

## NOTICE OF 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 May 16, 2016, Monday, 11:00 a.m., at Ballroom 2, 2<sup>nd</sup> Floor, Fairmont Makati, 1 Raffles Drive, Makati Avenue, Makati City, 1224 Metro Manila, Philippines.

The Agenda\* of the meeting is as follows:

1. Call to Order
2. Proof of Notice of Meeting
3. Determination of Quorum
4. Reading and Approval of the Minutes of the Previous Stockholders’ Meeting held on May 18, 2015
5. Presentation of the President’s Report
6. Approval of the 2015 Annual Report and Financial Statements
7. Appointment of the Company’s External Auditor for 2016
8. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management in 2015 up to May 16, 2016
9. Election of the Members of the Board of Directors
10. Other Business
11. Adjournment

Only stockholders of record at the close of business on March 31, 2016 are entitled to notice and to vote at this meeting. Registration will start at 9:00 a.m. and will end at 10:45 a.m. Stockholders are requested to present any proof of identification, such as driver’s license, passport, company ID or SSS/GSIS ID upon registration. Aside from personal identification, representatives of corporate stockholders and other entities should also present a duly sworn Secretary’s Certificate or any similar document showing his or her authority to represent the corporation or entity.

Stockholders who are unable to attend the meeting may execute a proxy in favor of a representative. In accordance with the Amended By-Laws of the Company, proxies must be submitted for inspection, validation and recording at least seven (7) days prior to the opening of the Annual Stockholders’ Meeting, or on or before May 9, 2016, to the Office of the Corporate Secretary at the 18th Floor NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, Metro Manila. The Proxy Verification Committee will inspect, examine and validate the sufficiency of the proxy forms received.

For the Board of Directors,



M. JASMINE S. OPORTO  
Corporate Secretary

\* The rationale for each Agenda item is explained in the attached Annex “A”.

## EXPLANATION OF AGENDA ITEMS REQUIRING STOCKHOLDERS' APPROVAL

### ITEM NO. 2: Proof of Notice of Meeting

**RATIONALE:** *To inform the stockholders that notice requirements for the 2016 Annual Stockholders' Meeting (2016 ASM) have been complied with in accordance with the Company's By-Laws and the Corporation Code of the Philippines.*

The Corporate Secretary will certify the date that notices for the 2016 ASM were sent out to stockholders of record, the date of publication, and the newspapers where the notice was published.

### ITEM NO. 3: Determination of Quorum and Conduct of Voting

**RATIONALE:** *To inform the stockholders of the existence of a quorum for the 2016 ASM, and of procedure for the conduct of voting for the agenda items being put to a vote.*

The Corporate Secretary will certify 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, in person or by proxy, shall constitute a quorum for the transaction of business.

Should there be agenda items put to a vote, the following are the rules of conduct and procedures:

- (i) During the registration process, Company personnels with nametags labeled "AboitizPowerASM Staff" will issue numbered voter receipts to stockholders and proxies. The ASM Staff will keep the receipts and details of the voters in the ASM registration records.
- (ii) Voting shall be done manually. The 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 in the screen in front of the Ballroom.
- (iii) The stockholders and proxies are required to present their voter receipts to the ASM Staff so that they will be provided with the ballots. Valid ballots bear the signature of the 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 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) In general, the approval of the stockholders owning and representing at least majority of the capital stock present at the meeting is sufficient to approve an agenda item. There is no item in the 2016 ASM Agenda that requires a higher percentage of votes from the stockholders.

- (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. 4: Reading and Approval of the Minutes of the Previous Stockholders' Meeting held on May 18, 2015**

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

The minutes of the meeting held on May 18, 2015 are posted at AboitizPower's website, [www.aboitzpower.com](http://www.aboitzpower.com). Copies of the minutes were also distributed to the stockholders before the meeting.

A resolution approving the minutes of the May 18, 2015 ASM will be presented to the stockholders for approval.

**ITEM NO. 5: 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 Operating Officer, Mr. Antonio R. Moraza, shall deliver a report to the stockholders on the 2015 operating and financial performance of the Company, as well as its outlook for 2016.

**ITEM NO. 6: Approval of the 2015 Annual Report and Financial Statements**

*RATIONALE: To present to the stockholder the results of the Company's operations in 2015, in accordance with Section 75 of the Corporation Code.*

The Company's audited financial statements as of December 31, 2015 is integrated and made part of the Company's 2015 Definitive Information Statement (2015 Information Statement). The 2015 Information Statement has been sent to stockholders at least fifteen (15) days prior to the ASM, and the same is posted at the Company's website at [www.aboitzpower.com](http://www.aboitzpower.com).

A resolution approving the 2015 Annual Report and audited financial statements shall be presented to the stockholders for approval.

**ITEM NO. 7: Appointment of the Company's External Auditor for 2016**

*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 2016 for the shareholders to appoint.*

The Company's Board Audit Committee recommended the election of Sycip Gorres Velayo & Co. (SGV) as the Company's external auditor for 2016. SGV has been AboitizPower's Independent Public Accountant for the last 17 years. Ms. Leovina Mae V. Chu has been AboitizPower's audit partner since audit year 2012. AboitizPower complies with the requirements 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 was no event in the past 17 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 2016 shall be presented to the stockholders for approval.

**ITEM NO. 8: Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management in 2015 up to May 16, 2016**

*RATIONALE: To allow the stockholders to ratify the acts of the Board of Directors and Officers of the Company as a matter of procedure or policy.*

The resolutions approved by the Board in its regular and special meetings refer only to acts done by the Board, Corporate Officers and Management in the ordinary course of business. The board resolutions are enumerated in the 2015 Information Statement. The Company also regularly discloses material transactions approved by the Board. These disclosures are available for viewing and download at the Company's website at [www.aboitzpower.com](http://www.aboitzpower.com).

A resolution to ratify the acts, resolutions and proceedings of the Board of Directors, corporate officers and management in 2015 up to the date of the ASM shall be presented to the stockholders for approval.

**ITEM NO. 9: 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 Corporation Code and the Company's By-Laws.*

A stockholder may submit his nominee to the Company's Board of Directors to the Board Corporate Governance Committee in accordance with the deadlines set forth in the Company's Amended By-Laws, which for this year shall be on or before April 25, 2016. Under the Guidelines for the Nomination and Election of Independent Directors, the period for nominations for Independent Directors started on January 1, 2016 and the table of nominations closed on February 15, 2016. The stockholders who nominated the Independent and other directors are disclosed in the 2015 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

doesnot 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. 10: Other Matters**

The Chairman will open the floor for comments or queries by the stockholders. Stockholders may raise matters which may be properly taken up during the 2016 ASM.