

NOTICE AND AGENDA OF THE ANNUAL MEETING OF STOCKHOLDERS

NOTICE is hereby given that the Annual Meeting of the Stockholders of **ABOITIZ POWER CORPORATION** (the "Company") will be held on April 27, 2020, Monday, 11:00 a.m., at the Ballroom 2, 2nd 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 to the Company's By-Laws to allow voting in *absentia*
10. Other Business
11. Adjournment

Only stockholders of record at the close of business hours on March 23, 2020 are entitled to notice of and to vote at this meeting. Registration will start at 9:00 a.m. on April 27, 2020 and will end at 10:45 a.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. 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 18th Floor, NAC Tower, 32nd 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 available in the Company's website. **WE ARE NOT SOLICITING PROXIES.**

Taguig City, March 6, 2020.



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 AboitizPower's website at www.aboitizpower.com under Annual Stockholders' Meeting in the Investor Relations Page.

EXPLANATION OF AGENDA ITEMS (including Agenda Items requiring Stockholders' Approval)

ITEM NO. 1: The Chairman will formally open the meeting at approximately 11:00 A.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 AboitizPower's online web address at www.votingportal.aboitiz.com, in order to register and vote on the matters at the meeting *in absentia*. A stockholder may cast his/her votes online at any time between March 26, 2020 to April 27, 2020 at 10:45 am. 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 "AboitizPower ASM Staff" will issue numbered voter receipts to stockholders and proxies. The AboitizPower ASM Staff will keep the receipts and details of the voters in the ASM registration records.
- (ii) Voting shall be done manually. The AboitizPower 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 AboitizPower ASM Staff so that they will be provided with the ballots. Valid ballots bear the signature of the AboitizPower 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 AboitizPower 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 were posted at AboitizPower's website, www.aboitzpower.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. Emmanuel V. Rubio, 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 Definitive Information Statement and the Company's 2019 Annual Report will be posted on the Company's website, at www.aboitzpower.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 stockholders 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 AboitizPower's Independent Public Accountant for the last 21 years. Ms. Maria Veronica Andresa R. Pore has been AboitizPower's audit partner since audit year 2017. AboitizPower complies with the requirement of Section 3(b)(ix) of SRC Rule 68 on the rotation of external auditors or signing partners and the two-year cooling-off period.

There has been no event in the past 21 years wherein AboitizPower 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 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 Amended 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. 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**
- 8.3 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 align with provisions of the Revised Corporation Code on the perpetual corporate existence. The amendments under Articles II and VII of the Articles of Incorporation were to give the Company flexibility in its capital 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 hydroelectric, geothermal, wind, solar, and and other renewable power generation facilities, distribution, retail electricity supply and other related facilities,

corporations, partnerships, associations, firms, or entities, domestic and/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; to act as managers or managing agents of persons, firms, associations, corporations, partnerships and other entities engaged in hydroelectric, geothermal, wind, solar and other renewable power generation facilities, distribution businesses, retail electricity supply services, battery power storage services or related businesses; to provide management, investment and technical advice for commercial, industrial, manufacturing and other kinds of enterprises engaged in hydroelectric, geothermal, wind, solar and other renewable power generation, distribution businesses, retail electricity supply services, or related businesses; to undertake, carry on, assist or participate in the promotion, organization, management, liquidation, or reorganization of corporations, partnerships and other entities engaged in hydroelectric, geothermal, wind, solar and other renewable power generation, distribution businesses, retail electricity supply services, or related businesses; to develop, construct, own, lease and operate electricity generation distribution facilities and/or hydroelectric, geothermal, wind, solar, and other renewable energy power plants, retail electricity supply facilities, or related businesses; to engage in build-operate-transfer arrangements with the government, its branches, agencies and instrumentalities, and any non-government entities; act as consultants, contractors or principals in the business of developing, constructing, operating, repairing and maintaining of hydroelectric, geothermal, wind, solar and other renewable energy power plants and systems and other power-generating or converting stations and in the manufacture, operation and repair of associated mechanical and electrical equipment; to carry on the general business of generation, distribution, retail supply, battery storage services, and/or transmission of electric power in accordance with existing laws, rules and regulations; enter into contracts for differences, and to carry on all business necessary or incident to all the foregoing, **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, **as provided in Section 11 of the Revised Corporation Code of the Philippines.**”

c) Article VII

“SEVENTH. That the authorized capital stock of said corporation is SEVENTEEN BILLION (P17,000,000,000.00) PESOS, Philippine currency, and said capital stock is divided into:

1. SIXTEEN BILLION (16,000,000,000) COMMON SHARES, with a par value of ONE PESO (P1.00) per share;
2. ONE BILLION (1,000,000,000) PREFERRED SHARES, with a par value of ONE PESO (P1.00) per share.

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.

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 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*

RATIONALE: The acts and resolutions of the Board of Directors, Corporate Officers and Management were those adopted since the ASM last April 22, 2019 and until April 27, 2020. They include 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*. The board 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.aboitizpower.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 94.35% of the stockholders’ present in person and 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*.

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.