

**MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS
OF PHILWEB CORPORATION**

Held on May 31, 2016 at 5:00 p.m.
The City Club at Alphaland Makati Place, Ayala Avenue Extension corner
Malugay Street, Makati City

1. Call to Order

The Chairman, Mr. Roberto V. Ongpin, called the meeting to order and presided over the same. The Corporate Secretary, Mr. Cliburn Anthony A. Orbe, acted as the secretary of the meeting and recorded the minutes of the proceedings.

2. Proof of Notice and Certification as to Quorum

The Corporate Secretary, Mr. Cliburn Anthony A. Orbe, certified that Notices of Annual Meeting of the Stockholders were sent to all stockholders at their respective addresses on record, in accordance with the By-Laws. There being present, in person or by proxy, stockholders owning 1,141,064,466 shares representing at least 79.54% of the capital stock, he therefore certified that a quorum was present for the transaction of business. (The list of stockholders present or represented at the meeting is available at the office of the Corporation.)

3. Approval of Minutes of the Annual Meeting of the Stockholders on August 11, 2015

The next item on the agenda was the approval of the minutes of the Annual Meeting of the Stockholders held on August 11, 2015

Considering that the minutes had earlier been distributed to the stockholders, upon motion made and duly seconded, the reading of the minutes of the last Annual Meeting of the Stockholders was dispensed with and the same was unanimously approved.

4. Management Report for the year ended December 31, 2015

The next item on the agenda was the Management Report. The Company's President, Mr. Dennis O. Valdes, reported on the operational highlights of the past year and the Company's financial condition based on audited financial statements for the year ended December 31, 2015.

Thereafter, upon motion duly made and seconded, the Management Report was noted and made part of the records of the Corporation.

5. Ratification and Approval of Corporate Acts

The next item on the agenda was the ratification and approval of corporate acts.

Upon motion duly made and seconded, all the acts, proceedings, transactions, and agreements, authorized and entered into by the Board of Directors, Executive Committee and Officers of the Corporation, for and on behalf of the Corporation, from the last Annual Meeting of the Stockholders to date, were approved, confirmed and ratified by the stockholders.

6. Election of Directors

The next item on the agenda was the election of the members of the Board of Directors of the Corporation.

Upon motion duly made and seconded, the following were nominated to be elected as members of the Board of Directors for the current year:

For Regular Directors:

1. Roberto V. Ongpin
2. Mario A. Oreta
3. Dennis O. Valdes
4. Michael Angelo Patrick M. Asperin
5. Edgar Brian K. Ng
6. Anna Bettina Ongpin
7. Cliburn Anthony A. Orbe
8. Rafael B. Ortigas
9. Raymund S. Aquino
10. Zaldy M. Prieto

For Independent Directors:

1. Tomas I. Alcantara
2. Edgardo J. Angara
3. Gregorio Ma. Araneta III
4. Victor C. Macalincag
5. Crisanto Roy B. Alcid

There being no other nominees, and since there were only fifteen (15) nominees for fifteen (15) positions, upon motion made and duly seconded, the

Corporate Secretary was directed by the Chairman to cast the votes of all those present and represented at the meeting equally among the above-named individuals who were thereby unanimously elected as members of the Board of Directors for the current year, to act as such until their successors are duly elected and qualified in accordance with the By-Laws.

7. Appointment of External Auditor

Upon motion duly made and seconded, the accounting firm of R.G. Manabat & Co. was reappointed as the external auditor of the Corporation for the current year.

8. Management Proposal for a Private Placement of up to 300 million shares

The next item on the agenda is management's proposal for a private placement of up to 300 million shares at a discount to market but in no case less than P20.00 per share. The shares to be sold at this private placement are part of the 354.6 million shares currently in treasury which the Corporation bought from PLDT in 2013 at an average price of P11.90 or a total value of P4.2 billion. The 354.6 million shares are broken down as follows: 81,380,938 shares are held by the Corporation as treasury shares, 260,392,307 shares are held by PhilWeb Casino Corporation (wholly-owned subsidiary of the Corporation) and 12,848,522 shares are held by Pure Corporate Investments Limited (wholly-owned subsidiary of the Corporation). The current market price of the Corporation's shares is P23.90 per share. Thus the total value of these treasury shares is more than P8.4 billion or double the acquisition cost of the Corporation from PLDT.

The private placement will result in the Corporation receiving cash and receivables of at least P6.0 billion. The actual price and payment terms will be subject to the approval by the Corporation's Board of Directors or Executive Committee.

Upon motion duly made and seconded, the stockholders unanimously approved management's proposal for a private placement of up to 300 million shares at a discount to market but in no case less than P20.00 per share.

9. Adjournment

There being no further business to transact before the stockholders, upon motion made and duly seconded, the meeting was adjourned.

ATTEST:



ROBERTO V. ONGPIN
Chairman



CLIBURN ANTHONY A. ORBE
Corporate Secretary

