



## 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 22, 2019, Monday, 4:30 p.m., at The Ballroom, 2<sup>nd</sup> Floor, New World Hotel, Esperanza Street corner Makati Avenue, Ayala Center, Makati City 1228, 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 21, 2018
5. Presentation of the President's Report
6. Approval of the 2018 Annual Report and Financial Statements
7. Appointment of the Company's External Auditor for 2019
8. Election of the Members of the Board of Directors
9. Approval of the Increase in the Directors' Per Diem and Monthly Allowance
10. Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from 2018 up to April 22, 2019
11. Other Business
12. Adjournment

Only stockholders of record at the close of business on March 25, 2019 are entitled to notice and to vote at this meeting. Registration will start at 2:00 p.m. on April 22, 2019 and will end at 4:15 p.m. of that day. Stockholders are requested to present any 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.

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 to the Office of the Corporate Secretary for inspection, validation and recording at least seven (7) days prior to the opening of the Annual Stockholders' Meeting, or on or before the close of business hours on April 15, 2019, at the 18<sup>th</sup> 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.

For the Board of Directors:

A handwritten signature in blue ink, appearing to read "Manuel Alberto R. Colayco", is written over a horizontal line.

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 REQUIRING STOCKHOLDERS' APPROVAL**  
***(including Agenda items requiring Stockholders' Approval)***

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

**RATIONALE:** *To inform the stockholders that notice requirements for the 2019 Annual Stockholders' Meeting (ASM) have been complied with in accordance with the Company's By-Laws and the Revised Corporation Code of the Philippines.*

The Corporate Secretary will certify the date when notices for the 2019 ASM were sent out to the stockholders of record, including 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 2019 ASM, and of the 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, present 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 personnel with nametags labeled "AEV ASM 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 AEV 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 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) In general, 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. There is no item in the 2019 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 21, 2018**

*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 May 21, 2018 were posted at AEV's website, [www.aboitiz.com](http://www.aboitiz.com), on May 22, 2018. Copies of the minutes will also be distributed to the stockholders before the 2019 ASM.

A resolution approving the minutes of the May 21, 2018 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 Executive Officer, Mr. Erramon I. Aboitiz, shall deliver a report to the stockholders on the 2018 operating and financial performance of the Company, as well as its outlook for 2019.

**ITEM NO. 6: Approval of the 2018 Annual Report and Financial Statements**

*RATIONALE: To present to the stockholders the results of the Company's operations in 2018, in accordance with Section 74 of the Revised Corporation Code.*

The Company's audited financial statements as of December 31, 2018 is integrated and made part of the Company's 2018 Definitive Information Statement (2018 Information Statement). The 2018 Information Statement will be sent to the stockholders at least fifteen (15) business days prior to the ASM, and the same will be posted at the Company's website at [www.aboitiz.com](http://www.aboitiz.com).

A resolution approving the 2018 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 2019**

**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 2019 for the shareholders to appoint.*

The Company's Board Audit Committee endorsed, and the Board of Directors approved for shareholders' consideration the election of Sycip Gorres Velayo & Co. (SGV) as the Company's external auditor for 2019.

SGV has been AEV's Independent Public Accountant for the last 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 has been no event in the past 20 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 2019 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 2018 up to April 22, 2019**

**RATIONALE:** *To allow the stockholders to ratify the acts of the Board of Directors and Officers of the Company in accordance with the Revised Corporation Code.*

The resolutions approved by the Board in its regular and special meetings refer only to acts done by the Board of Directors, corporate officers and management in the ordinary course of business. The board resolutions are enumerated in the 2018 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.aboitiz.com](http://www.aboitiz.com).

A resolution to ratify the acts, resolutions and proceedings of the Board of Directors, corporate officers and management in 2018 up to the date of the 2019 ASM shall be presented to the stockholders for approval.

**ITEM NO. 9: Approval of the Increase in the Directors' Per Diem and Monthly Allowance**

**RATIONALE:** *To approve the increase in the Directors' monthly allowance and per diem*

During its February 18, 2019 meeting, the Corporate Governance Committee, which performs the function of the Nomination and Compensation Committee, proposed to increase the directors' monthly allowance and per diem for every meeting as follows:

MONTHLY ALLOWANCE	Directors		Chairman of the Board	
	From	To	From	To
	PHP120,000.00	PHP150,000.00	PHP180,000.00	PHP200,000.00

PER DIEM PER MEETING	Directors/ Committee Members		Chairman of the Board/Committee	
	From	To	From	To
Board Meeting	PHP100,000.00	PHP150,000.00	PHP150,000.00	PHP200,000.00
Committee Meeting	PHP80,000.00	PHP100,000.00	PHP100,000.00	PHP130,000.00

During its Board Meeting dated March 7, 2019, the Board of Directors approved the proposed increase in the monthly allowance and per diem, and endorsed the same for stockholders' approval.

The directors' remuneration was last increased in 2015, when the shareholders approved the increase in the monthly allowance from PHP100,000 to PHP120,000 for members of the Board, and from PHP150,000 to PHP180,000 for the Chairman of the Board. Since then, the Company's businesses have expanded in scope and became more complicated in nature. The Board decided that there is thus a need to increase the remuneration of the directors so that it remains comparable with companies that have the same Board size, revenue, assets, and market capitalization.

A resolution approving the proposed increase in monthly allowance and per diem shall be presented to the stockholders for approval.

**ITEM NO. 10: 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 23 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 March 27, 2019. Under the Amended Guidelines for the Nomination and Election of Independent Directors, the period for nominations for Independent Directors started on January 1, 2019 and the

table of nominations closed on February 15, 2019. The stockholders who nominated the Independent and other directors are disclosed in the 2018 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 2018 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. 11: Other Matters**

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 2019 ASM.

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