



100 YEARS OF ADVANCING BUSINESS AND COMMUNITIES

## **REVISED 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. **The meeting will be conducted virtually and can be accessed at the link provided in the Company’s website at <https://aboitiz.com/investor-relations/annual-stockholders-meeting/>.**

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**
10. Other Business
11. Adjournment

Only stockholders of record at the close of business on March 23, 2020 are entitled to notice of and to vote at this meeting.

In light of the COVID-19 global pandemic, the Company will not be conducting a physical annual stockholders’ meeting. The conduct of the annual stockholders’ meeting will be streamed live, and stockholders may attend **by registering on or before 12:00 noon on April 27, 2020. Due to the limitations of available technology, voting will not be possible during the livestream, but participants may send in questions or remarks via the livestream portal.**

**If you wish to cast your votes as a stockholder, you may vote remotely or *in absentia*, or through proxy. Voting by remote communication or *in absentia*, using the online voting portal, [votingportal.aboitiz.com](https://votingportal.aboitiz.com), is available to stockholders who register through the portal on or before 5:30 pm on April 26, 2020. The procedures for attendance and voting during the 2020 ASM are set forth in the Information Statement and published in the Company’s website at [www.aboitiz.com](http://www.aboitiz.com).**

Stockholders may also send their duly accomplished proxies on or before the close of business hours on April 20, 2020 **to the Corporate Secretary through email at [governanceandcompliance@aboitiz.com](mailto:governanceandcompliance@aboitiz.com) and hard copies at the 18th Floor, NAC Tower, 32nd Street, Bonifacio Global City, Taguig City.** Validation of proxies will be on April 23, 2020 at the Office of the Corporate Secretary. **WE ARE NOT SOLICITING PROXIES.**

For the Board of Directors,

  
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 through proxy or remote communication 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 [votingportal.aboitiz.com](http://votingportal.aboitiz.com), in order to register and vote on the matters at the meeting. A stockholder may cast his votes online **until 5:30 pm of April 26, 2020**. A stockholder voting *in absentia* shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for voting and participation in the meeting through remote communication:

- (i) Stockholders may register and vote at the Company's online web address at [votingportal.aboitiz.com](http://votingportal.aboitiz.com) until 5:30 pm of **April 26, 2020**.
- (ii) Only stockholders who registered and voted before the cut off time will be counted for quorum purposes.
- (iii) The conduct of the ASM will be livestreamed and stockholders may participate in the proceedings by logging in at the web address to be provided in the Company's website at [www.aboitiz.com](http://www.aboitiz.com).
- (iv) Stockholders who wish to make a remark shall first identify himself and proceed after being acknowledged by the Chairman. He shall limit his remarks to the relevant agenda item under consideration. Typed-in remarks or questions sent through the portal shall be read out by the ASM moderator.
- (v) Each of the proposed resolutions for approval will be shown on screen at the time they are being taken up at the meeting.
- (vi) All votes received within the cut-off 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.

- (vii) 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 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 24 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. Under the Amended Guidelines for the Nomination and Election of Independent Directors, the period for nominations for Independent Directors started on January 1, 2020 and the table of nominations closed on February 15, 2020, unless the Board Corporate Governance Committee unanimously agrees to extend the deadline for meritorious reasons. On February 19, 2020, the Board Corporate Governance Committee unanimously agreed to extend the period for nominations of 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**

**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 in 2015 by an affirmative vote by stockholders representing 87.96% of the stockholders present in person or by proxy. 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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