

MINUTES OF THE
ANNUAL STOCKHOLDERS MEETING OF
ABS-CBN CORPORATION
HELD ON APRIL 6, 2017 at 8:00 A.M.

The annual meeting of the stockholders of ABS-CBN CORPORATION was held on April 6, 2017 at 8:00 a.m. at the Dolphy Theater, ABS-CBN Broadcast Center, Sgt. Esguerra Avenue corner Mother Ignacia Street, Quezon City.

CALL TO ORDER

The meeting was called to order by the Chairman of the Board, Mr. Eugenio Lopez III, who presided over the same. The Secretary, Enrique I. Quiason, recorded the minutes of the proceedings.

PROOF OF SERVICE OF NOTICE

The Secretary certified that for purposes of the meeting, proper notices of the same were sent to all stockholders of record in accordance with the provisions of the By-Laws.

CERTIFICATION OF THE PRESENCE OF QUORUM

The Secretary certified that there being present at the meeting, in person or by proxy, stockholders owning 1,735,388,507 common and preferred shares out of 1,872,123,642 common and preferred shares, or 92.70% of the total number of the issued and outstanding common and preferred shares, a quorum was present for the transaction of business.

The Secretary further informed the stockholders that none of the proxies representing 1,735,278,993 shares submitted to him carried any abstention or opposition to any of the matters to be taken up during the meeting.

The Secretary also explained that should the need arise, the manner of voting shall be non-cumulative, except as to the election of directors, and each stockholder shall have one vote for each share entitled to vote and registered in his name. Unless a motion is duly made and seconded, the voting shall be made viva voce and counted manually by the Corporate Secretary. Voting shall be done by balloting upon motion duly made and seconded and the transfer agent shall count and canvass the ballots.

In the election of directors, the top eleven nominees with the most number of votes will be elected as directors. Cumulative voting shall be allowed.

In addition to the Chairman of the Board, Mr. Eugenio Lopez III, the following directors were present during the annual general meeting: Mr. Federico M. Garcia; Mr. Carlo L. Katigbak; Mr. Augusto Almeda Lopez; Mr. Federico R. Lopez; Mr. Oscar M. Lopez; Mr. Salvador G. Tirona; Mr. Antonio Jose U. Periquet (independent director); and Mr. Emmanuel S. De Dios (independent director). The following Board Advisors were also present during the meeting: Mr. Mario L. Bautista; Ms. Ma. Rosario Santos-Concio; Mr. Martin L. Lopez and Mr. Honorio Poblador IV.

READING AND APPROVAL OF MINUTES OF PREVIOUS STOCKHOLDERS MEETING

The reading of the minutes of the stockholders' meeting held on May 5, 2016 was dispensed with and, upon motion duly made and seconded, the stockholders unanimously approved the same.

REPORT OF THE PRESIDENT AND CHIEF OPERATING OFFICER

The President and Chief Executive Officer, Mr. Carlo L. Katigbak rendered the following report to the stockholders:

Umagang kay ganda mga Kapamilya,

Last week, your management team had the opportunity to listen to the story of Nanay Primrose. She is an amazing woman from Sorsogon whose four children were diagnosed with a rare bone condition called *Osteogenesis Imperfecta*. This is a genetic disease where the bones are so brittle, they can break for no apparent reason. Despite meager resources, she made the long journey to Manila and eventually sought help from the ABS-CBN Tulong Center. Her children are now receiving medical treatment but Nanay Primrose's journey continues to be a long and arduous one. One child was recently diagnosed with leukemia. Another suffered through a bout of dengue. A third child broke a hipbone while asleep. In spite of all this, Nanay Primrose is unbowed. She continues to meet each challenge head on, filled with a positive attitude, and incredible inner strength.

We listened to her story so that we could understand how ABS-CBN could help her more. Instead, we left that session feeling like she had been the one who helped us. Because of her story, we find new meaning in our work, and are inspired to pursue our mission of public service. It is in re-telling her story to our audiences that we can create hope for the many other people who are going through similar journeys as Nanay

Primrose. But we also believe that blessed with the resources of our business, we can help with the immediate needs of those who can no longer stand on their own, and empower them to rise again so that through their own efforts, they can create better lives for their families.

Eugenio Lopez, Jr., our founding Chairman once said, “The only reason we are in business is to render public service to the Filipino. If a company were to live only for profit, it would not grow. In the end, it will wither on the vine. We have to give back to society.”

This social contract with the Filipino will ensure our continued growth despite the changes we now see across society, technology, and our audiences. Our company will adapt, but to be In the Service of the Filipino is our one constant, because this is what ABS-CBN stands for.

Today, ABS-CBN’s *Lingkod Kapamilya* focuses on these categories: child welfare, livelihood projects, relief, and community building efforts. Our *Bantay Bata 163* program attended to over 100,000 cases. *Operation Sagip* served over 190,000 individuals. Our ongoing *Typhoon Yolanda* efforts continue – we have now completed 131 classrooms and delivered 2,200 fishing boats. Our livelihood programs are now in 13 provinces with 39,000 beneficiaries. *Programa Genio* – our education program, worked with over 10,000 students and 370 teachers nationwide. Our *Tulong Center* served over 7,600 fellow Filipinos last year.

At this point, allow us to thank the many donors, volunteers, partners and the men and women of ABS-CBN for helping make our mission a reality.

Doing right for our community means doing right for our shareholders as well. Our success as a business enterprise is what gives us the presence and resources to continue doing good.

We achieved new milestones in both profit and EBITDA in 2016. We closed 2016 with 3.5 billion in net income – our highest net income ever. We delivered 9.9 billion in EBDITDA for 2016 – also our highest EBITDA ever. These represent a 39% increase in net income and a 24% increase in EBITDA year on year. Consolidated net revenues increased by 9% while expenses grew by only 6%. Our assets now stand at 72.8 billion and equity is now at 31.7 billion.

Our record financial performance is the result of realizing investments from prior years.

Our digital terrestrial television (DTT) service now reaches over 2.3 million customers, substantially improving the quality of our signal in these homes. Based on recent Kantar numbers, we have re-gained ratings leadership in Metro Manila, and have started achieving ratings parity in Mega Manila.

Our Cost per Rating Point (CPIRP) pricing scheme, which ties in the cost of an ad spot with the show’s ratings, resulted in substantial revenue improvement, accounting for 3.7% of growth.

Investments in SkyBroadband fueled topline growth of Sky, driving revenues to a 9 % improvement over the prior year.

Our digital properties continue to show robust growth in both users and ad revenues, ending the year with an average of 26.8 million online users, and over 400 million pesos in digital revenues.

Your company is prepared to adapt, grow and serve in these exciting times through the following strategic pillars:

1. Ensuring that we continue to create the best content, but transitioning for a strong presence in all digital distribution platforms.

Channel 2 delivered its highest all day national ratings since 2012 delivering a 49% average audience share in 2016. Our prime time leadership continued with a 48% primetime share average in 2016 led by *FPJ's Ang Probinsyano*, *Dolce Amore* and *Story of Us*.

Channel 2 reclaimed leadership of the noontime block with *Showtime*. This, in turn helped Channel 2 also regain leadership in the afternoon block with shows like *Doble Kara* and *Tubig at Langis*.

These ratings were also the result of the continued growth of DTT. Among the many advantages of DTT is its ability to improve the reception of the channel 2 signal in many homes in Mega Manila.

The success of our shows has also translated into the growth of iWantTV--our digital portal for all ABS-CBN shows. By the end of 2016, iWantTV had over 6 million registered subscribers with close to 520,000 regular viewing subscribers.

2016 saw our News and Current Affairs group's transition into a true multi-platform news organization. Our coverage of the presidential elections was available to consumers on a broad range of platforms including television, radio, cable TV, DTT, online and mobile. On television, we delivered the highest national ratings for TV Patrol and Umagang Kay Ganda, winning against the competition on both time slots. We also maintained our leadership online. Our news website is now the highest ranked Philippine website.

Star Cinema continued to dominate the local box office accounting for more than 79% of the gross receipts of all local movies in 2016. *Super Parental Guardians* is now the #1 Philippine movie of all time establishing a new record of over 600 million pesos in local box office sales. Four out of the top 5 top grossing films of 2016 were produced by Star Cinema. These movies are now part of our offerings on free TV, cable, DTT, online and mobile.

Our sports group delivered new peaks in ratings – the highest ratings of the UAAP women's volleyball, the highest ratings for the NBA as well as the highest performance

of ABS-CBN Sports.com.

The Cable Channels group delivered a 7.3% growth in viewership across all our cable channels with both Cinema One and DZMM Teleradyo continuing to be the #1 channels of their genres respectively. Cinema One has remained the #1 cable channel in the Philippines for the past 5 years.

MOR 101.9 has regained its leadership on FM Radio. Star Music released 29 albums and 23 digital singles last year across various analogue and digital platforms while launching One Music, its new digital music platform.

ABS-CBN Mobile is a direct beneficiary of all these content initiatives – and the results are now evident. ABS-CBN Mobile subscribers are up 85% year on year while ARPU has also grown across its various product lines.

Sky celebrated its 25th year anniversary with the launch of a brand new product – Sky Direct, our first direct-to-home satellite service. Sky Direct is now able to deliver nationwide coverage of our channel offerings significantly boosting the potential market for the business. Since its June launch, Sky Direct ended the year with over 100,000 subscribers.

Sky Broadband continues to be the growth driver of the business – delivering a 45% increase in subscribers while also growing its ARPU

2. We will continue to build our business for overseas Filipinos and international audiences.

Outside of the Philippines, the same story of digital growth is unfolding. Our TFC customers who subscribe via internet TV are up 10% year on year. We expanded TFC into New Zealand, entered into the Japanese cable market for hotels and expanded our seafarer reach.

There is a stronger demand for our shows and movies internationally. Our syndication business grew by 47% in 2016. We added The Middle East, North Africa, Russia and the Seychelles to our growing list of territories while continuing to deliver multi-year deals with Vietnam and Thailand. The demand for ABS-CBN content is also evident online with regional and global OTT platforms signing content deals with us. To date, ABS-CBN content is available in more than 50 territories worldwide.

3. We will provide our audiences with new ways to experience our content.

We see promising growth in Kidzania with revenues up 136% on its first full year of operations. O Home Shopping revenues grew by 23% while our Consumer Products group is now preparing for the launch of the ABS-CBN Experience store in 2017. Music is also a critical part of our live events growth – eleven concerts in 2016.

4. We will ensure the development of our employees to their full potential.

A creative company is only as good as its best people. We are committed to developing talent inside the organization through our ABS-CBN University and its various development programs. Our people will gain the skills needed to continue improving on yesterday's performance as well as the skills needed to meet the evolving demands of the future. We will work with the best talent inside and outside our organization, and by doing this, we hope to realize the shared dream of a new future for your company.

It is through dreams and imagination that we stay relevant to over 100 million Filipinos all over the world. A dream of proving that Filipinos can entertain not just other Filipinos, but the rest of the world. A dream of serving every Filipino wherever they may be. A dream of doing our own small part in ensuring that no Filipino is left behind, that everyone is given a chance at being the best they can be and in believing that dreams can come true.

Those are tall orders. We do not need to believe that our dreams for our kapamilyas and for our company can happen overnight, or even in one or two years. Reaching grand ambitions takes time. We know there are no shortcuts.

Throughout this journey, ABS-CBN will continue to stay relevant to our publics because we will stay true to our mission as a company. We will not wither on the vine.

Kapitan added, "For as long as there is a Filipino to be served, for as long as there is a Filipino in need, ABS-CBN will be there. That is what truly gives meaning to all we do." When we meet people like Nanay Primrose whose enduring love for her children make her carry their burden with hope and determination, those words of Kapitan truly come to life.

Today, we recommit ourselves to our mission not because we have to nor because we need to but because we want to.

Maraming salamat Kapamilya.

Thereafter, through a video presentation, the significant activities and achievements of the Corporation during the past year, as well as clips of ABS-CBN programs, were shown.

Mr. Stephen Soliven, a stockholder, observed that in the financial statements, the amount of short-term investments increased from P1.4 billion in 2015 to P6 billion in 2016. He inquired about the nature of these short-term investments and whether these investments were approved by the Board of Directors. Mr. Aldrin M. Cerrado, Chief Finance Officer, said that the short-term investments are not investment in stocks but represent cash and are invested in money market placements. The same stockholder further clarified where the money market

placements were made. Mr. Cerrado answered that the short-term investments were placed with local banks which yielded market rates.

Mr. Ed Lucero stockholder congratulated the Company, its staff and the Board for the Company's outstanding income for 2016. He suggested that the Board of Directors should have more female directors considering the benefits it will bring to the Company. The Chairman said that the point is well taken. Mr. Lucero further suggested that the ABS-CBN should have more shows that will affirm family values and that will bring up the intellectual levels of the Filipinos. Ms. Socorro V. Vidanes, Chief Operating Officer, Broadcast, said that the Company will continue to elevate the quality and content of its programs that will continue to inspire and empower in the service of Filipinos.

A stockholder inquired why the photos in the annual report was in black and white and whether the annual report was printed in recycled paper. Mr. Raymund Martin T. Miranda, Head, Strategic Planning, said the printing style was chosen to highlight the photos. He added that the Company will consider using recycled paper for its annual report in the future.

Mr. Sam Panova requested Ms. Ma. Rosario Santos-Concio to feature her own personal story at Maalaala Mo Kaya. The Chairman remarked that he had been making that suggestion for years. Mr. Panova voiced out his concerns regarding the extension of the franchise of ABS-CBN and its effect on the stock price. He was concerned about the recent statements of the President singling out ABS-CBN's coverage of the news. The Chairman stated that ABS is now in the process of registering its renewal of its franchise with the House of Representatives which is a process that all broadcast companies go through and that the franchise will not expire until 2020 but efforts to extend the franchise have been started early. The Chairman further said that there may be some political noise, but the Company does not anticipate any significant problems. The Chairman said that ABS-CBN has not yet encountered an administration that at one point or another has not had some issue with the media in general, and with ABS-CBN in particular. He further said that it is part and parcel of ABS-CBN' work of being a media institution and that ABS will deal with its problems not in the public eye, but privately.

The same stockholder asked about the law requiring closed captions for TV programs and asked that a partnership with airlines be considered so that the programs of ABS-CBN can be viewed through the in-flight entertainment of the airlines. Mr. Miranda said that the implementing rules for closed captioning is still being discussed but ABS is ready to comply. The President, Mr. Katigbak, said that Philippine Airlines already carries a number of Star

Cinema content in its international routes. He will verify if these are also being carried in their domestic routes.

Mr. Panova suggested that TV Plus carry HD and internet features. Mr. Katigbak said that a TV Plus with internet features is being developed and may be released by the end of the year if the final product is satisfactory. The same stockholder asked if FPJ's Ang Probinsyano will be extended for another year or two. Ms. Vidanes said that FPJ's Ang Probinsyano is not yet set to end and that there are still a lot to expect.

Ms. Erlinda Villanueva, in connection with the earlier question of Mr. Soliven, inquired about the local banks used by the Company for its money market placements. She also asked why ABS-CBN made further investments instead of declaring more cash dividends. Mr. Cerrado said that the money market placements were made with Banco De Oro, Bank of the Philippine Islands and Security Bank. Mr. Katigbak added that investments are continuously being made for the future of ABS, and that last year almost P8 billion was spent on capital expenditures such as the expansion of the DTT and Sky Broadband.

APPROVAL OF AUDITED FINANCIAL STATEMENTS

The next item taken up is the consideration of the audited financial statements of the company for the year ended December 31, 2016. Upon motion duly made and seconded, and there being no objection from any stockholder, the report of the President and Chief Executive Officer was noted and the audited financial statements of the Company for the year ended December 31, 2016 were approved.

ELECTION OF DIRECTORS

The meeting proceeded to the election of directors for the ensuing year.

The Secretary informed the body that he received, in accordance with the rules of the Securities and Exchange Commission, nominations of the following stockholders as Directors for the ensuing year 2017 to 2018:

EMMANUEL S. DE DIOS
AUGUSTO ALMEDA LOPEZ
CARLO L. KATIGBAK
EUGENIO LOPEZ III
OSCAR M. LOPEZ
MANUEL M. LOPEZ
MARTIN L. LOPEZ

FEDERICO R. LOPEZ
FEDERICO M. GARCIA
SALVADOR G. TIRONA
ANTONIO JOSE U. PERIQUET

with Mr. Antonio Jose U. Periquet and Mr. Emmanuel S. De Dios being nominated as independent directors. There were no other stockholders nominated.

The Chairman thereupon directed that all the votes of the stockholders present or represented be cast in favor of the stockholders nominated, and declared them as the duly elected members of the Board of Directors of the Company, to act as such until the election and qualification of their successors.

RATIFICATION OF THE ACTS OF THE BOARD THE OFFICERS AND MANAGEMENT

Upon motion and duly made and seconded, and there being no objection to the motion, the stockholders approved and adopted the following resolution:

“RESOLVED, That all acts of the Board of Directors, the Board Committees and the Management of Company during the period January 1, 2016 to December 31, 2016 be, as the same hereby are, confirmed and ratified.”

APPOINTMENT OF EXTERNAL AUDITOR

Upon motion made and duly seconded, and there being no objection from any stockholder, the auditing firm of Sycip, Gorres, Velayo & Co. was retained as external auditor of the Company.

APPROVAL OF THE EMPLOYEE STOCK OPTION PLANS

The Chairman next presented to the Board the approval of the ABS-CBN Stock Purchase Plan and the Executive Stock Purchase Plan, which were approved by the Board on February 22, 2017.

The Corporate Secretary explained that the ABS-CBN Stock Purchase Plan, will be offered to rank and file employees, technical specialists and Internal Job Market members with at least one year tenure. The maximum number of ABS-CBN common shares that could be subscribed by a participant under this plan is 2,000 shares. The subscription price will be a 15% discount on the closing price as of the offer date or on the 45-day weighted closing prices,

whichever is lower. The subscription price will be paid in five years.

The Executive Stock Purchase Plan will be offered to managers and artists and members of the Board of Directors with at least one year tenure. Managers and artists can subscribe up to a maximum of shares equivalent to 2.5 months of their monthly salary or income. Members of the Board of Directors can subscribe up to 100,000 shares. The subscription price for the first 2,000 shares will be a 15% discount on the closing price as of the offer date or on the 45-day weighted closing prices, whichever is lower. There will be no discount on the subscription price for the shares subscribed in excess of 2,000 shares. The subscription price will be paid in five years.

The employee stock purchase plans are still subject to the approval of the Securities and Exchange Commission.

Upon motion duly made and seconded, the stockholders unanimously approved the ABS-CBN Stock Purchase Plan and the Executive Stock Purchase Plan.

ADJOURNMENT

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

ENRIQUE I. QUIASON
Corporate Secretary

ATTEST:

EUGENIO LOPEZ III
Chairman