



100 YEARS OF ADVANCING BUSINESS AND COMMUNITIES

## NOTICE AND AGENDA OF THE ANNUAL MEETING OF STOCKHOLDERS

**NOTICE** is hereby given that the Annual Meeting of Stockholders of **ABOITIZ EQUITY VENTURES INC.** (the "Company") will be held on April 27, 2020, Monday, 4:00 p.m., at the Ballroom 2, 2<sup>nd</sup> Floor, Fairmont Makati Hotel, 1 Raffles Drive, Makati Avenue, Makati City 1224 Philippines.

The Agenda\* of the meeting is as follows:

1. Call to Order
2. Proof of Notice of Meeting and Determination of Quorum
3. Reading and Approval of the Minutes of the Previous Stockholders' Meeting held on April 22, 2019
4. Presentation of the President's Report
5. Approval of the 2019 Annual Report and Financial Statements
6. Appointment of the Company's External Auditor for 2020
7. Election of the Members of the Board of Directors
8. Amendment of the Articles of Incorporation to:
  - 8.1 Include in the Primary Purpose the Power to Act as Guarantor or Surety for the Loans and Obligations of its Affiliates and Associates
  - 8.2 Amend the Corporate Term to Perpetual Existence
  - 8.3 Amend the Features of the Preferred Shares
9. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from 2019 up to April 27, 2020, including the ratification of the authority to amend the Company's By-Laws to allow voting *in absentia*
10. Other Business
11. Adjournment

Only stockholders of record at the close of business on March 23, 2020 are entitled to notice and to vote at this meeting. Registration will start at 2:00 p.m. on April 27, 2020 and will end at 3:45 p.m. of that day.

Stockholders are requested to present any valid proof of identification, such as driver's license, passport, company ID or SSS/GSIS ID. Aside from personal identification, representatives of corporate stockholders and other juridical entities must also present a duly sworn secretary's certificate or any similar document showing his or her authority to represent the corporation or entity.

If you cannot attend in person, you may execute a proxy in favor of a representative, or vote electronically *in absentia* using the online web address, [votingportal.aboitiz.com](http://votingportal.aboitiz.com). A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum. Proxies must be submitted to the Office of the Corporate Secretary for inspection, validation, and recording at least seven days prior to the opening of the Annual Stockholders' Meeting, or on or before the close of business hours on April 20, 2020, at the 18<sup>th</sup> Floor NAC Tower, 32<sup>nd</sup> Street, Bonifacio Global City, Taguig City, Metro Manila. The Proxy Validation Committee will inspect, examine and validate the sufficiency of the proxy forms received. Validation of proxies will be on April 23, 2020 at the Office of the Corporate Secretary. A proxy form will be uploaded in the Company's website. **WE ARE NOT SOLICITING PROXIES.**

Taguig City, March 6, 2020.

A blue ink signature of Manuel Alberto R. Colayco, written in a cursive style.

MANUEL ALBERTO R. COLAYCO  
Corporate Secretary

\*The rationale for each Agenda item is explained in the attached Annex "A" and may also be viewed at AEV's website at [www.aboitiz.com](http://www.aboitiz.com) under Annual Stockholders' Meeting in the Investor Relations Page.

**ANNEX "A"**  
**EXPLANATION OF AGENDA ITEMS**  
***(including Agenda items requiring Stockholders' Approval)***

**ITEM NO. 1:** The Chairman will formally open the meeting at approximately 4:00 P.M.

**ITEM NO. 2: Proof of Notice of Meeting and Determination of Quorum**

**RATIONALE:** *To inform the stockholders that notice requirements for the 2020 Annual Stockholders' Meeting (ASM) have been complied with in accordance with the Company's By-Laws and the Revised Corporation Code of the Philippines, and that quorum exists for the transaction of business.*

The Corporate Secretary will certify the date when notices for the 2020 ASM were sent out to the stockholders of record, including the date of publication and the newspapers where the notice was published. The Corporate Secretary will also certify to the existence of a quorum, as verified and confirmed by the Board of Election Inspectors. Stockholders representing at least a majority of the outstanding capital stock, present in person or by proxy, shall constitute a quorum for the transaction of business.

Voting shall be done manually or *in absentia*. Pursuant to Sections 23 and 57 of the Revised Corporation Code which allow voting through remote communication or *in absentia*, stockholders may access AEV's online web address at [www.votingportal.aboitiz.com](http://www.votingportal.aboitiz.com), in order to register and vote on the matters at the meeting *in absentia*. A stockholder may cast his votes online at any time between March 26, 2020 to April 20, 2020. A stockholder voting *in absentia* shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for manual voting:

- (i) During the registration process, Company personnel with nametags labeled "AEV ASM Staff" will issue numbered voter receipts to stockholders and proxies. The AEV ASM Staff will keep the receipts and details of the voters in the ASM registration records.
- (ii) Voting shall be done manually. The AEV ASM Staff will distribute to the stockholders and proxies the relevant ballot for the particular agenda item put to a vote. The sample ballot for the agenda item will also be displayed on the screen in front of the Ballroom.
- (iii) The stockholders and proxies are required to present their voter receipts to the AEV ASM Staff so that they will be provided with the ballots. Valid ballots bear the signature of the AEV Corporate Secretary at the back.
- (iv) To vote, a stockholder is required to fill up the ballot, indicate his voting number, and the number of shares of stock he owns consistent with the records of the Company. The AEV ASM Staff will collect the ballots for counting.
- (v) Each outstanding share of stock entitles the stockholder to one (1) vote, except for the election of directors where a stockholder may

distribute his shares for as many nominees as there are directors to be elected, or he may cumulate his shares and give one candidate as many votes as the number of directors to be elected. The total number of votes cast should not exceed the total number of shares a stockholder owns.

- (vi) The approval of the stockholders owning and representing at least a majority of the capital stock present at the meeting is sufficient to approve an agenda item, except for the amendment of the Second and Seventh Articles of the Articles of Incorporation which requires the approval of stockholders representing at least two-thirds of the outstanding capital stock.
- (vii) All votes received shall be tabulated by the Office of the Corporate Secretary and the results shall be validated by Luis Cañete & Company, an independent auditing firm which has been appointed as the Board of Election Inspectors.
- (viii) The Corporate Secretary shall report the votes received and inform the stockholders if the particular agenda item is carried or disapproved. The total number of votes cast for all items for approval under the agenda will be flashed on the screen.

**ITEM NO. 3: Reading and Approval of the Minutes of the Previous Stockholders' Meeting held on April 22, 2019**

*RATIONALE: To allow the stockholders to confirm that the proceedings during the ASM were recorded accurately and truthfully.*

The minutes of the meeting held on April 22, 2019 was posted at AEV's website, [www.aboitiz.com](http://www.aboitiz.com), on April 23, 2019. Copies of the minutes will also be distributed to the stockholders upon their registration to the 2020 ASM.

A resolution approving the minutes of the April 22, 2019 ASM will be presented to the stockholders for approval.

**ITEM NO. 4: Presentation of the President's Report**

*RATIONALE: To apprise the stockholders of the Company's operating performance, financial condition and outlook.*

The President and Chief Executive Officer, Mr. Sabin M. Aboitiz, shall deliver a report to the stockholders on the 2019 operating and financial performance of the Company, as well as its outlook for 2020.

**ITEM NO. 5: Approval of the 2019 Annual Report and Financial Statements**

*RATIONALE: To present to the stockholders the results of the Company's operations in 2019, in accordance with Section 74 of the Revised Corporation Code.*

The Company's audited financial statements as of December 31, 2019 will be integrated and made part of the Company's Definitive Information Statement that will be sent to the stockholders at least 15 business days prior to the ASM. The Information Statement and the Company's 2019

Annual report will be posted on the Company's website at [www.aboitiz.com](http://www.aboitiz.com).

A resolution approving the 2019 Annual Report and Audited Financial Statements shall be presented to the stockholders for approval.

**ITEM NO. 6: Appointment of the Company's External Auditor for 2020**

**RATIONALE:** *To appoint an auditing firm which can best provide assurance to the directors and stockholders on the integrity of the Company's financial statements and adequacy of its internal controls. The Board Audit Committee and the Board of Directors will endorse an external auditor for 2020 for the shareholders to appoint.*

The Company's Board Audit Committee endorsed, and the Board of Directors approved for stockholders' consideration the election of Sycip Gorres Velayo & Co. (SGV) as the Company's external auditor for 2020.

SGV has been AEV's Independent Public Accountant for more than 20 years. Ms. Maria Veronica Andresa R. Pore has been AEV's audit partner since audit year 2017. AEV complies with the requirement of Sec 3(b)(ix) of SRC Rule 68 on the rotation of external auditors or signing partners and the two-year cooling-off period.

There was no event in the past 26 years wherein AEV and SGV or its handling partner had any disagreement regarding any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

A resolution for the appointment of the Company's external auditor for 2020, and ratifying the fees shall be presented to the stockholders for approval.

**ITEM NO. 7: Election of the Members of the Board of Directors**

**RATIONALE:** *To allow stockholders to elect the Company's Board of Directors in accordance with Section 24 of the Revised Corporation Code and the Company's By-Laws.*

A stockholder may submit his nominee to the Company's Board of Directors in accordance with the deadlines set forth in the Company's Amended By-Laws, which for this year shall be on or before April 6, 2020. Under the Amended Guidelines for the Nomination and Election of Independent Directors, the period for nominations for Independent Directors is from January 1, 2020 until February 15, 2020. The Board Corporate Governance Committee acting as the Nominations Committee unanimously agreed to extend the period of nominations for Independent Directors until March 6, 2020. The stockholders who nominated the Independent and other directors are disclosed in the Information Statement. The Board Corporate Governance Committee assesses and evaluates the nominees before submitting the final list of qualified nominees to the stockholders for approval. The profiles of all the nominees are included in the Information Statement and uploaded in the Company's website for examination by the stockholders.

A stockholder may distribute his shares for as many nominees as there are directors to be elected, or he may cumulate his shares and give one candidate as many votes as the number of directors to be elected, provided that the total number of votes cast does not exceed his shares in the Company. The nine nominees receiving the highest number of votes will be declared elected as directors of the Company.

**ITEM NO. 8: Amendment of the Articles of Incorporation to:**

- 8.1 Include in the Primary Purpose the Power to Act as Guarantor or Surety for the Loans and Obligations of its Affiliates and Associates**
- 8.2 Amend the Corporate Term to Perpetual Existence**
- 8.2 Amend the Features of the Preferred Shares**

*RATIONALE: Approval by the stockholders representing at least two-thirds of the outstanding capital stock is required to amend the Second, Fourth, and Seventh Articles of the Company's Articles of Incorporation. The Board approved this proposed amendment during its meeting on March 6, 2020.*

The proposed amendments, indicated below, are intended to (i) expressly state the perpetual term of the Company in its Articles of Incorporation, as now allowed by the Revised Corporation Code, and (ii) effectively give the Company flexibility and leverage in the ordinary conduct of its business and transactions, which includes funding raising activities:

**a) Article II**

“SECOND: That the purposes for which the said corporation is formed are:

**PRIMARY PURPOSE**

To invest in, hold, own, purchase, acquire, lease, contract, operate, improve, develop, manage, grant, sell, exchange, or otherwise dispose of real and personal properties of every kind and description, including shares of stock, bonds, and other securities or evidence of indebtedness of any other corporation, association, form, or entity, domestic or foreign, where necessary or appropriate, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned, without acting as, or engaging in, the business of an investment company, or dealer or broker in securities, and to act as managers or managing agents of persons, firms, associations, corporations, partnerships, and other entities; to provide management, investment and technical advise for commercial, industrial and other kinds of enterprises; and to undertake, carry on, assist or participate in the promotion, organization, management, liquidation, or reorganization of corporations, partnerships and other entities, **and to perform all acts necessary and incidental to the furtherance of the foregoing primary purpose, including, but without limitation, to guarantee and act as surety to its affiliated companies, subsidiaries, and associates, and to allow the creation of lien upon all or any part of the properties and assets owned by the corporation, in order to meet the necessary financial requirements of its businesses, as may be authorized by its Board of Directors.**”

b) **Article IV**

“FOURTH. That the term for which said corporation is to exist is perpetual from and after the date of incorporation.

c) **Article VII**

“SEVENTH. That the authorized capital stock of said corporation is TEN BILLION (₱10,000,000,000.00) PESOS, and said capital stock is divided into:

1. Nine Billion Six Hundred Million (9,600,000,000) COMMON SHARES with a par value of One Peso (P1.00) per share;
2. Four Hundred Million (400,000,000) PREFERRED SHARES with a par value of One Peso (P1.00) per share. (As amended by the stockholders on November 27, 1993, February 22, 1994, June 25, 1994, May 13, 1996 and further amended on July 21, 1999 by the written assent of the stockholders in accordance with Section 16 of the Corporation Code.)

PREFERRED shares shall be non-voting, non-convertible, and shall have preference over common shares in case of liquidation or dissolution of the corporation. The Board of Directors or the Executive Committee is expressly authorized to issue preferred shares in one or more series, establish and designate each particular series of preferred shares, fix the number of shares to be included in the series, and to determine the dividend rate, issue price, designations, relative rights, preferences, privileges and limitations of the preferred shares and/or series of shares. Preferred shares may or may not be cumulative, participating, or redeemable, as may be determined by the Board of Directors or the Executive Committee.

Upon redemption, preferred shares (whether unissued, issued and outstanding, including all existing treasury shares) shall not be considered retired, but may be reissued under such terms and conditions as may be determined by the Board of Directors or the Executive Committee. (As amended by the Board of Directors on March 6, 2020 and by the Stockholders on April 27, 2020).

No holder of shares of the capital stock of any class of the corporation shall have any pre-emptive or preferential right of subscription to any shares of any class of stock of the corporation whether now or hereafter authorized, other than such, if any, as the Board of Directors, in its discretion, may from time to time determine and at such price as the Board of Directors may from time to time set.”

A resolution approving the proposed amendment to the Articles of Incorporation shall be presented to the stockholders for approval.

**ITEM NO. 9: Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management in 2019 up to April 27, 2020, including the Ratification of the Authority to Amend the Company’s By-Laws to Allow Voting in Absentia**

**RATIONALE:** The acts and resolutions of the Board of Directors, Corporate Officers and Management were those adopted since the ASM last April 22, 2019 until April 27, 2020. They included the approval of contracts and agreements and other transactions in the ordinary course of business, as well as the approval of the amendments to the Company's By-Laws to allow voting *in absentia*. A summary of these acts and resolutions are enumerated in the Information Statement. The Company also regularly discloses material transactions approved by the Board of Directors. These disclosures are available for viewing and download at the Company's website at [www.aboitiz.com](http://www.aboitiz.com).

On May 18, 2009, the stockholders representing at least 2/3 of the issued and outstanding capital stock approved the delegated authority of the Board of Directors to amend or repeal the Company's By-Laws or adopt new By-Laws. The same delegated authority was renewed by an affirmative vote by stockholders representing 94.03% of the stockholders present in person or by proxy in the 2015 AMS. Pursuant to this authority, and to align with the provisions of the Revised Corporation Code, the Board of Directors approved the amendment to the Company's By-Laws to allow voting *in absentia*.

A resolution ratifying the acts and proceedings of the Board of Directors, Corporate Officers and Management will be presented to the stockholders for approval.

**ITEM NO. 10: Other Business**

The Chairman of the Meeting will open the floor for comments or queries by the stockholders. Stockholders may raise matters which may be properly taken up during the 2020 ASM.

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