

FIRST METRO INVESTMENT CORPORATION  
MINUTES OF THE ANNUAL MEETING  
OF STOCKHOLDERS  
Monday, April 22, 2024 at 09:30A.M.  
Meeting was conducted virtually via Zoom

Number of Total Outstanding Shares Present or - 7,394,824  
Represented by Proxy

*Incumbent Directors Present:*

MS. MARY MYLENE A. CAPARAS  
MR. JOSE PATRICIO A. DURLAO  
MR. MARTIN Q. DY BUNCIO  
MR. JOSHUA E. NAING  
MR. CHRISTOPHER HECTOR L. REYES  
MR. JOSE PACIFICO E. MARCELO  
MR. BENEDICTO JOSE R. ARCINAS  
MR. LUIS JUAN B. ORETA

*Corporate Officers:*

NIMFA B. PASTRANA, Corporate Secretary

*Stockholders:*

MR. FABIAN S. DEE

*Other stockholders present or represented by their proxy are listed in Annex A*

*Others (SGV Representatives):*

MS. GLENDA A. NINO  
MS. VICKY SALAS

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**I. CALL TO ORDER**

The meeting was conducted via remote communication with the stockholders participating by electronic means, in accordance with the rules of the Securities and Exchange Commission and the rules adopted by the Board.

The Chairman, Ms. Mary Mylene A. Caparas, presided and called the meeting to order at 9:30 a.m., and the Corporate Secretary, Atty. Nimfa B. Pastrana recorded the minutes.

**II. PROOF OF NOTICE AND QUORUM**

The Corporate Secretary certified that the notice for the 2024 Annual Stockholders' Meeting was published to notify the stockholders of record, in the Business section of Malaya and The Manila Times on March 26 and 27, 2024, in print and online format, and in the company's website, in accordance with SEC regulations.

She also certified that there are actually present in person or represented by their proxies, by remote communication 7,394,824 common shares out of the 7,448,689 common shares outstanding. These constituted 99.28% of the outstanding capital stock, thus, a quorum existed. Thereupon, the Chairman declared that the meeting was duly constituted to transact the business stated in the agenda.

The Corporate Secretary explained the procedures and the required votes for each item in the agenda.

The manner of voting and the voting procedures were explained in SEC Form 20-IS (Definitive Information Statement) which was submitted to the SEC prior to the meeting, and an excerpt thereof is attached to the minutes as Annex B.

### **III. APPROVAL OF MINUTES**

The Chairman took up the next item in the agenda which was the approval of the minutes of the Annual Meeting of the Stockholders held on May 5, 2023.

A motion was made and seconded for the approval of the minutes.

The host of the meeting launched the poll question and the stockholders present casted their votes. Their votes were added to the preliminary votes submitted prior to the meeting.

The Corporate Secretary certified that based on the preliminary voting results and the votes of those present during the meeting, there were **99.28%** who voted in favor. None voted against, and there are no abstentions.

There being a motion duly made and seconded, the minutes of the Annual Stockholders Meeting held on May 5, 2023 was unanimously approved.

### **IV. REPORT OF THE PRESIDENT**

The President, Mr. Jose Patricio A. Dumlao rendered the following report to the stockholders:

#### ***RESILIENCE IN THE FACE OF ADVERSITY***

*In 2023, First Metro celebrated its 60th anniversary, marking 60 years of dedication to capital market development.*

*Over six decades, we've persevered amidst market upheavals, economic downturns, and global crises, strengthening resilience and ensuring longevity.*

#### ***ECONOMIC/MARKET LANDSCAPE***

*Last year, we saw inflation soar to a 14-year peak leading to higher interest rates that significantly affected capital markets activities and our business.*

*Several bond issuers deferred, downsized, or canceled planned offerings, leading to a two-thirds contraction in the corporate bond market.*

*Despite the country's resilient economic performance and robust corporate earnings, net foreign selling exerted downward pressure on the equity markets, resulting in only ₱17.0 billion capital raised and just three IPOs throughout the year.*

#### ***PERFORMANCE & ACHIEVEMENTS***

##### **First Metro Investment:**

*In 2023, we executed 15 capital markets transactions, raising ₱450 billion and commanding a 78% market share out of ₱575 billion raised.*

*Notable deals included Upson International Corporation's ₱1.65-billion IPO and Aboitiz Equity Ventures' ₱17.45 billion fixed-rate bonds, which earned recognition as the Best Bond Deal in the country for 2023.*

*Our Sales & Distribution Group managed to achieve multi-year high brokered volumes, and we were recognized as one of the ten Government Securities Eligible Dealers (GSED) Market Makers by the Bureau of the Treasury.*

*Consequently, we received prestigious awards from local and international institutions, including the Best Investment Bank, Best ECM House and Best Fixed Income House awards, reaffirming our commitment to excellence and value creation.*

**FMSec:**

*In 2023, FirstMetroSec saw a surge in commission earnings from institutional clients, driven by the MPIC tender offer and Upson IPO.*

*This offset declines in online commissions, resulting in only a 10% drop in total commission revenue to ₱203 million.*

*Additionally, smart cash management led to a remarkable 199% increase in interest income to ₱256 million.*

*Industry accolades from AsiaMoney and International Finance upheld FirstMetroSec's status as a top brokerage and online trading platform.*

**FAMI:**

*FAMI limited its AUM decrease to just 6% year-on-year. Despite lower gross sales, it reversed losses and posted a 200% increase in consolidated income.*

**CONSOLIDATED FINANCIAL RESULTS**

*First Metro closed 2023 with a consolidated net income of ₱552 million, 52% higher than last year. Gross operating income hit ₱1.4 billion.*

*Despite a 7% drop in investment banking fees, net interest income surged 113% to ₱786 million.*

*Additionally, dividends from our investments, as well as our income share in associate companies, contributed significantly at ₱238 million and ₱838 million, respectively.*

*First Metro achieved a 3.46% return on average equity and a 1.72% return on average assets.*

*FirstMetroSec's revenues grew 32% to ₱522 million, with net income rising 131% to ₱131 million.*

*FAMI's total revenues fell 6% to ₱171 million, but net income improved 238% to ₱8 million.*

*All told, amidst a tough economic environment, our adaptability and resilience resulted in financial gains and solidified our position in the market.*

**SUMMARY & MOVING FORWARD**

*Moving forward, we remain committed to seizing growth opportunities and maintaining our leadership position in the industry.*

**MESSAGE OF GRATITUDE**

*We extend our sincere gratitude to our team, our Board, clients, and stakeholders for their unwavering support. Together, we'll overcome challenges and achieve greater heights ahead.*

The Chairman took note of the report and thanked the President. She mentioned that due to logistical limitations, open forum or discussion on the President's Report will not be possible. However, the stockholders were informed that they can raise questions or express their comments by sending an email to [asmregistration@firstmetro.com.ph](mailto:asmregistration@firstmetro.com.ph).

*N.B. No email raising question or comments on the report was received by the Corporate Secretary after the meeting.*

**V. RATIFICATION OF CORPORATE ACTS**

The Chairman informed the stockholders of the need to ratify and confirm the minutes of the meetings of the Board of Directors and the Executive Committee, all the acts, transactions and resolutions of the Board of Directors, the Executive Committee and Management including the service agreements entered into with its subsidiaries, and related party transactions for the year 2023. The Chairman

explained the nature of the related party transactions and stated that pursuant to regulations, these related party transactions must be submitted to the stockholders for confirmation. It was also mentioned that in the Definitive Information Statement (SEC Form 20 IS-Definitive) which was made available to the stockholders prior to the meeting through its publication in the company's website, there is no material related party transactions for the covered period. Material related party transactions are required to be stated in the audited financial statements.

A motion was made and seconded to ratify the resolutions of the Board, its committees and the acts and transactions of the management.

The host of the meeting launched the poll question and the stockholders casted their votes.

The Corporate Secretary certified that based on the preliminary voting results and votes of those present at the meeting, there were **99.28%** who voted in favor. None voted against, and there are no abstentions.

There being a motion duly made and seconded, the following resolution was unanimously approved and adopted by the stockholders present:

*RESOLUTION No. ASM-2024-06-01*

*RESOLVED, that the minutes of the meetings of the Board of Directors, and the Executive Committee and all acts and transactions and resolutions of the Board of Directors, the Executive Committee and Management including the service level agreements entered into by the company with its subsidiaries for the year 2023, be, as they are hereby confirmed and ratified.*

*RESOLVED FINALLY, that the related party transactions reviewed by the Related Party Transaction Committee and approved by the Board for the period January 1, 2023 to December 31, 2023, appearing in the minutes of meetings of the Board and the Corporate Governance Committee, be as they are hereby confirmed and ratified.*

**VI. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

Ms. Mary Mylene A. Caparas, member of the Nomination Committee, explained the nomination procedure under current regulations of the Bangko Sentral Pilipinas (BSP) and Securities and Exchange Commission (SEC). Pursuant to the Company's manual on Corporate Governance, a Nomination Committee was created. She introduced the chairman of the committee, Mr. Jose Pacifico E. Marcelo and member, Mr. Benedicto Jose R. Arcinas (Ind. director). The third member is the chairman of the Board, Ms. Caparas. The Committee was tasked to review and evaluate the qualifications of all persons nominated to the Board.

Chairman Caparas stated that the Committee, pursuant to its mandate, had reviewed the qualifications of the following stockholders who were duly nominated to the Board of Directors:

1. MS. MARY MYLENE A. CAPARAS
2. MR. BENEDICTO JOSE R. ARCINAS
3. MR. JOSE PATRICIO A. DURLAO
4. MR. MARTIN Q. DY BUNCIO
5. MR. JOSHUA E. NAING
6. MR. CHRISTOPHER HECTOR L. REYES
7. MR. JOSE PACIFICO E. MARCELO
8. MR. LUIS JUAN B. ORETA
9. MR. FABIAN S. DEE

The Committee certified that based on the records presented to the Committee, the nominees have all the qualifications and none of the disqualifications prescribed by law and regulations.

Also, as required by the SEC Memorandum Circular No. 16, Series of 2002 on the Guidelines on the Nomination and Election of Independent Directors, three (3) out of nine (9) nominees submitted for directors are independent directors namely; Messrs. Benedicto Jose R. Arcinas, Jose Pacifico E. Marcelo, and Luis Juan B. Oreta.

Ms. Lota Lleve, proxy of Mr. Romualdo A. Ong moved for the election of the above-named stockholders. The motion was seconded by another stockholder.

The host of the meeting launched the poll question and the stockholders casted their votes.

The Corporate Secretary certified that based on the preliminary voting results and the votes casted by those present during the meeting, there were **99.28%** who voted for the election of the aforementioned directors. No one voted against, and there are no abstentions.

The above-named stockholders were considered elected as members of the Board of Directors for the year 2024-2025 to act as such until their respective successors shall have been elected and qualified, or unless sooner terminated or resigned.

The Chairman acknowledged and thanked the stockholders for their trust and confidence in the Board of Directors and the management.

## **VII. APPOINTMENT OF EXTERNAL AUDITOR**

The Chairman then took up the next item in the agenda which was the appointment of the external auditor for the fiscal year 2024.

A motion was made and seconded to approve a resolution for the appointment of SGV & Company as external auditor.

The host of the meeting launched the poll question and the stockholders casted their votes.

The Corporate Secretary certified that based on the preliminary voting and the poll results, there were **99.28%** who voted in favor. None voted against, and there are no abstentions.

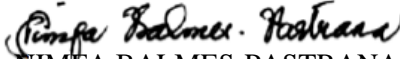
There being a motion duly made and seconded, the following resolution was unanimously approved and adopted:

*RESOLUTION No. ASM-2024-06-02*

*RESOLVED, that SYCIP, GORRES, VELAYO & COMPANY be, as it is hereby, appointed as external auditor of First Metro Investment Corporation for the Fiscal Year 2024.*

## **VIII. ADJOURNMENT**

There being no other matters to discuss, upon motion duly made and seconded, the meeting was adjourned at 10:00 a.m.

  
NIMFA BALMES-PASTRANA  
Corporate Secretary

ATTESTED BY:

MARY MYLENE A. CAPARAS  
Chairman of the Board of Directors and Chairman of the Meeting

## **ANNEX B**

*Excerpt from the Definitive Information Statement (SEC 20-IS)*

### **Item 2. Right of Appraisal:**

There are no actions or matters to be taken up at the Annual Stockholders Meeting that will give rise to a possible exercise by security holders of their right of appraisal.

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### **Item 4. Voting Securities and Principal Holders Thereof:**

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#### **c) Manner of voting**

A shareholder may vote in person, by proxy or by remote communication. Article II, Section 6 of the Amended By-Laws of the Corporation provides that any shareholder entitled to vote at shareholders' meetings may be represented and vote thereat by proxy appointed in an instrument in writing, subscribed by such shareholder or by his duly authorized attorney-in-fact, and delivered to the Secretary at least five (5) business days or such other period as may be determined by the Board of Directors. Proxies shall be properly signed, but they shall require no other attestation.

In addition, Article II, Section 7 of the By-Laws states that at each meeting of the shareholders, every shareholder entitled to vote on the particular question or matter involved shall be entitled to one (1) vote for each share of stock standing in his name on the books of the Corporation at the time of the closing of the transfer books for such meeting.

Pursuant to SEC Memorandum 10-2020, for the 2022 annual shareholders meetings, shareholders may opt to participate and vote through remote communication. The board in its meeting last February 24, 2023 approved to adopt the guidelines previously approved by the Board in 2020, for shareholders to participate via remote communication in the shareholder's meeting.

Remote communication is defined under the said circular as participation through a telephone conference, video conference, audio conference, or computer conference.

A shareholder who intends to participate through remote communication will give notice to the Corporate Secretary on his preferred means of participation, the gadgets that will most likely be used, and send a scanned copy of a government issued identification document, with recent photograph, in accordance with the periods as specified in the by-laws, the board resolution or notice as sent by the Corporate Secretary. Any shareholder who is unable to send any identification document shall not be allowed to participate through remote communication.

The intention/notice to participate through remote communication shall only be valid for the particular meeting for which it is given, and shall not be considered for any subsequent meeting that may be called.

A participation by a shareholder in a meeting through remote communication automatically voids any proxy he/she has given for the particular meeting.

In the event that more than ten (10) shareholders have signified their intention to participate through remote communication, the Corporate Secretary, at least thirty minutes before the scheduled time of the meeting, shall validate the identity and attendance of such shareholders. Officers and other staff may be deputized to make such validations. The shareholders shall initially be required to confirm the following:

- a. Full name and date of birth;
  - b. Location;
  - c. Confirmation that he/she can hear the other attendees;
  - d. Confirmation that he/she had received the notices and other materials for the meeting;
- and

- e. Specify the gadget being used.

Shareholders who are participating through remote communication will be considered present for purposes of voting. Those who have objections to matters that would require voting in the agenda shall confirm their objections through email or short messaging services within twenty-four hours from the time of the meeting. The Corporate Secretary shall note such objections in the Minutes.

In the election of Directors, cumulative voting is allowed. Article II, Section 8 of the By-Laws states, in accordance with Section 24 of the Corporation Code, that at each election for Directors, every shareholder, entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are Directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such Directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of candidates.

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### **Item 19. Voting Procedure**

- A. The votes of all the shares present or represented at the meeting will be on a per share basis.
- B. For the approval of the minutes of 2022 meetings and ratification/approval of the acts and resolutions of the board, every shareholder shall be entitled to one (1) vote for each share of stock standing in his name on the books of the Corporation at the time of closing. A majority vote of the stockholders present in the meeting is sufficient to approve and ratify the corporate acts mentioned
- C. For the election of Directors

Cumulative voting is allowed provided that the total votes cast by a stockholder shall not exceed the number of shares registered in his name in the books of the corporation as of the record date multiplied by the whole number of directors to be elected. If the number of nominees does not exceed the number of Directors to be elected, the Secretary of the meeting, upon motion made, will be instructed to cast all votes represented at the meeting in favor of the nominees. However, if the number of nominees exceeds the number of Directors to be elected, voting shall be done by secret ballot.

- D. Methods by which votes will be counted

Voting shall be made through an online poll mechanism when the item is discussed and flashed on the screen. The votes will be automatically counted during the meeting.