
For	285,890,715	99.68%
Against	50,000	0.02%
Abstain	769,450	0.27%

Based on the foregoing, the stockholders consisting of at least 285,890,715 or 99.68% of the Corporation's issued and outstanding capital stock unanimously approved, confirmed and ratified, and the following resolution was adopted by the stockholders:

**Stockholders' Resolution**

“**RESOLVED**, as it is hereby resolved, that the stockholders of **Semirara Mining Corporation** (the “Corporation”) representing at least 285,890,715 or 99.68% of the Corporation's issued and outstanding capital stock approve, confirm and ratify, as they do hereby, by poll balloting the Management Report for the fiscal year 2013, as read and delivered by the Corporation's President and Chief Operating Officer, Mr. Victor A. Consunji.”

**5. RATIFICATION OF THE ACTS OF THE OFFICERS AND BOARD OF DIRECTORS**

The meeting then proceeded to the next item of the agenda on the ratification of the acts of Officers and Board of Directors of the Corporation performed or undertaken in the year 2013 and until the date of this meeting.

After due deliberation, a motion was entertained, which was duly seconded. The votes cast as validated showed the following results:

<b>Opinion</b>	<b>Vote Cast (one vote per share)</b>	<b>Percentage of Shares represented at ASM with balloting rights</b>
For	274,526,057	95.71%
Against	None	None
Abstain	12,184,108	4.25%

With the foregoing, the stockholders consisting of at least 274,526,057 or 95.71% of the Corporation's issued and outstanding capital stock unanimously approved, confirmed and ratified, and the following resolution as adopted by the stockholders:

**Stockholders' Resolution**

“**RESOLVED**, as it is hereby resolved, that the stockholders of **Semirara Mining Corporation** (the “Corporation”) representing at least 274,526,057 or 95.71% of the Corporation's issued and outstanding capital stock approve, confirm and ratify, as they do hereby, by poll balloting all the acts, decisions and resolutions of the Board of Directors and Officers of the Corporation made or undertaken in the year 2013 and until the date of this meeting, as these are reflected in the books and records of the Corporation.”

## 6. PROJECT DEBT FACILITY OF SUBSIDIARY

The Secretary, upon being directed by the Vice-Chairman, explained to the stockholders that in 2007 the Corporation's stockholders approved the Corporation's venture in power Generation. On August 31, 2011, Southwest Luzon Power Generation Corporation (SLPGC), a wholly-owned subsidiary of the Corporation, was incorporated to own and operate the 2x150 Mega Watt (MW) power plant located in Calaca, Batangas. On May 7, 2012, the Corporation's stockholders approved and ratified the following guarantees for the PHP11.5 Billion loan secured by SLPGC's to finance its power plant project, to wit: Corporate Interim Suretyship, pledge of 67% of shares held in SLPGC and Shareholder's Support for construction overruns via equity or subordinated loans.

On September 10, 2013, St. Raphael Power Generation Corporation (SRPGC), likewise a wholly-owned subsidiary of the Corporation was incorporated to own and operate a power plant with a capacity of up to 400 MW with an estimated project cost of USD600 million. Said power plant will be located in Calaca, Batangas adjacent the SLPGC's 2x150 MW power plant. Similar to SLPGC, SRPGC shall secure a syndicated term loan of up to USD420 million or its peso equivalent in order to partially finance the engineering, procurement and construction costs, interest during construction, taxes and duties, financing fees and costs, legal and consulting costs, and permanent working capital requirements of the SRPGC's power plant with the same kind of securities and guarantees to be provided by SRPGC's parent company, Semirara Mining Corporation.

On March 6, 2014, the Board of Directors of the Corporation approved the extension of said securities and guarantees, and recommends to the stockholders of the Corporation the approval thereof in order to secure the project financing of SRPGC's power plant, as follows:

- a) Pledge of the Corporation's 67% shares held in SRPGC;
- b) Interim Suretyship, that will guarantee the repayment of all obligations under the Project Debt Facility for the amount of loan to be obtained by SRPGC; and
- c) Shareholder's support by the Corporation that will fund the project's construction cost overruns via equity or subordinated loans.

After due deliberation, a motion was entertained, which was duly seconded. The votes cast as validated showed the following results:

<b>Opinion</b>	<b>Vote Cast (one vote per share)</b>	<b>Percentage of Shares represented at ASM with balloting rights</b>
For	274,573,887	95.73%
Against	2,170	0.00%
Abstain	12,134,108	4.23%

Thus, the stockholders consisting of at least 274,573, 887 or 95.73% of the Corporation's issued and outstanding capital stock unanimously approved, confirmed and ratified the approval of the authority of the Corporation to execute securities and corporate guarantees, and the following resolution was adopted by the stockholders:

## Stockholders' Resolution

“**RESOLVED**, as it is hereby resolved, that the Stockholders of **Semirara Mining Corporation** (the “Corporation”) comprising at least two-thirds (2/3), that is, 274,573, 887 or 95.73% of the issued and outstanding capital stock of the Corporation, approve, confirm and ratify, as they do hereby, by poll balloting the execution of corporate guarantees or securities that will secure and guarantee the syndicated term-loan to be obtained by St. Raphael Power Generation Corporation from any reputable banking institutions, to wit:

- i. Pledge of 67% of the Corporation’s shares held in St. Rapahel Power Generation Corporation;
- ii. Interim Suretyship to guarantee St. Rapahel Power Generation Corporation’s obligations under the terms of the syndicated term-loan; and
- iii. Shareholder’s Support via equity investments in, or subordinated loans in favor of St. Raphael Power Generation Corporation.”

## **7. AMENDMENTS TO ARTICLES OF INCORPORATION**

The Board of Directors at its meeting held on March 6, 2014 approved and recommended for approval of the stockholders the change of corporate name of the Corporation to “Semirara Mining and Power Corporation” as a forward integration of the Corporation’s coal mining business as a coal supplier or producer to power generation through its wholly-owned subsidiaries.

Further, on February 20, 2014 the Securities and Exchange Commission issued SEC Memorandum Circular No. 6, Series of 2014 which requires all existing corporations whose articles of incorporation indicate only a general address as their principal office address, such that it refers only to a city, town, or municipality, or “Metro Manila”, are directed to file an amended articles of incorporation in order to specify their complete address, such that, if feasible, it has a street number, street, name, barangay, city or municipality, and if applicable, the name of the building, the number of the building, and name or number of the room or unit. The circular further states that affected corporations are given until December 31, 2014 to effect a change in their principal office address.

The Corporation’s Articles of Incorporation reflects “Metro Manila” as its principal office address. Consequently, amendment thereof particularly Article 3 is necessary which the Board of Directors at its meeting on March 6, 2014 approved and recommended to the stockholders the approval of the proposed principal office address to be “2/F DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City, Metro Manila.”

Finally, in relation to the declaration of stock dividends of 200% for every one common share held, the Board of Directors likewise approved and recommended for approval of the stockholders at its meeting held on March 6, 2014, the amendment of Article 7 of the Corporation’s Articles of Incorporation increasing its Authorized Capital Stock from PHP1 billion to PHP3 billion pesos, and to delete the letter “s” in the word “Pesos” between “One” and “(Php1.00)” of the par value. The Board has determined the Increase in Authorized Capital Stock to be advisable and in the Corporation’s best interest. The additional authorized capital may be used to readily address Corporation’s requirements for business and financial purposes as determined by the Board of Directors from time to time. This shall support future Board recommendations, which may include, but not limited to, raising capital through the sale of



common stock, acquiring other companies and businesses in exchange for shares of common stock, and other transactions and corporate purposes that the Board of Directors deems to be in the Corporation’s best interest.

After due deliberation, a stockholder moved for the approval of the proposed amendments to the Corporation’s Articles of Incorporation. The motion was duly seconded, and the votes cast as validated showed the following results:

- a. Change of Corporate name to Semirara Mining and Power Corporation

<b>Opinion</b>	<b>Vote Cast (one vote per share)</b>	<b>Percentage of Shares represented at ASM with balloting rights</b>
For	286,710,165	99.96%
Against	None	None
Abstain	None	None

- b. Increase of Authorized Capital Stock from PHP1 billion to PHP3 billion

<b>Opinion</b>	<b>Vote Cast (one vote per share)</b>	<b>Percentage of Shares represented at ASM with balloting rights</b>
For	285,956,485	99.70%
Against	753,680	0.26%
Abstain	None	None

- c. Change of principal office address to 2/F DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City

<b>Opinion</b>	<b>Vote Cast (one vote per share)</b>	<b>Percentage of Shares represented at ASM with balloting rights</b>
For	286,710,165	99.96%
Against	None	None
Abstain	None	None

Based on the foregoing results, the stockholders unanimously approved, confirmed and ratified, and the following resolution was adopted:

**Directors’ Resolution**

“**RESOLVED**, as it is hereby resolved, that the Stockholders of **Semirara Mining Corporation** (the “Corporation”) representing at least 286,710,165 or 99.96% of the Corporation’s issued and outstanding capital stock, approve, confirm and ratify, as they do hereby, by poll balloting the amendment to Article 1 of the Articles of Incorporation by changing its corporate name from “Semirara Mining Corporation” to “Semirara Mining and Power Corporation.” Thus, the First Article of the Corporation’s Articles of Incorporation, be, as it is hereby, amended to read as follows:

*FIRST: That the name of the said Corporation shall be:  
**SEMIRARA MINING AND POWER CORPORATION.**”*

**RESOLVED, FURTHER**, that the Stockholders of the Corporation representing at least 285,956,485 or 99.70% of the Corporation’s issued and

outstanding capital stock, approve, confirm and ratify, as they do hereby, by poll balloting the amendment of Article III of the Corporation's Articles of Incorporation to change its principal place of office from "Metro Manila" to "2/F DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City, Metro Manila," in compliance with the Securities and Exchange Commission Memorandum Circular No. 6, series of 2014. Thus, the Third Article of the Corporation's Articles of Incorporation, be, as it is hereby, amended to read as follows:

*THIRD: That the place where the principal office of the Corporation is to be established or located is at the 2/F DMCI Plaza, 2281 Don Chino Roces Avenue, Makati City, Metro Manila.*

**RESOLVED, FURTHERMORE,** that the Stockholders of the Corporation representing at least 286,710,165 or 99.96% of the Corporation's issued and outstanding capital stock, approve, confirm and ratify, as they do hereby, by poll balloting the increase in the authorized capital stock of the Corporation from PHP1,000,000,000.00, divided into 1,000,000,000 shares, with a par value of PHP1.00 per share, to PHP3,000,000,000.00, divided into 3,000,000,000 shares, with a par value of PHP1.00 per share. Thus, the Seventh Article of the Corporation's Articles of Incorporation, be, as it is hereby, amended to read as follows:

*SEVENTH: That the authorized capital stock of the Corporation is Three Billion Pesos (Php3,000,000,000.00), divided into Three Billion (3,000,000,000) shares with a par value of One Peso (Php1.00) per share.*

**RESOLVED, FINALLY,** that the directors and officers of the Corporation be, as they are hereby, authorized to execute, sign and file with the Securities and Exchange Commission, the Philippine Stock Exchange, Inc., and other appropriate government agencies, any and all documents which may be required or necessary in order to fully implement the foregoing resolutions and to update the Corporation's registrations with the said agencies."

## 8. AMENDMENT TO BY-LAWS

Further, the Board of Directors at its meeting held last March 6, 2014 has likewise recommended to the Stockholders for approval the amendment of Section 8, Article II of the Corporation's By-Laws, as amended, by increasing the quorum requirement for the Board to transact business from majority to two-thirds (2/3) of the whole number of directors as fixed in the Articles of Incorporation. The rationale is to align with global practices on Board performance and to enhance overall Board performance as well.

After due deliberation, a motion was entertained, which was duly seconded. The votes cast as validated showed the following results:

<b>Opinion</b>	<b>Vote Cast (one vote per share)</b>	<b>Percentage of Shares represented at ASM with balloting rights</b>
For	275,345,507	96.00%
Against	None	None
Abstain	11,364,658	3.96%

Thus, the stockholders consisting of at least 275,345,507 or 96% of the Corporation's issued and outstanding capital stock unanimously approved, confirmed and ratified, and the following resolution was adopted by the stockholders:

### **Directors' Resolution**

**“RESOLVED**, as it is hereby resolved, that the Stockholders of **Semirara Mining Corporation** (the “Corporation”), representing at least 275,345,507 or 96% of the Corporation's issued and outstanding capital stock, approve, confirm and ratify, as they do hereby, by poll balloting the amendment to Section 8, Article II of the By-Laws by increasing the quorum requirement for the board to transact business from majority to two-thirds (2/3) of the whole number of directors as fixed in the Articles of Incorporation. Thus, the Section 8, Article II of the Corporation's By-Laws, be, as it is hereby, amended to read as follows:

*Section 8. QUORUM. The directors shall act only as a board, and the individual directors shall have no power as such. Two-thirds (2/3) of the whole number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of business, provided however that an independent director shall always be in attendance. The absence of an independent director, shall not however affect the quorum requirements if such director is duly notified of the meeting. The act of the majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the directors present at the time and place of any meeting may adjourn the meeting from time to time until and quorum shall be present.*

**RESOLVED, FINALLY**, that the directors and officers of the Corporation be, as they are hereby, authorized to execute, sign and file with the Securities and Exchange Commission, the Philippine Stock Exchange, Inc., and other appropriate government agencies, any and all documents which may be required or necessary in order to fully implement the foregoing resolutions and to update the Corporation's registrations with the said agencies.”

## **9. DECLARATION OF 200% STOCK DIVIDENDS**

In view of the increase in authorized capital stock, Management further recommended to the Board the declaration of two hundred percent (200%) stock dividends amounting to PHP712,500,000.00 divided into 712,500,000 shares at one peso (PHP1.00) par value per share, or two (2) common shares for every one common share held (2:1), from the unrestricted retained earnings of the Corporation as at December 31, 2013.

No fractional shares shall be issued and the value of any fractional shares shall be paid to the stockholders in cash at the closing price of the Corporation's shares as of the record date. The President of the Corporation was authorized and empowered to determine the record and payment dates.

After due deliberation, a motion was entertained, which was duly seconded. The votes cast as validated showed the following results:

<b>Opinion</b>	<b>Vote Cast (one vote per share)</b>	<b>Percentage of Shares represented at ASM with balloting rights</b>
For	275,345,507	96.00%
Against	None	None
Abstain	11,364,658	3.96%

Thus, the stockholders consisting of at least 275,345,507 or 96% of the Corporation's issued and outstanding capital stock unanimously approved, confirmed and ratified, and the following resolution was adopted by the stockholders:

#### **Directors' Resolution**

**“RESOLVED, as it is hereby resolved,** that the Stockholders of **Semirara Mining Corporation** (the “Corporation”) representing at least 275,345,507 or 96% of the Corporation's issued and outstanding capital stock, approve, confirm and ratify, as they do hereby, by poll balloting the declaration of two hundred percent (200%) stock dividends amounting to PHP712,500,000.00 divided into 712,500,000 shares at one peso (PHP1.00) par value per share, or two (2) common shares for every one common share held, from the unrestricted retained earnings of the Corporation as at December 31, 2013.

**RESOLVED, FURTHER,** that the President of the Corporation be, as he is hereby, authorized to determine the record date and payment date for the said stock dividend declaration;

**RESOLVED, FINALLY,** that no fractional shares shall be issued and the value of any fractional shares shall be paid to the stockholders in cash at the closing price of the Corporation's shares as of the record date.”

#### **10. ELECTION OF DIRECTORS FOR THE YEAR 2014-2015**

The next item is the election of directors for the year 2013-2014. The Secretary apprised the stockholders of the mechanics on the election of directors. He explained that pursuant to Article I, Section 5 of the Amended By-laws of the Corporation, at all meetings of stockholders for the election of the members of the Board of Directors, cumulative voting is allowed and each stockholder may distribute his votes in accordance with the applicable law.

Section 24 of the Corporation Code of the Philippines provides that a stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing in his own name in the stock books of the Company on record date and said stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit. The quorum required in the election of the members of the Board of Directors is a majority of the outstanding capital stock entitled to vote. The eleven (11) nominees obtaining the highest number of votes in accordance with Section 24 of the Corporation Code shall be proclaimed directors.

Moreover, being a publicly-listed company, the Corporation is required under SEC regulations and the Corporation's Revised Code of Corporate Governance to have at least two (2) independent directors being twenty (20%) of the seats of the Board. Messrs. Victor C. Macalincag and Federico E. Puno have been nominated by a stockholder of the Company, Mr.

Antonio C. Olizon, as independent directors. The Nomination and Election Committee has passed upon the qualifications of Messrs. Macalincag and Puno in accordance with the Company's Revised Code of Corporate Governance, SEC's Guidelines on the Nomination and Election of Independent Directors, and the term limit requirement pursuant to SEC Memorandum Circular No. 9, Series of 2011. The nominees for Independent Directors were nominated to the Board due to their outstanding business and financial acumen which provided invaluable contribution to the Company's strategy.

Further, the Secretary explained that based on the nominations received by the Nomination Committee and/or Corporate Secretary in accordance with the Procedure on Nomination and Election of Directors prior to deadline for submission of nominations on March 5, 2014, there are eleven (11) nominees for directorship inclusive of two (2) nominees for independent directorship. All nominees have been determined to possess the qualifications, skills and experience appropriately aligned to the Corporation's strategy.

After the determination of the final list of candidates, no other nomination will be allowed on the floor in accordance with the Amended By-Laws of the Corporation. The following names of nominees' appeared in the Final List of Candidates for Directorship:

**Regular Directors:**

1. David M. Consunji
2. Victor A. Consunji
3. Isidro A. Consunji
4. Cesar A. Buenaventura
5. Jorge A. Consunji
6. Herbert M. Consunji
7. Ma. Cristina C. Gotianun
8. Ma. Edwina C. Laperal
9. George G. San Pedro

**Independent Directors:**

10. Victor C. Macalincag
11. Federico E. Puno

The following nominees were elected as directors for the ensuing year by poll balloting conducted thereafter to serve for a period of one (1) year, and to serve as such until their successors shall have been duly elected and qualified:

Opinion	Vote Cast (one vote per share) and the Percentage of Shares represented at ASM with balloting rights		
	For	Against	Abstain
<b>Regular Director</b>			
1. David M. Consunji	285,139,637 (99.41%)	None	1,570,558 (0.55%)
2. Isidro A. Consunji	283,908,027 (98.98%)	1,231,610 (0.43%)	1,570,558 (0.55%)
3. Victor A. Consunji	285,137,467 (99.41%)	2,170 (0.00%)	1,570,558 (0.55%)
4. Jorge A. Consunji	285,139,637 (99.41%)	None	1,570,558 (0.55%)
5. Cesar A. Buenaventura	285,137,467 (99.41%)	2,170 (0.00%)	1,570,558 (0.55%)
6. Herbert M. Consunji	283,910,197 (98.98%)	1,229,440 (0.43%)	1,570,558 (0.55%)
7. Ma. Cristina C. Gotianun	285,137,467 (99.41%)	2,170 (0.00%)	1,570,558 (0.55%)
8. Ma. Edwina C. Laperal	279,595,371 (97.48%)	1,341,660 (0.47%)	5,773,164 (2.01%)
9. George G. San Pedro	276,737,673 (96.48%)	2,170 (0.00%)	9,970,352 (3.48%)
<b>Independent Director</b>			
10. Victor C. Macalincag	285,940,345 (99.69%)	None	769,850 (0.27%)
11. Federico E. Puno	285,940,345 (99.69%)	None	769,850 (0.27%)

**11. APPOINTMENT OF INDEPENDENT EXTERNAL AUDITOR**

The meeting proceeded with the last item in the Agenda on the appointment of external auditors of the Corporation for the current fiscal year. After due deliberation, a motion was entertained, which was duly seconded. The votes cast as validated showed the following results:

<b>Opinion</b>	<b>Vote Cast (one vote per share)</b>	<b>Percentage of Shares represented at ASM with balloting rights</b>
For	281,574,004	98.17%
Against	None	None
Abstain	5,136,151	1.79%

Thus, the stockholders consisting of at least 281,574,004 or 98.17% of the Corporation's issued and outstanding capital stock unanimously approved, confirmed and ratified, and the following resolution was adopted by the stockholders:

**Stockholders' Resolution**

**"RESOLVED**, as it is hereby resolved, that the stockholders of **Semirara Mining Corporation** (the "Company") representing at least 281,574,004 or 98.17% of the Corporation's issued and outstanding capital stock, approve, confirm and ratify, as they do hereby, by poll balloting the appointment of **SyCip Gorres Velayo & Co.** as the independent external auditors of the Corporation for the current fiscal year."

**12. ADJOURNMENT**

There being no other matters to be taken, the same was, upon motion made and duly seconded, adjourned.

**ATTESTED:**

  
DAVID M. CONSUNJI

Chairman of the Stockholders' Meeting

  
JOHN R. SABULLO

Secretary of the Stockholders' Meeting