

VIVANT CORPORATION
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
Cebu Country Club; Banilad, Cebu City
December 20, 2012 at 1:30 PM

PRESENT:

Mr. Dennis N. A. Garcia	Chairman
Mr. Ramontito E. Garcia	President
Mr. Charles Sylvestre A. Garcia	Director
Mr. Gil A. Garcia II	Director
Mr. Emil M. Garcia	Director
Mr. Elbert M. Zosa	Director
Mr. Efren P. Sarmiento	Director
Mr. Hans R. Hauri	Director
Amb. Raul Ch. Rabe	Independent Director

ALSO PRESENT:

Mr. Arlo A.G. Sarmiento	Chief Operating Officer
Ms. Maria Victoria E. Sembrano	AVP-Finance and Treasury
Atty. Macario C. Padullo	AVP-Corporate Management Systems
Atty. Jess Anthony N. Garcia	Corporate Secretary

NOT PRESENT:

Mr. Jose Marko G. Sarmiento	Director
Atty. Jesus B. Garcia	Independent Director

I. Call to Order

The Chairman, Mr. Dennis N.A. Garcia (DAG), called the meeting to order at 1:30 PM and presided over the same.

II. Proof of Notice and Certification of Quorum

The Corporate Secretary, Atty. Jess Anthony N. Garcia (JNG) certified to the Board of Directors (BOD) that notices were sent in accordance with the law and a quorum was present to transact business.

III. Reading and Approval of Minutes of Previous Meeting

The minutes of the Board of Directors' (BOD) meeting last October 11, 2012 was presented by JNG to the BOD for approval. Upon motion that was duly seconded, the BOD approved the minutes as presented without corrections.

IV. Updates on NR

Emil Andre M. Garcia (EMG) reported that NR resumed operations by September 27, 2012. He said that due to the 4 month delay of the tunnel repair, NR missed most of the wet season. He said that the delay deprived NR of the opportunity to earn during the wet season and this negatively affected NR's revenues.

Atty. Macario C. Padullo (MCP) presented the financial effect of the delay in resumption of NR operations. He said that due to the delay, NR was not able to accumulate cash that was supposed to be used to pay its monthly payment obligations to PSALM. He said that given the loss of revenues, NR would need bridge financing in order to meet its payment obligations to PSALM. MCP said that NR management met with PSALM officials and proposed a payment moratorium and revision of the monthly payment schedule. MCP discussed the proposal to the BOD. He said that NR proposed to defer 80% of the monthly payments from October 2012 to May 2013. This deferred payment would be paid in 10 years at an interest rate of 6% per annum. MCP reported that after presenting to PSALM the 10 year repayment schedule, PSALM wanted to reduce the term of payment. MCP then reported that NR revised the proposal to reflect a 7 year repayment schedule. As of the BOD meeting, there was no indication on whether PSALM would accept the revised proposal of NR.

V. Business Development Update

- CEPALCO Developments

Arlo A.G. Sarmiento (AGS) reported that there was an opportunity for Vivant to participate in the generation business in Mindanao thru CEPALCO.

Amb. Rabe mentioned that the franchise area of CEPALCO is projected to have high demand within the next few years and additional generation capacity is very much needed to support this growth.

- VECO Supply and Demand Discussion

EMG discussed the demand forecast for VECO in the next few years. He noted that by next year, VECO's exposure to the WESM would increase significantly despite fully utilizing the benefit of CPPC.

EMG also noted that with the bidding of Unified Leyte, VECO's uncontracted supply would increase even further and expose it further to the WESM.

AGS informed the BOD that given the expected shortages in the Visayas in the next few years; it would appear that there is additional opportunity for Vivant to participate in the additional power generation business in the Visayas.

Elbert M. Zosa (EMZ) commented that while Vivant was happy with its current partners, for the benefit and in the best interest of the corporation, Vivant should be open to discuss opportunities with all interested parties in order to ensure the best deal for the company.

VI. VVT Consolidated Financial Report

- Income Statement Year To Date October 2012

MCP reported the income statement for YTD October 31, 2012. Total revenues were at PhP1.341 Billion compared to budget of PhP703 Million or a positive variance of 91%. Total Operating Expenses was PhP47 Million against budget of PhP61 Million. Net income was PhP1.252 Billion against PhP574 Million in the budget or 118% above budget.

- 2012 Rolling Forecast

MCP reported the rolling forecast for 2012. He said that forecasted revenue for year end is PhP1.5 Billion against budget of PhP919 Million or 63% over budget. Operating expenses is projected to be PhP71 Million against budget of PhP90 Million. Net income is forecasted to be PhP1.359 Billion against budget of PhP761 Million pesos or 78% above budget.

It was noted that the forecast may be adjusted due to unplanned expenses for 1590EC in the 4th quarter. This is expected to reduce the income for the company.

EMZ also noted that based on the rolling forecast, the BOD could learn much from the way the business is changing. He discussed the performance of each of the subsidiaries of Vivant.

- Balance Sheet Highlights

Maria Victoria E. Sembrano (MES) discussed the balance sheet highlights. She presented the total assets for end of the year 2012 is projected to be PhP8.07 Billion. Liabilities for the same period is expected to be PhP1.483 Billion while parent equity is forecasted at PhP 5.1 Billion. Current ratio is a favourable 4.21 while DE ratio will be at 0.29.

VII. Other Matters

- Vivant Rebranding

AGS discussed management plans for the rebranding of Vivant given the fact that the business is changing fast. He said that the Vivant logo needs to be updated and revised in order to align it with the times. He mentioned that a photo session of the complete board of directors will be conducted by the next Board Meeting. He said that February 22, 2013 is the tentative date for the next BOD meeting.

- MPO Compliance

AGS discussed the MPO compliance of VVT. He said that the company complied with this requirement today.

VIII. Adjournment

After a motion duly made and seconded and there being no other matters to discuss, the Chairman of the Board formally declared the meeting adjourned.

Prepared by:

ATTY. JESS ANTHONY N. GARCIA

Corporate Secretary

Attested by:

DENNIS N.A. GARCIA

Director

A handwritten signature in black ink, consisting of several loops and a long diagonal stroke extending upwards and to the right.

GIL A. GARCIA II

Director

RAMONTITO E. GARCIA

Director

A handwritten signature in black ink, featuring a large loop and a horizontal stroke.

CHARLES SYLVESTRE A. GARCIA

Director

EMIL ANDRE M. GARCIA

Director

EFREN P. SARMIENTO

Director

ELBERT M. ZOSA

Director

AMB. RAUL CH. RABE

Director