



**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING**  
**April 6, 2015 at 3:00 PM**  
**Ballroom 2, Fairmont Makati**  
**1 Raffles Drive, Makati Avenue, Makati City**

Shareholders present:	No. Outstanding and Voting Shares 2,479,712,200	Percentage of Total 78.55%
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**Directors Present:**

Jaime Augusto Zobel de Ayala	<i>Chairman of the Board</i> <i>Chairman, Compensation and Remuneration Committee</i>
Arthur R. Tan	<i>President and Chief Executive Officer</i> <i>Member, Executive Committee</i>
Fernando Zobel de Ayala	<i>Chairman, Nomination Committee</i>
Rafael Ma. C. Romualdez	<i>Vice Chairman, Executive Committee</i> <i>Member, Audit Committee</i> <i>Member, Finance Committee</i> <i>Member, Compensation and Remuneration Committee</i>
Delfin L. Lazaro	<i>Chairman, Executive Committee</i> <i>Member, Compensation and Remuneration Committee</i>
Hiroshi Nishimura	<i>Member, Finance Committee</i>
Delfin C. Gonzalez Jr.	<i>Chairman, Finance Committee</i> <i>Member, Audit Committee</i>
John Eric T. Francia	<i>Member, Finance Committee</i>
Jose Ignacio A. Carlos	<i>Member, Nomination Committee</i>
Alelie T. Funcell	<i>Member, Nomination Committee</i>
Edgar O. Chua	<i>Chairman, Audit Committee</i>

## **1. Call to Order**

After the national anthem, the Chairman, Mr. Jaime Augusto Zobel de Ayala, called the meeting to order at 3:00 PM. He welcomed the stockholders, members of the Board of Directors, and the President and other officers of the Corporation.

## **2. Notice of Meeting**

The Secretary, Mr. Solomon M. Hermosura, certified that notice of the meeting, the definitive information statement, proxy form, and ballot were sent by March 12, 2015 to each stockholder of record as of February 13, 2015 in accordance with the By-Laws and applicable rules.

## **3. Determination of Quorum**

The Secretary certified that there was a quorum for the meeting with stockholders owning 2,479,712,200 shares or 78.55% of the total outstanding shares present in person or by proxy.

## **4. Procedures for Discussion and Voting**

The Chairman requested that any stockholder who wished to speak should identify himself after being acknowledged by the Chair and limit his remarks to the item in the agenda under consideration.

Thereafter, the Secretary discussed the voting procedures. A stockholder may vote manually using the ballot provided to him upon his registration and placing the voted ballot in the ballot boxes located at the Registration table and inside the Ballroom. A stockholder may also vote online using any of the sixteen (16) computers at the stations for online voting outside the Ballroom. The paper ballot and the website platform for online voting set forth the proposed resolutions for consideration by the stockholders and each proposed resolution would be shown on the screen in front as it is taken up.

The Secretary also informed the stockholders that they generally act by the affirmative vote of stockholders owning at least a majority of the outstanding voting stock present at the meeting, but the approval of the amendment to the Third Article of the Articles of Incorporation would require the affirmative vote of stockholders representing two-thirds (2/3) of the outstanding capital stock. The election of directors shall be by plurality of votes and every stockholder shall be entitled to cumulate his votes.

Each outstanding share of stock entitles the registered stockholder to one vote.

The Secretary also announced that the stockholders may cast their votes anytime during the meeting. All votes received shall be tabulated by the Office of the Corporate Secretary and the results of the tabulation validated by the external auditor, SyCip Gorres Velayo & Company (SGV). As the stockholders take up an item in the Agenda, the Secretary would report on the votes that have been tabulated and the final tally of votes would be reflected in the minutes of the meeting.

## **5. Approval of Minutes of the 2014 Stockholders' Meeting**

The Chairman then proceeded with the approval of the minutes of the annual stockholders' meeting held on April 4, 2014. He stated that copies of the minutes were distributed to the stockholders prior to the meeting and a copy of the minutes is posted and could be accessed on the website of the Corporation. He then opened the floor for comments. There being no question on the item under consideration, the Chairman requested for a motion for approval.

On motion of Ms. Rosalyn O. Tesoro, seconded by Ms. Luzviminda R. Enriquez, the stockholders approved the minutes and adopted the following Resolution No. S-01-15, which was shown on the screen:

### **Resolution No. S-01-15**

**RESOLVED**, to approve the minutes of the annual stockholders' meeting held on April 4, 2014.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the motion for the approval of the minutes and the adoption of Resolution No. S-01-15 are as follows:

	For	Against	Abstain
Number of Voted Shares	2,479,692,000	0	20,200
% of Shares Voted	99.99%	0%	0.0008%

## **6. Annual Report of Officers**

### Chairman's Message

The Chairman noted that 2014 was a constructive and encouraging year for the electronic manufacturing services (EMS) industry.

IMI felt the positive impact of revitalized global demand for electronic products. Revenues increased by 13%, from \$745 million to \$844.5 million, and net income nearly tripled from \$10.5 million to \$29.1 million.

The Corporation's remarkable growth was a result of various drivers --- a wider and more diversified geographic footprint, a steady increase in demand from customers of original equipment manufacturers, and a deep focus on product innovation and customer service. The Corporation has also improved its use of manufacturing technology and design intelligence in its products and operations.

The high demand for telecommunications infrastructure devices, following the rollout of fourth-generation technology, boosted the Corporation's revenues from its operations in China by 17.5%. For its operations in Europe and Mexico, the Corporation's revenues improved by 14.4% due to sustained growth of global automotive unit production. In the Philippines, the Corporation's EMS operations registered an 8.3% revenue growth, lifted by its storage device and automotive electronics businesses. In addition, the Corporation's semiconductors unit posted a 4.3% improvement, supported by increased demand.

The Chairman noted that as the Corporation increasingly transition to higher value end-to-end product offerings for niche markets in telecommunications, automotive, and industrial electronics, and as the momentum in the global electronics industry remains healthy, IMI is optimistic that it can sustain the Corporation's growth trajectory through the next couple of years.

In closing, the Chairman thanked the board of directors for their guidance and engagement across a number of committees, the management and staff across the globe for their professional, and the Corporation's partners and customers for their continued trust and support to IMI.

### President's Report

The President reported that the Corporation's revenues went up by 13%, a growth faster than the global EMS industry, which merely grew around 6%. Net income reached \$29.1 million, almost thrice that of 2013 which was at \$10.5 million. Return on average equity in 2014 was at 13.3%, more than twice the value in 2013 at 5.4%. Based on 2014 EMS-related revenues, the Corporation is now the 18<sup>th</sup> largest EMS provider in the world, having moved up from its previous ranking of 21<sup>st</sup>.

Of the total revenues of \$844.5 million, the automotive segment accounted for 38%, telecommunications 21%, industrial 12%, consumer 12%, computing 6%, medical 3% and other markets 8%. The Corporation's revenues by Customer Corporate Headquarters is dominated by Europe at 50%, followed by America at 25%, Japan at 8%, and the rest of Asia at 17%.

IMI China posted \$325.6 million revenues, up by 17.5% due to volume expansion in the telecommunications segment. Meanwhile, the Corporation's operations in Europe and Mexico recorded an increase in revenues of 14.4% to \$268.6 million year-over-year. And in the Philippines, IMI's EMS operations recorded \$204.9 million in revenues, an 8.3% year-on-year growth due to an increase in its storage device and automotive electronics businesses.

The Corporation's business in the area of power components through its subsidiary PSi Technologies Inc. posted \$44.9 million in revenues, up 4.3% year-over-year.

A milestone in 2014 was the successful IPO, raising capital amounting to P1.6 billion (\$36 million). The net proceeds will be used for capital expenditure, business expansion, and debt refinancing, and to bolster technical manufacturing capabilities in key sites.

To drive more efficient manufacturing processes, the Design and Development (D&D) Group continues to strengthen competencies in layout design, hardware design, embedded software development, and mechanical design: (1) D&D Philippines focused on enhancing its automotive camera platforms, which include the low voltage differential signaling minicube camera platform; (2) D&D China focused on the development of human-to-machine interface systems; and (3) D&D Bulgaria continued to improve their motor drive platforms mainly for automotive applications.

In 2014, new projects included power supply modules and mechanical systems for semiconductor handlers, complete built-to-configure automated test equipment for semiconductors, and electronic assemblies for computer controlled cutting machines and servo-actuator test systems for testing aerospace products.

Also in 2014, the Automation Group based in IMI Czech Republic developed robot-based systems to enhance plastic injection operations in IMI Mexico and IMI Bulgaria. This competency center for high-end automation also supports IMI's cost-effective automation programs in China.

Automotive electronics rose by 7% to about \$205 billion, and will continue to grow at 7.4% per year up to 2020 at close to \$315 billion.

Medical electronics sales grew 8% to about \$51 billion in 2014, and will have a compounded annual growth rate (CAGR) of 7.3% until 2017, reaching \$65.4 billion. Key areas of growth are in portable medical

devices, telemedicine and wearables. The wearable electronics market is expected to grow at a CAGR of 24.6% and reach \$11.6 billion by 2020.

The President stressed that the Corporation will continue to deliver on its long-term strategies and will: (1) focus on high-margin industry segments with stringent quality requirements; (2) provide global scale through our multiple sites for top global manufacturers, and (3) diversify into more services and adjacent industries

The President then expressed gratitude to all of the Corporation's stockholders, customers, suppliers and employees.

After the report of the President, an audio-visual presentation was shown to the stockholders.

Thereafter, the Chairman opened the floor for questions or comments from the stockholders.

Mr. Philip Turner inquired regarding the Corporation's efforts to diversify its portfolio. The President, Mr. Arthur Tan, replied that 38% of the Corporation's investment is in the automobile electronics as the certification requirements to engage in this line of business are already established, but he also pointed out that the Corporation is working on some other areas of investment and that the general focus is to invest in the top 10 brand owners in each area. Mr. Turner also asked about the Corporation's investment in medical facilities. Mr. Tan responded that it is challenging to invest in medical facilities because of the requirements of the Food and Drug Authority relative to supply of medical devices.

Mr. Turner also inquired of the recovery status on the insurance claims of the Corporation. To this, Mr. Tan said that only 1 out of 5 insurance companies has not settled and the matter is presently under litigation.

On the sale of the Corporation's property in Singapore, Mr. Turner asked the amount by which it was sold and the profit gained from the sale. Mr. Jerome Tan, the Chief Finance Officer, answered that the actual selling price is S\$32.4 million and the total net gain is S\$19 million.

Mr. Turner then asked regarding the write-off of available-for-sale financial asset of the Corporation. Mr. Jerome Tan explained that part of the requirement of accounting standards is to assess the assets that were purchased. In the case of PSi Technologies, there was goodwill at the time of purchase and every year a cash valuation is conducted to determine if the asset is impaired. If the asset would be sold based on the future valuation, there could be no write-off.

Mr. David Ho, another stockholder, inquired whether there would be buying opportunities for investors considering that the Corporation performed well last year. The Chairman responded that stock prices are market driven, but as the global environment is continuously increasing, the Corporation has a great future and would be a good investment.

There being no other questions and comments from the stockholders, Ms. Ma. Chiara Lubich H. Zotomayor, seconded by Mr. Fernando D. Dizon, moved for the noting of the annual report and the approval of the 2014 audited financial statements, and the adoption of the following Resolution No. S-02-15, which was shown on the screen:

**Resolution No. S-02-15**

**RESOLVED**, to note the Corporation's Annual Report, which consists of the Chairman's Message, the President's Report, and the audio-visual presentation to the stockholders as of December 31, 2014, and to approve the 2014 consolidated audited financial statements

of the Corporation and its subsidiaries, as audited by the Corporation's external auditor, SyCip Gorres Velayo & Co.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the motion for the noting of the annual report and the approval of the 2014 audited financial statements, and the adoption of Resolution No. S-02-15 are as follows:

	For	Against	Abstain
Number of Shares Voted	2,479,561,200	151,000	0
% of Shares Voted	99.99%	0.006%	0%

**7. Ratification of Acts and Resolutions of the Board and its Committees, and Acts of Management in the Preceding Year**

The Secretary explained that the ratification by the stockholders was sought for the acts and resolutions of the Board of Directors, the Executive Committee, and other Board Committees as well as all acts of Management of the Corporation taken or adopted since the annual stockholders' meeting on April 4, 2014 until today. The acts include approval of contracts, projects and investments, treasury matters, and those covered by disclosures to the Philippine Stock Exchange and the Securities and Exchange Commission ("SEC"), which were reflected in the minutes of the meetings. The acts of Management were taken to implement the resolutions of the Board of Directors or its Committees or in the general conduct of business.

The Chairman asked the stockholders if they have any questions or comments. There being no question on the item under consideration, the Chairman requested for a motion for approval.

On motion of Ms. Maribeth D. Gamao, seconded by Mr. Winston R. Solomon, the stockholders approved and ratified all acts and resolutions during the preceding year of the Board of Directors, Executive Committee, and other Board Committees and the acts of Management taken and adopted since April 4, 2014 until April 6, 2015 to implement the resolutions of the Board or its Committees or in the general conduct of business and adopted Resolution No. S-03-15. The text of the following Resolution No. S-03-15 was shown on the screen:

**Resolution No. S-03-15**

**RESOLVED**, to approve, ratify and confirm all resolutions of the Corporation's Board of Directors, the Executive Committee, and other Board Committees, as well as all the acts of the Management taken or adopted since the annual stockholders' meeting on April 4, 2014 until today, as reported by the Corporate Secretary.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the motion are as follows:

	For	Against	Abstain
Number of Shares Voted	2,479,710,200	0	2,000
% of Shares Voted	99.99%	0%	0.0001%

**8. Approval of the Amendment to the Third Article of the Articles of Incorporation**

At the request of the Chairman, the Corporate Secretary, Mr. Hermosura explained that the amendment was approved by the Board of Directors in its meeting held on December 2, 2014. It is intended to comply with SEC Memorandum Circular No. 6, series of 2014, directing corporations whose articles of incorporation indicate only a general address as their principal office address (e.g. Metro Manila) to amend their articles of incorporation to specify their complete address, including, if possible, the street number, street name, barangay, city or municipality, the name of the building, the number of the building, and name or number of the room or unit.

The Chairman asked if there are questions to the proposal to amend the Third Article of the Articles of Incorporation. There being no question on the item, the Chairman requested for a motion for approval.

On motion of Ms. Jocelyn D. Guillena, seconded by Mr. Lucrecio B. Mendoza, the stockholders ratified and approved the amendment to the Third Article of the Articles of Incorporation to indicate the complete principal address of the Corporation in compliance with SEC Memorandum Circular No. 6 and adopted Resolution No. S-04-15. The text of the following Resolution No. S-04-15 was shown on the screen.

#### **Resolution No. S-04-15**

**RESOLVED**, as recommended by the Board of Directors in Resolution No. B-31-14, to approve the amendment to the Third Article of the Articles of Incorporation in compliance with Securities and Exchange Commission Memorandum Circular No. 6, series of 2014, so that, as amended, the Third Article shall henceforth read as follows:

**THIRD.** That the principal office of the Corporation shall be North Science Avenue, Laguna Technopark-Special Economic Zone (LT-SEZ), Bo. Biñan, Biñan, Laguna, but it may establish branch offices in any part of the Philippines or in such other places outside the Philippines as may be approved by the Board of Directors. (As amended on April 6, 2015)

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the amendment to the Third Article of the Articles of Incorporation and the adoption of Resolution No. S-04-15 are as follows:

	For	Against	Abstain
Number of Shares Voted	2,479,712,200	0	0
% of Outstanding Capital Stock	78.55%	0%	0%

#### **9. Election of Directors**

The next item in the agenda was the election of eleven (11) members of the Board of Directors for the ensuing year. The Chairman requested the Chairman of the Nomination Committee, Mr. Fernando Zobel de Ayala, to explain this item.

Mr. Fernando Zobel de Ayala explained that, in accordance with the requirements of the Corporation's By-laws, the Manual of Corporate Governance and the SEC Rules, the names of the following nominees to the Board of Directors had been submitted to the Nomination Committee, and each one has accepted the nomination in writing:

Jaime Augusto Zobel de Ayala  
Arthur R. Tan  
Rafael Ma. C. Romualdez

Fernando Zobel de Ayala  
 Delfin L. Lazaro  
 Hiroshi Nishimura  
 Jose Ignacio A. Carlos  
 Delfin C. Gonzalez Jr.  
 John Eric T. Francia  
 Alelie T. Funcell  
 Edgar O. Chua

Messrs. Chua and Nishimura, and Ms. Funcell had been nominated as independent directors.

Mr. Fernando Zobel de Ayala further reported that all the nominees possessed all the qualifications and none of the disqualifications under the Corporation's By-Laws and Manual of Corporate Governance, and were eligible to be nominated and elected directors of the Corporation.

The Chairman asked the stockholders if they have any questions or comments. There being no question on the item under consideration, the Chairman requested the Corporate Secretary to report the results of the election.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes received by the nominees are as follows:

Director	For	Against	Abstain
Jaime Augusto Zobel de Ayala	2,476,282,985	385,600	0
% of Shares Voted	99.86%	0.02%	0%
Fernando Zobel de Ayala	2,476,233,000	385,600	0
% of Shares Voted	99.86%	0.02%	0%
Arthur R. Tan	2,476,639,765	0	0
% of Shares Voted	99.88%	0%	0%
Jose Ignacio A. Carlos	2,476,382,585	385,600	0
% of Shares Voted	99.86%	0.02%	0%
Edgar O. Chua	2,476,315,185	0	0
% of Shares Voted	99.86%	0%	0%
John Eric T. Francia	2,476,315,185	0	0
% of Shares Voted	99.86%	0%	0%
Alelie T. Funcell	2,476,315,185	0	0
% of Shares Voted	99.86%	0%	0%
Delfin C. Gonzalez, Jr.	2,476,226,585	385,600	0
% of Shares Voted	99.86%	0.02%	0%
Delfin L. Lazaro	2,475,944,885	385,600	0
% of Shares Voted	99.85%	0.02%	0%
Hiroshi Nishimura	2,475,919,221	385,600	0
% of Shares Voted	99.85%	0.02%	0%
Rafael Ma. C. Romualdez	2,476,198,385	111,700	0
% of Shares Voted	99.86%	0.004%	0%

Given the foregoing results, the Chairman requested for a motion for approval.



On motion of Ms. Jocelyn D. Guillena, seconded by Mr. Lucrecio B. Mendoza, the stockholders elected the eleven (11) nominees as directors of the Corporation for the ensuing year to serve as such until their successors are elected and qualified, and adopted Resolution No. S-05-15. The text of the following Resolution No. S-05-15 was shown on the screen.

**Resolution No. S-05-15**

**RESOLVED**, to elect the following as directors of the Corporation to serve as such beginning today until their successors are elected and qualified:

Jaime Augusto Zobel de Ayala  
Fernando Zobel de Ayala  
Arthur R. Tan  
Jose Ignacio A. Carlos  
Edgar O. Chua  
John Eric T. Francia  
Alelie T. Funcell  
Delfin C. Gonzalez, Jr.  
Delfin L. Lazaro  
Hiroshi Nishimura  
Rafael Ma. C. Romualdez

**10. Election of External Auditor**

At the request of the Chairman, Mr. Edgar O. Chua, Chairman of the Audit Committee, informed the stockholders that the Committee evaluated and was satisfied with the performance of the Corporation's external auditor, SGV. Thus, the Committee and the Board agreed to endorse the re-election of SGV as the external auditor of the Corporation for the current fiscal year for an audit fee of Pesos: Three Million Six Hundred Thousand (PhP3,600,000.00).

The Chairman opened the floor for questions or comments, but no stockholder raised any question or comment. Thereafter, on motion of Mr. Noelito A. Gamao, seconded by Ms. Rosalie D. De Guia, the stockholders elected SGV as external auditor of the Corporation for the current fiscal year and approved SGV's audit fee, and adopted the following Resolution No. S-06-15, which was shown on the screen:

**Resolution No. S-06-15**

**RESOLVED**, as endorsed by the Board of Director, to approve the re-election of SyCip Gorres Velayo & Company as the external auditor of the Corporation for the year 2015 for an audit fee of PhP3.6 Million.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the votes on the re-election of SGV as external auditor of the Corporation, the approval of its audit fee, and the adoption of Resolution No. S-06-15 are as follows:

	For	Against	Abstain
Number of Shares Voted	2,479,712,000	200	0
% of Shares Voted	99.99%	0.00001%	0%

## **11. Other Matters**

The Chairman opened the floor for questions or comments from the stockholders on other matters which are relevant and of general concern to the stockholders.

Mr. Turner asked whether the proposed audit fee for SGV includes out-of-pocket expenses. Mr. Jerome Tan responded that the proposed fee is exclusive of out-of-pocket expenses.

Mr. De Leon congratulated the Corporation for its good performance in the past year. He then inquired on the Corporation's performance for the first quarter of 2015. Mr. Arthur Tan said that they are still consolidating the numbers. The Chairman assured the stockholders that the Corporation continues to perform well.

Mr. Emilio Dela Cruz inquired if the next stockholders' meeting will be held in the Corporation's new principal office address in Laguna. The Chairman answered in the affirmative.

## **12. Adjournment**

There being no other matters to discuss, on motion of Mr. Neilson C. Esguerra, seconded by Mr. Joy Rosita Gregoria A. Bondoc, the meeting was adjourned.

RECORDED BY:



**SOLOMON M. HERMOSURA**  
Corporate Secretary

ATTESTED BY:

**JAIME AUGUSTO ZOBEL DE AYALA**  
Chairman of the Board & of the Meeting