



**AC ENERGY CORPORATION**

**NOTICE OF ANNUAL STOCKHOLDERS' MEETING**

**AND**

**INFORMATION STATEMENT**

**(SEC Form 20-IS)**

Pursuant to Section 20 of the Securities Regulation Code

***Annual Stockholders' Meeting***

*9:00 A.M.*

*19 April 2021*

*Makati City*

*remote communication via <http://www.ayalagroupshareholders.com/>*

## NOTICE OF ANNUAL STOCKHOLDERS' MEETING<sup>1</sup>

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of **AC ENERGY CORPORATION** will be conducted by remote communication via <http://www.ayalagroupshareholders.com/> on **Monday, April 19, 2021 at 9:00 o'clock in the morning** with the following

### A G E N D A<sup>2</sup>

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of Minutes of Previous Meeting
4. Annual Report of Management including the 2020 Audited Financial Statements
5. Ratification of the Acts of the Board of Directors and Officers
6. Increase of the Authorized Capital Stock from PHP24.4 Billion to PHP48.4 Billion
7. Amendment to the Articles of Incorporation to Increase the Number of Shares Exempt from Pre-emptive Rights for Share Issuances in Exchange for Property Needed for Corporate Purposes or in Payment of a Previously Contracted Debt from 16 Billion Common Shares to 24 Billion Common Shares
8. Issuance of 4 Billion Common Shares to Arran Investment Pte Ltd.
9. Issuance of 1,580,000,000 Primary Common Shares Pursuant to the Corporation's Follow-On-Offering
10. Issuance of 16,685,800,533 Common Shares to AC Energy and Infrastructure Corporation ("ACEIC") in Exchange for ACEIC's International Renewable Energy Assets and Investments ("International Share Swap")
11. Waiver of Requirement to Conduct a Rights or Public Offering in Relation to the Issuance of 16,685,800,533 Common Shares to ACEIC for the International Share Swap
12. Stock Ownership Plan
13. Delegation of Power and Authority to the Board to Amend the By-laws
14. Election of Directors (Including Independent Directors)
15. Election of External Auditor and Fixing of its Remuneration
16. Consideration of Such Other Business as May Properly Come Before the Meeting
17. Adjournment

The deadline for nomination of directors is **March 11, 2021**.

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<sup>1</sup> This supersedes the Notice of Annual Stockholders' Meeting dated March 4, 2021 disclosed to the PSE on March 5, 2021.

<sup>2</sup> See page 3 for the explanation for each agenda item.

Only stockholders of record as of **March 19, 2021** are entitled to notice of, and to vote at, this meeting.

Given the current circumstances, stockholders may only attend the meeting by appointing the Chairman of the meeting as their proxy, by remote communication or by voting in absentia. Stockholders intending to participate by remote communication should notify the Corporation on or before **April 14, 2021**.

Duly accomplished proxies should be submitted on or before 9:00 AM of **April 8, 2021** to the Office of the Corporate Secretary at the 4F 6750 Office Tower, Ayala Avenue, Makati City or by email to [corpsec.acen@acenergy.com.ph](mailto:corpsec.acen@acenergy.com.ph). Validation of proxies is set for **April 12, 2021** starting at 9:00 AM.

Stockholders may vote by remote communication, or *in absentia* subject to validation procedures. The procedures for participating in the meeting through remote communication and for casting votes *in absentia* will be set forth in the Information Statement.<sup>3</sup>

Stockholders of record as of March 19, 2021 owning at least 5% of the total outstanding capital stock of the Corporation may submit proposals on items for inclusion in the agenda on or before April 12, 2021.<sup>4</sup>

All communications should be sent by email to [corpsec.acen@acenergy.com.ph](mailto:corpsec.acen@acenergy.com.ph) on or before the designated deadlines.

Makati City, March 22, 2021.

  
**DODJIE B. TAGAZO**  
Assistant Corporate Secretary

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<sup>3</sup> Stockholders should notify the Corporation at [corpsec.acen@acenergy.com.ph](mailto:corpsec.acen@acenergy.com.ph) of their preference to receive hard copies of the Information Statement and other ASM materials on or before March 15, 2021.

<sup>4</sup> The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Corporation's internal guidelines.

## **EXPLANATION OF AGENDA ITEMS**

### **Call to Order**

The Chairman will formally open the meeting at approximately 9:00 o'clock in the morning.

### **Certification of Notice and Quorum (and Rules of Conduct and Procedures)**

The Corporate Secretary will certify that written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting *in absentia* by the stockholders, the Corporation has set up a designated online web address which may be accessed by the stockholders to register and vote on the matters at the meeting *in absentia*.<sup>5</sup> A stockholder participating by remote communication or who votes *in absentia* shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting to be conducted in virtual format:

- (i) Stockholders may attend the meeting remotely through the online web address (URL) provided. Questions and comments may be sent prior to or during the meeting at [corpsec.acen@acenergy.com.ph](mailto:corpsec.acen@acenergy.com.ph) and shall be limited to the Items in the Agenda.
- (ii) In the event that physical attendance will be allowed at the meeting -
  - a. Anyone who wishes to make a remark shall identify himself or herself after being acknowledged by the Chairman and shall limit his or her remarks to the item in the Agenda under consideration; and
  - b. Stockholders present at the meeting may opt for manual or electronic voting. For manual voting, each stockholder will be given, upon registration, a ballot where he or she can write his or her vote on every item in the Agenda or proposed resolution. For electronic voting, there will be computer stations near the registration table where stockholders may cast their votes electronically using a digital version of the ballot.
- (iii) Each of the proposed resolutions will be shown on the screen in the venue and during the livestreaming as the same is taken up at the meeting.
- (iv) Stockholders must notify the Corporation on or before April 14, 2021 of their intention to participate in the Meeting by remote communication to be included in determining quorum, together with the stockholders who voted *in absentia* and by proxy.
- (v) Voting shall only be allowed for Stockholders registered in the Voting *in Absentia* and Shareholder (VIASH) System or through authorizing the Chairman of the meeting as proxy.
- (vi) Stockholders voting *in absentia*, who have previously registered in the VIASH System provided, may cast their votes electronically at any time using the VIASH System prior to or during the meeting.
- (vii) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting, unless the law requires otherwise.
- (viii) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes. Each outstanding share of stock entitles the registered stockholder to one (1) vote.
- (ix) The Committee of Inspectors of Proxies and Ballots will tabulate all votes received and an independent third party will validate the results. The Corporate Secretary shall report the results of voting during the meeting.
- (x) The meeting proceedings shall be recorded in audio and video format.

### **Approval of Minutes of Previous Meeting**

The minutes of the meeting held on April 20, 2020 are available at the Corporation's website, [www.acenergy.ph](http://www.acenergy.ph).

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<sup>5</sup> The detailed instructions pertaining to the URL and the use thereof will be provided in the Information Statement.

#### Annual Report of Management Including the 2020 Audited Financial Statements

The President and Chief Executive Officer, Mr. John Eric T. Francia will report on the performance of the Corporation in 2020 and the outlook for 2021.

The Corporation's annual report, titled Integrated Report, will contain the "Message from the Chairman" and the "Report of the President". Copies of the Integrated Report will be posted on the Corporation's website, [www.acenergy.ph/ac-energy-ir-2020/](http://www.acenergy.ph/ac-energy-ir-2020/).

The Audited Financial Statements as of December 31, 2020 (AFS), as approved by the Board upon the recommendation of the Audit Committee, will be included in the Information Statement to be sent to the stockholders at least 15 business days prior to the meeting.

#### Ratification of the Acts of the Board of Directors and Officers

The actions of the Board and its Committees were those taken and adopted since the annual stockholders' meeting on April 20, 2020 until April 18, 2021. They include the approval of agreements, projects, investments, treasury-related matters, and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange. The acts of the officers were those taken to implement the resolutions of the Board or its Committees or made in the general conduct of business.

#### Increase of the Authorized Capital Stock from PHP24.4 Billion to PHP48.4 Billion

Approval by the stockholders representing at least two thirds (2/3) of the outstanding capital stock will be sought to increase the capital stock of the Corporation from PHP24.4 billion to PHP48.4 billion.

#### Amendment to the Articles of Incorporation to Increase the Number of Shares Exempt from Pre-emptive Rights for Share Issuances in Exchange for Property Needed for Corporate Purposes or in Payment of a Previously Contracted Debt from 16 Billion Common Shares to 24 Billion Common Shares

Approval by the stockholders representing at least two thirds (2/3) of the outstanding capital stock will be sought to amend the Seventh Article of the Articles of Incorporation to increase the number of shares exempt from the pre-emptive right of stockholders from 16 billion common shares to 24 billion common shares, for shares issued in good faith in exchange of property needed for corporate purposes or in payment of a previously contracted debt.

#### Issuance of 4 Billion Common Shares to Arran Investment Pte Ltd.

Approval by the stockholders representing at least a majority of the outstanding capital stock will be sought for the issuance of 4 billion common shares to Arran Investment Pte. Ltd., an affiliate of GIC Private Limited, pursuant to the Investment Agreement signed on December 30, 2020. The details of the issuance are discussed in the Comprehensive Corporate Disclosure ("CCD") filed by the Corporation pursuant to the transaction.

#### Issuance of 1,580,000,000 Primary Common Shares Pursuant to the Corporation's Follow-On-Offering

Approval by the stockholders representing at least a majority of the outstanding capital stock will be sought to issue 1,580,000,000 primary common shares pursuant to a planned follow-on-offering ("FOO") of the Corporation's shares, with a secondary common shares component of up to 420 million common shares. On February 3, 2021, pursuant to the authority delegated by the Board of Directors in connection with the Corporation's planned FOO, the Executive Committee approved an FOO price range of P6.00-P8.20 per share statement for up to 2,430,248,617 common shares (primary and secondary shares with over-allotment) with the Securities and Exchange Commission. Finally, on March 18, 2021, the Board approved the primary share issuance size of 1,580,000,000 common shares.

#### Issuance of 16,685,800,533 Common Shares to AC Energy and Infrastructure Corporation ("ACEIC") in Exchange for ACEIC's International Renewable Energy Assets and Investments

Approval by the stockholders representing at least a majority of the outstanding capital stock will be sought to issue 16,685,800,533 shares of stock in the Corporation (the "Shares") to ACEIC in exchange for property consisting of 100% of ACEIC's shares in AC Energy International, Inc. (formerly, Presage Corporation), ACEIC's wholly-owned subsidiary, which holds all of ACEIC's international renewable energy assets and investments.

The Shares will be issued out of the increase in the Corporation's authorized capital stock to Php48.4 billion. The details of the issuance are discussed in the CCD to be issued by the Corporation dated April 2, 2020 and posted at PSE Edge. Please see link to the CCD at [https://edge.pse.com.ph/openDiscViewer.do?edge\\_no=3a6f38d746e304c30de8473cebbd6407](https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a6f38d746e304c30de8473cebbd6407).

Waiver of Requirement to Conduct a Rights or Public Offering in Relation to the Issuance of 16,685,800,533 Common Shares to ACEIC for the International Share Swap

Approval by the stockholders representing at least a majority of the outstanding shares held by the minority stockholders present or represented at the meeting will be sought to waive the requirement to conduct a rights or public offering of the Shares in relation to the issuance of Common Shares to ACEIC pursuant to the International Share Swap.

Stock Ownership Plan

Approval by the stockholders representing at least two thirds (2/3) of the outstanding capital stock will be sought to allocate 960 million common shares from the unsubscribed portion of the Corporation's authorized capital stock for stock grants and stock options available to the officers of the Corporation, its affiliates and subsidiaries under the terms and conditions determined by the Corporation's Personnel and Compensation Committee and approved by the Board of Directors.

Delegation of Power and Authority to the Board to Amend the By-laws

Approval by the stockholders representing at least two thirds (2/3) of the outstanding capital stock will be sought to delegate power and authority to the Board to amend the By-laws.

Election of Directors (Including Independent Directors)

The eleven (11) nominees for directors, to be evaluated and determined by the Corporate Governance and Nomination Committee of the Board to have all the qualifications and competence necessary for the effective performance of the Board's roles and responsibilities, and none of the disqualifications to serve as members of the Board, shall be presented for election to the stockholders. The profiles of the nominees to the Board will be provided in the Information Statement.

Election of External Auditor and Fixing of its Remuneration

The Audit Committee of the Board will endorse to the stockholders the election of the external auditor for the ensuing fiscal year as well as its proposed remuneration. The external auditor conducts an independent verification of the Corporation's financial statements and provides an objective assurance on the accuracy of its financial statements. The profile of the external auditor will be provided in the Information Statement.

Consideration of Such Other Business as May Properly Come Before the Meeting

Stockholders may email questions or comments prior to or during the meeting at the following email address: [corpsec.acen@acenergy.com.ph](mailto:corpsec.acen@acenergy.com.ph). The Chairman will take up agenda items received from stockholders on or before April 12, 2021 in accordance with existing laws, rules and regulations of the Securities and Exchange Commission and the Corporation's internal guidelines.<sup>6</sup>

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<sup>6</sup> SEC Memorandum Circular No. 14, series of 2020 or "Shareholders' Right to Put items on the Agenda for Regular/Special Stockholders' Meetings": <https://www.sec.gov.ph/mc-2020/mc-no-14-s-2020shareholders-right-to-put-items-on-the-agenda-for-regular-specialstockholders-meetings/>.

## PROXY

The undersigned stockholder of **AC ENERGY CORPORATION** (the “Company”) hereby appoints \_\_\_\_\_ or in his/her/its absence, the Chairman of the meeting, as *attorney-in-fact* and proxy, with power of substitution, to present and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Stockholders’ Meeting of the Company on 19 April 2021 and at any of the adjournments thereof for the purpose of acting on the following matters:

- |  |  |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |
|--|--|--|--------------|----------------------------|-------|---------------------------------|-------|--------------------------------|-------|------------------|-------|----------------------|-------|-----------------------|-------|-----------------------|-------|-----------------------------------|--|--------------------|-------|---------------------------|-------|------------------|-------|-------------------|-------|
| <p>1. Approval of the minutes of previous meeting<br/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>2. Approval of the Annual Report of Management including the 2020 Audited Financial Statements<br/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>3. Ratification of the acts of the Board of Directors and Officers since the last Annual Stockholders’ Meeting<sup>1</sup><br/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>4. Amendments to the Articles of Incorporation:<br/> a. Increase in the Company’s authorized capital stock from PHP24.4 billion divided into 24.4 billion shares, to PHP48.4 billion divided into 48.4 billion shares<br/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>b. Increase in the number of shares exempt from pre-emptive rights from 16 billion shares to 24 billion shares<br/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>5. Issuance of 4 billion shares to Arran Investment Pte Ltd<br/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>6. Issuance of 1.58 billion shares pursuant to the Company’s follow-on offering<br/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>7. Issuance of 16,685,800,533 Shares to AC Energy and Infrastructure Corporation (“ACEIC”) in exchange for ACEIC’s international renewable energy assets and investments (the “Asset Infusion”) <br/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>8. Waiver of the requirement to conduct a rights or public offering of Shares in relation to the Asset Infusion<br/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> | <p>9. Approval of the Stock Ownership Plan<br/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>10. Delegation of power and authority to the Board to amend the By-Laws<br/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>11. Election of Directors</p> <table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: right;">No. of Votes</td> </tr> <tr> <td>Fernando M. Zobel de Ayala</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Jaime Augusto M. Zobel de Ayala</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Jose Rene Gregory D. Almendras</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Cezar P. Consing</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>John Eric T. Francia</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Nicole Goh Phaik Khim</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>John Philip S. Orbeta</td> <td style="text-align: right;">_____</td> </tr> <tr> <td colspan="2"><br/><u>Independent Directors:</u></td> </tr> <tr> <td>Consuelo D. Garcia</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Ma. Aurora Geotina-Garcia</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Sherisa P. Nuesa</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Melinda L. Ocampo</td> <td style="text-align: right;">_____</td> </tr> </table> <p><input type="checkbox"/> Distribute votes equally among nominees<br/> <input type="checkbox"/> Withhold authority for all nominees listed above<br/> <input type="checkbox"/> Withhold authority to vote for the nominees listed below:<br/> _____<br/> _____<br/> _____</p> <p>12. Appointment of Sycip Gorres Velayo &amp; Co. as external auditor and fixing of its remuneration.<br/> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> <p>13. At his/her/its discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.<br/> <input type="checkbox"/> Yes <input type="checkbox"/> No</p> |  | No. of Votes | Fernando M. Zobel de Ayala | _____ | Jaime Augusto M. Zobel de Ayala | _____ | Jose Rene Gregory D. Almendras | _____ | Cezar P. Consing | _____ | John Eric T. Francia | _____ | Nicole Goh Phaik Khim | _____ | John Philip S. Orbeta | _____ | <br><u>Independent Directors:</u> |  | Consuelo D. Garcia | _____ | Ma. Aurora Geotina-Garcia | _____ | Sherisa P. Nuesa | _____ | Melinda L. Ocampo | _____ |
|  | No. of Votes   |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |
| Fernando M. Zobel de Ayala   | _____  |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |
| Jaime Augusto M. Zobel de Ayala  | _____  |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |
| Jose Rene Gregory D. Almendras   | _____  |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |
| Cezar P. Consing   | _____  |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |
| John Eric T. Francia   | _____  |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |
| Nicole Goh Phaik Khim  | _____  |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |
| John Philip S. Orbeta  | _____  |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |
| <br><u>Independent Directors:</u>  |  |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |
| Consuelo D. Garcia   | _____  |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |
| Ma. Aurora Geotina-Garcia  | _____  |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |
| Sherisa P. Nuesa   | _____  |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |
| Melinda L. Ocampo  | _____  |  |              |                            |       |                                 |       |                                |       |                  |       |                      |       |                       |       |                       |       |                                   |  |                    |       |                           |       |                  |       |                   |       |

\_\_\_\_\_  
PRINTED NAME OF STOCKHOLDER

\_\_\_\_\_  
SIGNATURE OF STOCKHOLDER/ AUTHORIZED SIGNATORY

\_\_\_\_\_  
DATE

<sup>1</sup>A BRIEF DESCRIPTION OF EACH ACT OF THE BOARD OF DIRECTORS AND MANAGEMENT SOUGHT TO BE CONFIRMED IS ATTACHED AS ANNEX “C” TO THE INFORMATION STATEMENT.

THIS PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY BY EMAIL [[corpsec.acen@acenergy.com.ph](mailto:corpsec.acen@acenergy.com.ph)] ON OR BEFORE **8 APRIL 2021 AT 9:00 A.M.**, THE DEADLINE FOR SUBMISSION OF PROXIES, TOGETHER WITH 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 ENTITIES MAY BE REQUIRED TO PRESENT A DULY SWORN SECRETARY’S CERTIFICATE OR ANY SIMILAR DOCUMENT SHOWING HIS OR HER AUTHORITY TO REPRESENT THE CORPORATION OR ENTITY. THE CORPORATE SECRETARY WILL INSPECT, EXAMINE, AND VALIDATE THE SUFFICIENCY OF THE PROXY FORMS RECEIVED,

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS. A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED. A PROXY IS ALSO CONSIDERED REVOKED IF THE STOCKHOLDER ATTENDS THE MEETING IN PERSON (IF THE PREVAILING CIRCUMSTANCES WILL ALLOW) AND EXPRESSES HIS, HER OR ITS INTENTION TO VOTE IN PERSON.



**Securities and Exchange Commission**

**SEC Form 20-IS**

**Information Statement  
Pursuant to Section 20 of the Securities Regulation Code**

1. Check the appropriate box

\_\_\_\_\_ Preliminary Information Statement

\_\_\_\_\_ X \_\_\_\_\_ Definitive Information Statement

2. Name of Registrant as specified in its charter: **AC ENERGY CORPORATION**

3. Country of Incorporation: **PHILIPPINES**

4. SEC Identification Number: **069-39274**

5. BIR Tax Identification Number **000-506-020-000**

6. Address of Principal Office **4<sup>th</sup> Floor, 6750 Office Tower  
Ayala Avenue, Makati City, Philippines**

7. Telephone Number **(632) 7-730-6300**

8. Date, time and place of the meeting of security holder:

**19 April 2021**

**9:00 AM**

**Makati City**

by remote communication via  
**<http://www.ayalagroupshareholders.com/>**

9. Approximate date on which the Information Statement is first to be sent or given to security holders:

**23 March 2021**

10. Securities registered pursuant to Sections 8 & 12 of the Code or Sections 4 & 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Number of shares of Common  
Stock Outstanding

**19,960,037,644 shares**

Amount of debt

**PhP ~31.829 Billion (as of 31 December 2020)**

11. Are any or all registrant's securities listed on the Philippines Stock Exchange?

Yes   X   No \_\_\_\_\_

A total of 15,974,537,644 common shares are listed in the Philippine Stock Exchange.

## AC ENERGY CORPORATION

### INFORMATION STATEMENT

This Information Statement is dated as of 24 March 2021 and is being furnished to stockholders of record of AC ENERGY CORPORATION (“ACEN” or the “Company”) as of 19 March 2021 in connection with its Annual Stockholders’ Meeting.

***WE ARE NOT SOLICITING YOUR PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.***

#### **A. GENERAL INFORMATION**

##### **Item 1. Date, Time and Place of Meeting of Security Holders (hereinafter, the “annual stockholders’ meeting” or “meeting”)**

- a.     Date:                                 -         19 April 2021  
Time:   -         9:00 A.M.  
Venue:   -  
Online web address/URL                 -         Makati City  
*(for participation by  
remote communication and  
voting in absentia)*                         -         <http://www.ayalagroupshareholders.com/>  
Principal                                     -  
Office:   -         4th Floor 6750 Office Tower, Ayala Avenue  
Makati City, Philippines
- b.     Approximate date when the Information Statement is first to be posted on the Company website (<https://acenergy.ph/2021-dis/>): 24 March 2021

##### **Item 2. Dissenters’ Right of Appraisal**

One of the matters that will be presented for the approval of the stockholders is the proposed amendment of the Articles of Incorporation of the Company to increase the number of shares exempt from pre-emptive rights for issuance of shares in exchange for property needed for corporate purposes or in payment of previously contracted debt from 16 billion shares to 24 billion shares. This matter will give rise to the right of appraisal pursuant to Title X, Section 80 of Republic Act No. 11232 or the *Revised Corporation Code of the Philippines* governing the exercise of Appraisal Rights which states that:

Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of the shares in the following instances:

- (a) In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in this Code;
- (c) In case of merger or consolidation; and
- (d) In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

As provided under Section 81 of the *Revised Corporation Code of the Philippines*, the appraisal right may be exercised by the dissenting stockholder who votes against a proposed corporate action by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken. Failure to make the demand within such period shall be deemed a waiver of the appraisal right.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: *Provided*, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: *Provided, further*, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.

### **Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

To be acted upon in this meeting aside from the regular items in the agenda are the following:

- (i) Increase of the capital stock of the Company from Php 24.4 billion to Php 48.4 billion;
- (ii) Amendment to the Articles of Incorporation to increase the number of shares exempt from pre-emptive rights for share issuances in exchange for property needed for corporate purposes or in payment of a previously contracted debt from 16 billion common shares to 24 billion common shares;
- (iii) Issuance of 4 billion common shares to Arran Investment Pte Ltd (“Arran”);
- (iv) Issuance of 1,580,000,000 primary common shares pursuant to the Company’s follow-on offering (“FOO”);
- (v) Issuance of 16,685,800,533 common shares to AC Energy and Infrastructure Corporation (“ACEIC”) in exchange for ACEIC’s international renewable energy assets and investments (the “AC Energy International Transaction”);
- (vi) Waiver of requirement to conduct a rights or public offering in relation to the issuance of 16,685,500,533 common shares to ACEIC for the AC Energy International Transaction;
- (vii) Stock ownership plan; and
- (viii) Delegation of Power and Authority to the Board to Amend the By-Laws

As of 19 March 2021, ACEIC owns 55.99% of the outstanding voting shares of the Company. Fernando M. Zobel de Ayala, Chairman of the Board of Directors (“Board”) of the Company, and Jaime Augusto M. Zobel de Ayala, Vice Chairman of the Board, are the beneficial owners of ACEIC as contemplated under SEC Memorandum Circular No. 17, series of 2018.

John Eric T. Francia, President and CEO, Gerardo C. Ablaza, Jr. and Jose Rene Gregory D. Almendras, Directors, also serve as directors of ACEIC.

ACEN is not aware of any party who has indicated an intention to oppose the motions set forth in the Agenda.

## **B. CONTROL AND COMPENSATION INFORMATION**

### **Item 4. Voting Securities and Principal Holders Thereof**

- a. Number of shares outstanding as of 19 March 2021: 19,960,037,644 shares

Of the said outstanding voting shares, 15,608,064,517 are owned by Filipinos and 4,351,973,127 are owned by foreign nationals.

Number of votes per share: One (1) vote per share

- b. Only stockholders of record of ACEN at the close of business on 19 March 2021 are entitled to notice of the Annual Stockholders’ Meeting, and to vote thereat.

c. **Manner of voting**

On 22 January 2021, the Board of Directors of the Company, in the exercise of its authority under the By-Laws, approved and authorized voting through remote communication or *in absentia* for the 2021 annual stockholders’ meeting of the Company in accordance with Sections 23, 49, and 57 of the Revised Corporation Code. Stockholders may vote electronically *in absentia* using the online web address, <http://www.ayalagroupshareholders.com/>, subject to validation procedures. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum. The detailed instructions for electronic voting *in absentia* are attached as Annex F.

The stockholders have cumulative voting right with respect to the election of the Company's Directors. Each stockholder may vote the number of shares of stock standing in his or her own name in the books of the Company as of the record date of the meeting. A stockholder may: (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit: The total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of the Company multiplied by the whole number of directors to be elected. The eleven (11) nominees for directors receiving the highest number of votes shall be declared elected.

For the other items in the Agenda, each stockholder shall be entitled to one (1) vote per share. Such items will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting, except for the (1) increase of the authorized capital stock, proposed amendment to the Articles of Incorporation, stock ownership plan, and delegation of power and authority to the Board to amend the by-laws, which will require the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock, and (2) waiver of conduct of rights or public offering of shares in relation to the property for shares swap between the Company and ACEIC, which will require the approval of majority of the minority stockholders present or represented at the meeting.

Voting shall either be by electronic or manual (if available) voting. For manual voting (if available), stockholders present at the meeting will be given, upon registration, a ballot where he or she can write his or her vote on every item in the Agenda or proposed resolution. Each of the proposed resolutions will be shown on the screen as the same is taken up at the meeting.

The Office of the Corporate Secretary will tabulate all votes received and an independent third party will validate the results. The Corporate Secretary shall report the results of voting during the meeting.

**d. Security Ownership of Certain Record and Beneficial Owners and Management**

**i. Security ownership of certain record and beneficial owners of more than five percent (5%)**

The table below shows the persons or groups known to ACEN to be directly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of 19 March 2021:

<b>Title of Class of Shares</b>	<b>Name &amp; Address of Record Owner &amp; Relationship with Issuer</b>	<b>Name &amp; Address of Beneficial Owner &amp; Relationship with Record Owner</b>	<b>Citizenship</b>	<b>No. of Shares Held</b>	<b>% Held</b>
Common	PCD Nominee Corporation <sup>1</sup> 29/F BDO Equitable Tower, 8751 Paseo de Roxas, Makati City Stockholder		Filipino	15,293,093,056	76.62%
Common	Arran Investment Pte Ltd 168 Robinson Road, #37-01, Capital Tower, Singapore 068912		Singaporean	3,999,999,999	20.04%

As of 28 February 2021, and prior to the signing of the Subscription Agreement between the Company and Arran, PCD Nominee Corporation was the only entity known to ACEN to be directly the owner of more than five percent (5%) of the Company's voting securities, with a shareholding percentage of 95.82%. ACEIC, which holds 11,175,442,998 indirect shares lodged with the PCD, had a shareholding percentage of 70.02%.

<sup>1</sup> The beneficial owners of such shares are the participants of PCD which holds the shares on their behalf or in behalf of their clients. ACEIC's 11,175,442,928 indirect shares are lodged with the PCD.

PCD is a private institution established in March 1995 to improve operations in securities transactions. PCD seeks to provide a fast, safe and highly efficient system for securities settlement. The PCD was organized to implement an automated book-entry system of handling securities transaction in the Philippines.

As of 19 March 2021, ACEIC owns 55.99% of the outstanding voting shares of the Company.

ii. Security Ownership of Directors and Management as of 19 March 2021

None of the directors and officers individually owns five percent (5%) or more of the outstanding capital stock of ACEN. The table below shows the securities owned by the directors and officers of the Company as of 19 March 2021:

Title of Class of Outstanding Share	Name of beneficial owner	Citizenship	Amount of beneficial ownership	Nature of beneficial ownership	% of total outstanding shares
Common	Jose Rene Gregory D. Almendras	Filipino	1 <sup>2</sup> 950,450	Direct Indirect <sup>1</sup>	0.00%
Common	John Eric T. Francia	Filipino	32,654,147 <sup>2</sup> 131,712,278	Direct Indirect <sup>1</sup>	0.82%
Common	Nicole Goh Phaik Khim	Malaysian	1	Direct	0.00%
Common	John Philip S. Orbeta	Filipino	1 <sup>2</sup> 4,162,161	Direct Indirect <sup>1</sup>	0.02%
Common	Fernando M. Zobel de Ayala	Filipino	1 494,009,448	Direct Indirect <sup>1</sup>	2.47%
Common	Jaime Augusto M. Zobel de Ayala	Filipino	1 416,217	Direct Indirect <sup>1</sup>	0.00%
Common	Consuelo D. Garcia	Filipino	1,000 900	Direct Indirect <sup>1</sup>	0.00%
Common	Ma. Aurora D. Geotina-Garcia	Filipino	1	Direct	0.00%
Common	Sherisa P. Nuesa	Filipino	90,000 1,658,107	Direct Indirect <sup>1</sup>	0.01%
Common	Melinda L. Ocampo	Filipino	1	Direct	0.00%
Common	Mario Antonio V. Paner	Filipino	1	Direct	0.00%
Common	María Corazon G. Dizon	Filipino	8,288,247 34,233,197	Direct Indirect <sup>3</sup>	0.21%
Common	Gabino Ramon G. Mejia	Filipino	3,480,949 4,513,004	Direct Indirect <sup>3</sup>	0.04%
Common	Roman Miguel G. de Jesus	Filipino	4,129,895 14,691,503	Direct Indirect <sup>3</sup>	0.09%
Common	Solomon M. Hermosura	Filipino	0	N/A	0.00%
Common	Dodjie D. Lagazo	Filipino	6,526,166 7,055,313	Direct Indirect <sup>3</sup>	0.07%
Common	Alan T. Ascalon	Filipino	560,173 826,328	Direct Indirect <sup>3</sup>	0.01%
Common	Mariejo P. Bautista	Filipino	1,101,450 3,683,446	Direct Indirect <sup>3</sup>	0.02%
Common	Irene S. Maranan	Filipino	2,391,810 5,790,412	Direct Indirect <sup>3</sup>	0.04%
Common	Henry T. Gomez, Jr.	Filipino	0	N/A	0.00%
Common	Sebastian Arsenio R. Lacson	Filipino	1,136,765	Indirect <sup>3</sup>	0.01%
Common	Jose Maria Eduardo P. Zabaleta	Filipino	0	N/A	0.00%
Common	Peter C. Buenaseda	Filipino	0	N/A	0.00%
<b>TOTAL</b>			<b>764,063,374</b>		<b>3.83%</b>

<sup>1</sup> The indirect shares held by the following directors: Messrs. Jose Rene Gregory D. Almendras, John Eric T. Francia, John Philip S. Orbeta, Fernando M. Zobel de Ayala, and Jaime Augusto Zobel de Ayala and Meses. Sherisa P. Nuesa, Consuelo D. Garcia, Ma. Aurora Geotina-Garcia, and Melinda L. Ocampo are lodged with the PCD Nominee.

<sup>2</sup> The one (1) nominal share of each of Messrs. Jose Rene Gregory D. Almendras, John Eric T. Francia, and John Philip S. Orbeta are qualifying shares held in trust for AC Energy and Infrastructure Corporation.

<sup>3</sup> The indirect shares held by the following officers: Messrs. Roman Miguel G. de Jesus, Gabino Ramon G. Mejia, Dodjie D. Lagazo, Alan T. Ascalon, and Sebastian Arsenio R. Lacson, and Meses. Maria Corazon G. Dizon, Mariejo P. Bautista, and Irene S. Maranan are lodged with the PCD Nominee.

Fernando M. Zobel de Ayala, Chairman of the Board of Directors (“Board”) of the Company, owns 2.47% of the outstanding capital stock of the Company. No other director or member of the Company’s management owns more than two percent (2%) of the outstanding capital stock of the Company.

As of 28 February 2021, and prior to the signing of the Subscription Agreement between the Company and Arran, Fernando M. Zobel de Ayala owned 3.10% of the outstanding capital stock of the Company. The directors and officers of the Company (as a group) owned a total of 4.85% of the total issued and outstanding shares of the Company. None of the directors and officers individually owned two percent (2%) of the Company’s outstanding shares.

iii. Voting Trust Holders of 5% or more

ACEN is not aware of any person holding five percent (5%) or more of the Company’s outstanding shares under a voting trust agreement or similar agreement.

On 18 March 2021, the Company and Arran signed a Subscription Agreement for the issuance of four billion primary shares of the Company to Arran in accordance with the Investment Agreement that the Company signed with Arran on 30 December 2020, which resulted in Arran acquiring a 20.04% ownership interest in the Company. The foregoing issuance is scheduled for approval and confirmation of the stockholders at the annual stockholders' meeting.

In accordance with the second paragraph of Article Seventh of the Articles of Incorporation of the Company, the issuance of shares to Arran is not subject to the pre-emptive right of the stockholders because such issuance will not exceed 35% of the resulting total issued and outstanding capital stock of the Company.

iv. Changes in Control

There are no arrangements that may result in a change in control of ACEN.

## **Item 5. Directors and Executive Officers**

Article IV, Section 1, of the By-laws provides:

**Qualification and Election.** – The general management of the Company shall be vested in a board of eleven (11) directors who shall be stockholders and who shall serve as such until the election and qualification of their successors. Any vacancy in the Board shall be filled by a majority vote of the Board at a regular meeting or at a special meeting called for the purpose, and the directors so chosen shall serve for the unexpired term.

The Board held four (4) regular meetings, one (1) special meeting, and one (1) organizational meeting in 2020. The details of the matters taken up during the board meetings are included in the Definitive Information Statement sent to the stockholders.

The attendance of the directors at the meetings of the Board and of stockholders held in 2020 is as follows:

Directors	18-Mar-20	20-Apr-20	20-Apr-20	11-Jun-20	18-Aug-20	11-Nov-20	17-Dec-20	No. of meetings attended	Percent present
	Regular <sup>1</sup>	ASM <sup>2</sup>	Organizational <sup>1</sup>	Regular <sup>1</sup>	Regular <sup>1</sup>	Regular <sup>1</sup>	Special <sup>1</sup>		
Fernando Zobel de Ayala	✓	✓	✓	✓	✓	✓	✓	7/7	100%
Jaime Augusto Zobel de Ayala	✓	✓	✓	✓	✓	✓	✓	7/7	100%
Gerardo C. Ablaza, Jr.	✓	✓	✓	✓	✓	✓	✓	7/7	100%
Jose Rene Gregory D. Almendras	✓	✓	✓	✓	✓	✓	x	6/7	86%
John Eric T. Francia	✓	✓	✓	✓	✓	✓	✓	7/7	100%
John Philip S. Orbeta	✓	✓	✓	✓	✓	✓	✓	7/7	100%
Consuelo D. Garcia	✓	✓	✓	✓	✓	✓	✓	7/7	100%
Ma. Aurora Geotina-Garcia	✓	✓	✓	✓	✓	✓	✓	7/7	100%
Sherisa P. Nuesa	✓	✓	✓	✓	✓	✓	✓	7/7	100%
Melinda L. Ocampo	✓	✓	✓	✓	✓	✓	✓	7/7	100%
Maria Antonio V. Paner		✓	✓	✓	✓	✓	✓	6/6	100%

✓ - Present

x - Absent

<sup>1</sup> via video conference

<sup>2</sup> via livestream at <https://asm.ayala.com/ACEPH2020>

- has not yet been elected

As of 23 March 2021, the Board has held one (1) special meeting and one (1) regular meeting in 2021. The details of the matters taken up during the board meetings are included in the Definitive Information Statement sent to the stockholders.

The attendance of the directors at the meetings of the Board held in 2021 is as follows:

Directors	22-Jan-21	18-Mar-21	No. of meetings attended	Percent present
	Special <sup>1</sup>	Regular <sup>1</sup>		
Fernando Zobel de Ayala	✓	✓	2/2	100%
Jaime Augusto Zobel de Ayala	✓	✓	2/2	100%
Gerardo C. Ablaza, Jr.	✓		1/1	100%
Jose Rene Gregory D. Almendras	✓	✓	2/2	100%
John Eric T. Francia	✓	✓	2/2	100%
Nicole Goh Phaik Kim <sup>2</sup>		✓	1/1	100%
John Philip S. Orbeta	✓	✓	2/2	100%
Consuelo D. Garcia	✓	✓	2/2	100%
Ma. Aurora Geotina-Garcia	✓	✓	2/2	100%
Sherisa P. Nuesa	✓	✓	2/2	100%
Melinda L. Ocampo	✓	✓	2/2	100%
Maria Antonio V. Paner	✓	✓	2/2	100%

✓ - Present

x - Absent

<sup>1</sup> via teleconference

- resigned from position

- have not yet been elected/day of election to serve the unexpired term of the Director who resigned

<sup>2</sup> Ms. Goh was elected on 18 March 2021 to serve the unexpired term of Mr. Ablaza

To aid in compliance with the principles of good corporate governance, the Board constitutes committees which directly report to the Board in accordance with duly approved procedures.

As of 23 March 2021, the board committees and their members are as follows:

		<b>Audit Committee</b>	<b>Board Risk Management and Related Party Transactions Committee</b>	<b>Corporate Governance and Nomination Committee</b>	<b>Executive Committee</b>	<b>Personnel and Compensation Committee</b>
1	Fernando M. Zobel de Ayala				C	
2	Jaime Augusto M. Zobel de Ayala				M	
3	John Eric T. Francia				M	
4	Jose Rene Gregory G. Almendras					
5	John Philip S. Orbeta					C
6	Ma. Aurora Geotina-Garcia (Independent)	C	M			
7	Consuelo D. Garcia (Independent)	M		C		
8	Sherisa P. Nuesa (Independent)		C			M
9	Melinda L. Ocampo (Independent)		M	M		
10	Mario Antonio V. Paner (Independent)	M		M		

a. Information required of directors and executive officers

i. Board of Directors

The following have been nominated to the Board for election at the annual stockholders' meeting, and have accepted their respective nominations:

JAIME AUGUSTO ZOBEL DE AYALA	FERNANDO ZOBEL DE AYALA
JOSE RENE GREGORY D. ALMENDRAS	CEZAR P. CONSING
JOHN ERIC T. FRANCIA	CONSUELO D. GARCIA
MA. AURORA D. GEOTINA-GARCIA	NICOLE GOH PHAIK KHIM
SHERISA P. NUESA	MELINDA L. OCAMPO
JOHN PHILIP S. ORBETA	

Except for Ms. Nicole Goh, who was nominated by Arran, all other nominees were formally nominated to the Corporate Governance and Nomination Committee of the Board by a minority stockholder of the Company, Francisco L. Viray, who holds two million four hundred thousand (2,400,000) common shares, or 0.01% of the total outstanding voting shares of the Company, and who is not related to any of the nominees. Ms. Consuelo D. Garcia, Ma. Aurora Geotina-Garcia, Sherisa P. Nuesa, and Melinda L. Ocampo, are all being nominated as independent directors in accordance with Securities Regulation Code ("SRC") Rule 38 (Requirements on Nomination and Election of Independent Directors). The Corporate Governance and Nomination Committee evaluated the qualifications of all the nominees and prepared the final list of nominees in accordance with the Amended By-Laws and the Charter of the Board of the Company.

Only nominees whose names appear on the final list of candidates are eligible for election as directors. No nominations will be entertained or allowed on the floor during the annual stockholders' meeting.

The Board of ACEN is responsible for the overall management and direction of the Company. The Board meets quarterly, or as often as required, to review and monitor the Company's financial position and operations and decide on such other matters as may be required by law to be decided by the Board. The Company's directors are elected at the annual stockholders' meeting to hold office for one year and until their respective successors have been elected and qualified.

Fernando M. Zobel de Ayala, Chairman of the Board of the Company, owns 2.47% of the outstanding capital stock of the Company. No other director holds more than two percent (2%) of the Company's issued and outstanding



capital stock.

A summary of the qualifications of the incumbent directors who are nominees for directors for election at the stockholders' meeting, and the nominees for independent director and incumbent officers is set forth in **Annex "A"**.

No director has resigned nor declined to stand for re-election to the Board since the date of the last annual meeting because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

The officers of the Company are elected annually by the Board during its organizational meeting.

None of the directors and officers of the Company are connected with any government agencies or its instrumentalities.

ii. Significant Employee

Other than the directors and officers of the Company, no other employee has significant influence on ACEN's major and/or strategic planning and decision-making.

iii. Family Relationships

Fernando Zobel de Ayala, Chairman and director, and Jaime Augusto Zobel de Ayala, Vice-Chairman and director, are brothers. Except for the foregoing, there are no known family relationships between the current members of the Board and key officers.

Other than the foregoing family relationships, none of the directors, executive officers or persons nominated to be elected to ACEN's Board are related up to the fourth civil degree, either by consanguinity or affinity.

iv. Independent Directors

The independent directors of ACEN for the year ending 31 December 2020 and for the current year as of the submission of this Statement are as follows:

1. Ms. Consuelo D. Garcia
2. Ms. Aurora D. Geotina-Garcia
3. Ms. Sherisa P. Nuesa
4. Ms. Melinda L. Ocampo
5. Mr. Antonio V. Paner

The incumbent independent directors were nominated by Mr. Francisco L. Viray, a minority stockholder of the Company, who holds two million four hundred thousand (2,400,000) common shares, or 0.02% of the total outstanding voting shares of the Company. Mr. Viray is not related to any of the independent directors either by consanguinity or affinity.

The independent directors of ACEN are not officers or substantial stockholders of the Company.

v. Involvement in Certain Legal Proceedings

As of 23 March 2021, ACEN has no knowledge and/or information that any of the Company's directors, officers or nominees for election as Directors is, presently or during the last five (5) years, involved in any material legal proceeding which will have any material effect on the Company, its operations, reputation, or financial condition.

As of 23 March 2021, Ms. Ma. Aurora Geotina-Garcia, independent director, is subject of the following criminal or administrative investigation or proceedings:

<b>Offense charged / investigated</b>	<b>Tribunal / agency involved</b>	<b>Status</b>
Libel during Ms. Geotina-Garcia's term as director of the Bases Conversion and Development Authority ("BCDA") Board (Crim. Case No. 150045-PSG)	Branch 167 of the Pasig City Regional Trial Court	<p>In an Order dated 18 September 2020, the trial court granted Ms. Geotina-Garcia's demurrer to evidence and dismissed the case for insufficiency of the prosecution's evidence. The dismissal is equivalent to an acquittal, which is immediately final and executory.</p> <p>The prosecution filed a Motion for Reconsideration dated 15 October 2020, which was denied by the court at the hearing held on 23 October 2020.</p> <p>The private complainant filed a Petition for Certiorari dated 9 December 2020 with the Court of Appeals, alleging grave abuse of discretion on the part of the trial court. The Court of Appeals may either dismiss the petition outright or require the respondents to file a comment. The Court of Appeals has not issued any resolution.</p>
Criminal complaint for acts of the BCDA's Board during Ms. Geotina-Garcia's term as BCDA director (OMB-C-C-12-0287-G)	Case filed with the Office of the Ombudsman was dismissed. Case elevated to the Supreme Court by complainant is pending.	The Office of the Ombudsman dismissed the complaint on 15 January 2016. The Petition for Review filed by the complainant before the Supreme Court (G.R. No. 225565) is pending resolution.
Administrative complaint for acts of the BCDA's Board during Ms. Geotina-Garcia's term as BCDA director (OMB-C-A-12-1308-G)	Case filed with the Office of the Ombudsman was dismissed. Case was elevated to the Court of Appeals.	The Office of the Ombudsman dismissed the complaint. The complainant, CJH DevCo, filed a Petition for Review before the Court of Appeals (CA-G.R. SP No. 145849), which was likewise dismissed. CJH DevCo filed a Motion for Reconsideration, which was denied by the Court of Appeals. Ms. Geotina-Garcia is not aware of any appeal or petition filed by CJH DevCo from the Court of Appeals' rulings.

The libel case is a nuisance case filed against Ms. Geotina-Garcia, as then member of the Board of BCDA. While the private complainant has filed a petition for certiorari with the Court of Appeals to question the dismissal of the libel case, the petition is susceptible to outright dismissal for having been filed out of time. Moreover, the private complainant must show grave abuse of discretion on the part of the trial court, which is difficult to do. In any case, the Court of Appeals has not required Ms. Geotina-Garcia and her co-respondents to file a comment on the petition. Meanwhile, the administrative and criminal complaints filed against Ms. Geotina-Garcia as a member of the Board

of BCDA have already been dismissed by the Office of the Ombudsman showing the lack of basis and merits to the charges. Notwithstanding the pendency of these cases, the Company believes that these cases will not and do not in any way affect Ms. Geotina-Garica's ability and bias her judgement and independence to act as an independent director of the Company. Further, the issues raised therein, as well as the parties to these cases, are not related in any way to the Company or any of its business.

On 28 July 2020, ACEN was provided a copy of the Complaint-Affidavit filed by the Philippine Coast Guard ("PCG") with the Office of the City Prosecutor ("OCP") against Mr. John Eric T. Francia, director, in his capacity as President of ACEIC for violation of Section 107 of Republic Act ("RA") No. 8550, as amended by RA No. 10654, or The Philippine Fisheries Code of 1998. On 24 September 2020, ACEIC received a subpoena addressed to Mr. Francia requiring him to appear before the OCP and to submit his counter-affidavit. On 24 October 2020, Mr. Francia submitted his counter-affidavit to the OCP by courier.

The alleged violation is connected with the accidental discharge of fuel oil by ACEN's Power Barge ("PB") 102 on 3 July 2020. PB 102 is operated and maintained by Bulacan Power Generation Corporation ("BPGC").

On 4 December 2020, Mr. Francia through counsel received a copy of the Reply Affidavit of PCG Commander Joe Luviz Mercurio contending, among others that, (1) ACEIC, as the parent company of ACEN, exercises general management authority over ACEN pursuant to a supposed "management contract" between the two (2) corporations, and (2) BPGC does not have full control over the maintenance and operations of PB 102. On 4 February 2021, Mr. Francia, through his counsel, filed by courier his Rejoinder Affidavit with the OCP.

Furthermore, none of the Company's directors and senior executive officers have been the subject of the following during the last five (5) years: (a) bankruptcy petition by or against any business of which such director was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time; (b) a conviction by final judgment, in a criminal proceeding, domestic or foreign; (c) any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; or (d) a finding by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading, market or self-regulatory organization, of violation of the securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

b. Certain Relationships and Related Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individual or corporate entities.

Outstanding balances at year-end are unsecured and are to be settled in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. Provision for credit losses recognized for receivables from related parties amounted to nil for both 2020 and 2019, and P10.26 million for 2018. The assessment of collectability of receivables from related parties is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

In the ordinary course of business, the Company transacts with associates, affiliates, jointly controlled entities, and other related parties on advances, loans, reimbursement of expenses, office space rentals, management service agreements, and electricity supply (*See Note 29 to the Company's audited consolidated financial statements as of and for the year ended 31 December 2020*). The transactions and balances of accounts as at and for year ended 31 December 2020 with related parties are as follows:

	As at and for the Year Ended December 31, 2020					
	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
Company			Receivable	Payable		
<u>Parent</u>						
<i>AC Energy and Infrastructure Corporation</i>						
Due from related parties/Management fees income	₱387,138	Management fees	₱34,018	₱–	30-day, non-interest bearing	Unsecured; no impairment
Due to related parties / General and administrative expenses	462,602	Management fees	–	(305,350)	30-day, non-interest bearing	Unsecured
Due to related parties	50,767	Lease assignment	–	(50,666)	30-day, non-interest bearing	Unsecured
Due to related parties / General and administrative expenses	8,744	SAP IT Support Services	–	(7,530)	30-day, non-interest bearing	Unsecured
Due to related parties / General and administrative expenses	6,809	Various expenses	–	(6,809)	30-day, non-interest bearing	Unsecured;
<u>Associates and Joint Venture</u>						
<i>MGI</i>						
Due to related parties / Cost of sale of electricity	116,378	Purchase of electricity	–	(128,447)	30-day, non-interest bearing	Unsecured;
<i>Asia Coal</i>						
Due to related parties	–	Advances	–	(254)	Non-interest bearing	Unsecured
<u>Entities Under Common Control of Ultimate Parent Company</u>						
<i>Various Entities under ACEI</i>						
Due from related parties	3,980	Management fees	3,155	–	30-day, non-interest bearing	Unsecured; no impairment
Due from related parties	810	Rental income	563	–	Subsequently on demand	Unsecured; no impairment
<i>North Luzon Renewable Energy Corp.</i>						
Due from related parties	31,310	Management fees	11,344	–	30-day, non-interest bearing	Unsecured; no impairment
Due to related parties	–	Due to related Parties	–	(1,286)	30-day, non-interest bearing	Unsecured
<i>ACE Renewables Philippines, Inc. (Moorland)</i>						
Due from related parties	–	Dividend Income	11,521	–	Due and demandable	Unsecured; no impairment
<i>Viage Corporation</i>						
Due from related parties	–	Advances	110,373	–	Due and demandable	Unsecured; no impairment
<i>AC Renewables International Pte. Ltd.</i>						
Short-term loans	4,803,600	Short-term loan	–	(4,803,600)	180-day, interest bearing	Unsecured
Short-term loans	58,838	Interest on short-term loan	–	(58,838)	30 days	Unsecured
<i>Presage Corporation</i>						
Loans Payable	136,551	Long-term loan	–	(136,551)	5 years	Unsecured
Due to related parties	24,612	Interest on long-term loan	–	(24,612)	30 days	Unsecured
Due to related parties	1,712	Due to related Parties	–	(1,712)	30-day, non-interest bearing	Unsecured
Due from related Parties	48,991	Due from related Parties	48,991	–	30-day, non-interest bearing	Unsecured; no impairment

As at and for the Year Ended December 31, 2020						
Company	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
<b>Bank of the Philippine Islands</b>						
Long-term loans	₱2,145,042	Long-term loan	₱–	(₱2,233,530)	12 years	Unsecured
Long-term loans	–	Interest on long-term loan	–	(146,196)	30 days	Unsecured
Long-term loans	15,784	Due from related Parties	–	(15,784)	12 years	Unsecured
<b>UPC Holdco II</b>						
Long-term loans	135,383	Long-term loan	–	(135,383)	5 years	Unsecured
Due to related parties	15,308	Interest on long-term loan	–	(61,341)	30 days	Unsecured
<b>Other related parties</b>						
<b>Directors</b>						
General and administrative expenses	30,574	Directors' fee and annual incentives		(30,574)	On demand	Unsecured
<b>Stockholders</b>						
Due to stockholders	₱18,272	Cash Dividends		(₱18,272)	On demand	Unsecured
Due from related parties (see Note 5)			₱219,965	₱–		
Due to related parties (see Note 16)			–	(588,007)		
Short-term loans (see Notes 17)				(4,862,438)		
Long-term loans (see Note 17)				(2,667,444)		
Accrued director's and annual incentives (see Note 16)			–	(30,574)		
Due to stockholders (see Note 34)			–	(18,272)		

As at and for the Year Ended December 31, 2019 (As restated)						
Company	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
<b>Parent</b>						
<b>AC Energy and Infrastructure Corporation</b>						
Due from related parties / General and administrative expenses	₱9	Transportation and travel expense	₱9	₱–	30-day, non-interest bearing	Unsecured; not impaired
Due to related parties / General and administrative expenses	38,664	Management fee and bonus	–	(31,489)	30-day, non-interest bearing	Unsecured
Due to related parties / General and administrative expenses	638	Miscellaneous guarantee fee	–	(354)	30-day, non-interest bearing	Unsecured
Due to related parties / Acquisition of a subsidiary under a common control	340,000	Reimbursement of down payment to Axia	–	–	Non-interest bearing	Unsecured
<b>Associate</b>						
<b>MGI</b>						
Due to related parties /Cost of sale of electricity	758,974	Purchase of electricity	–	(157,965)	30-day, non-interest bearing	Unsecured
<b>Asia Coal</b>						
Due to related parties	–	Advances	–	(254)	Non-interest bearing	Unsecured
<b>Entities Under Common Control of Ultimate Parent Company</b>						
<b>Direct Power Services, Inc.</b>						
Revenue from sale of electricity	193,644	Sale of electricity	–	–	30-day, non-interest bearing	Unsecured;
<b>Other Related Parties</b>						
<b>Directors</b>						
Accrued director's and annual incentives /General and administrative expenses	8,993	Directors' fee and annual incentives	–	(50)	On demand	Unsecured

As at and for the Year Ended December 31, 2019 (As restated)						
Company	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
<i>Stockholders</i>						
Due to stockholders	₱89,718	Cash Dividends	₱—	(₱16,594)	On demand	Unsecured
Due from related parties (see Note 5)			₱9	₱—		
Due to related parties (see Note 16)			—	(190,062)		
Accrued director's and annual incentives (see Note 16)			—	(50)		
Due to stockholders (see Note 34)			—	(16,594)		

As at and for the Year Ended December 31, 2018						
Company	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
Due to related parties/ Other expenses	₱3,778	Share in expenses	₱—	(₱490)	30-day, non-interest bearing	Unsecured
Accounts payable and other current liabilities	51,293	Cash dividends	—	—	Payable on April 05, 2018; subsequently on demand	Unsecured
<i>Union Galvasteel Corp. (UGC)</i>						
Due from related parties/	619	Rental income and advances	123	—	30-60 day, non-interest bearing	Unsecured, no impairment
Receivables	225,000	Sale of 50% Interest in PHINMA Solar	45,000	—	Noninterest-bearing	Unsecured, no impairment
Due to related parties		Rental deposit	—	(158)		
Dividend income	3,458	Cash dividend	—	—	30-60 day, non-interest bearing	Unsecured
General and administrative expenses	136	Roofing materials	—	—	30-60 day, non-interest bearing	Unsecured
<i>T-O Insurance, Inc.</i>						
Due to related parties/ General and administrative expenses	59,146	Insurance expense and membership fees	—	(32,857)	30-60 day, non-interest bearing	Unsecured
<i>Other Related Parties</i>						
<i>Directors</i>						
General and administrative expenses	10,145	Directors' fee and annual incentives	—	—	On demand	Unsecured
<i>Stockholders</i>						
Due to stockholders	89,718	Cash dividends	—	(16,651)	On demand	Unsecured
Due from related parties (see Note 8)			₱333,576	₱—		
Due to related parties (see Note 19)			—	(801,165)		
Accrued directors' and annual incentives (see Note 19)			—	—		
Due to stockholders (see Note 22 and 35)			—	(16,651)		

#### ACEIC

The Company and its subsidiaries BPGC, CIP II Power Corporation (“CIPP”) and Guimaras Wind Corporation (“Guimaras Wind”) have management contracts with PHINMA, Inc. These Management Contracts were assigned to ACEIC on 25 June 2019 through an executed Deed of Assignment.

#### MGI

The Company purchases the entire net electricity output of MGI.

#### ACE International

The Company paid income taxes on behalf of ACE International. These are recorded as advances which are intended to be settled within the year.

#### Ayala Land, Inc. (“ALI”)

The Company leases office space and parking slots from ALI.

#### Identification, Review and Approval of Related Party Transactions

All (1) SEC-defined material related party transactions, i.e., related party transaction/s, either individually or in aggregate over a twelve (12)-month period of the Group with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited consolidated financial statements; and (2) any related party transaction/s that meet the threshold values approved by the Risk Management and Related Party Transactions Committee (the Committee), i.e., ₱50 million or five percent (5%) of the Group's total consolidated assets, whichever is lower, shall be reviewed by the Committee and approved by the BOD before its commencement, except transactions that are explicitly excluded/exempted by the SEC and transactions delegated to management.

For SEC-defined material related party transactions, the approval shall be by at least 2/3 vote of the BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

#### c. Ownership structure and parent company

As of 19 March 2021, ACEIC owns 55.99% of the outstanding voting shares of the Company. The parent company of ACEN is ACEIC. The Company has a management contract with ACEIC until 1 September 2023. Under the contract, ACEIC has general management authority with corresponding responsibility over all operations and personnel of ACEN, including planning, direction, and supervision of all the operations, sales, marketing, distribution, finance, and other business activities of the Company.

### **Item 6. Compensation of Directors and Executive Officers**

#### a. Executive Compensation

For calendar years ended 31 December 2020, 31 December 2019, and 31 December 2018, the total salaries, allowances, and bonuses paid to the directors and executive officers of ACEN are as follows:

#### **CEO and Top 4 Most Highly Compensated Executive Officers (Total Compensation in Php - Estimates)**

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary</b>	<b>Bonus</b>	<b>Other Annual Compensation</b>
John Eric T. Francia – Chief Executive Officer	2020	15,703,929.00	2,920,702.00	2,487,596.00
	2019	21,478,153.00	4,630,134.00	1,945,000.00
Alan T. Ascalon – Vice President, Legal and Regulatory	2018	21,444,674.00	2,980,335.00	590,600.00
Mariejo P. Bautista, SVP- Finance & Controller				
Danilo L. Panes, VP – Wind Operations				
Ma. Teresa P. Posadas, AVP – Human Resources				

#### **All Other Officers and Directors as a Group (Total Compensation in Php - Estimates)**

<b>Year</b>	<b>Salary</b>	<b>Bonus</b>	<b>Other Annual Compensation</b>
2020	20,790,154.00,	10,678,528.00	3,409,929.00
2019	17,827,743.00	3,651,125.00	4,645,000.00
2018	12,727,585.00	1,160,775.00	2,112,500.00

The management fees billed by ACEIC to the Company in 2020 include ₱84,384,258.17 which pertain to compensation of officers.

i. Compensation of Directors

The incumbent non-independent directors do not receive allowances, per diem, or bonuses. The incumbent independent directors are entitled to receive Php 100,000.00 per Board meeting attended, and Php 20,000.00 per Committee meeting attended.

There are no other existing arrangements/agreements to which said directors are to be compensated during the last completed fiscal year and the ensuing year.

ii. Employment Contracts and Termination of Employment and Change-in-Control Arrangements

Under ACEN's By-Laws, the Officers of the Company shall hold office for one (1) year and until their successors are chosen and qualified in their stead. Any officer elected or appointed by the majority of the Board may be removed by the affirmative vote of the Board.

ACEN does not have written contracts with any of its executive officers or other significant employees.

iii. Compensatory Plan or Arrangement

The compensation received by officers who are not members of the Board consists of salaries, bonuses, and other benefits.

All permanent and regular employees of the Company are covered by the ACEN retirement plan (the "Plan"). The Plan provides benefits upon normal retirement beginning at age sixty (60), early retirement beginning at age fifty (50) with completion of at least ten (10) years of service, voluntary separation beginning upon completion of at least ten (10) years of service, total and physical disability, death, and involuntary separation. The benefits are based on the employee's final monthly basic salary and length of service.

iv. Warrants and Options Outstanding

On 2 April 2007, the Board and stockholders authorized ACEN to set aside a total of one hundred million (100,000,000) shares from the unsubscribed portion of the Company's authorized shares for the following purposes and under terms and conditions as determined by the Executive Committee of the Board:

1. Stock grants to officers and managers of the Company; and
2. Stock options for directors, officers, and employees of the Company and its subsidiaries and affiliates for the purposes.

On 8 January 2008, the SEC approved the Company's Executive Stock Grants Plan and Stock Option Plan.

The Executive Stock Grants Plan was available to all officers of ACEN and its subsidiaries, including unclassified managers. Upon achievement of the Company's goals and the determination of any variable compensation, twenty percent (20%) of the variable compensation of the officers or managers who are entitled to avail of the Executive Stock Grants Plan are given in the form of ACEN's shares with a twenty percent (20%) discount on the weighted average closing price for twenty (20) trading days before the date of the grant but not lower than the par value of P1.00 per share. The first stock grants were subject to a holding period of one (1) year for the first one-third (1/3) of the shares, two (2) years for the next one-third (1/3) of shares and three (3) years for the remaining one-third (1/3) of the shares. Succeeding stock grants are subject to a holding period of three (3) years.

The Stock Option Plan was available to all directors and permanent officers and employees of ACEN and its affiliates/subsidiaries. Employees may purchase up to thirty-three percent (33%) of their allocated shares within the first year of the grant, up to sixty-six percent (66%) on the second year of the grant, and up to one hundred percent (100%) on the third year of the grant, in cash at the weighted average closing price for twenty (20) trading days prior to date of grant but not lower than the par value of P1.00 per share.

As of 23 March 2021, the stock option has not been adjusted or amended as the previous grant had no remaining life as of 31 December 2016.



As of 23 March 2021, the remaining number of shares available for stock grants and stock options is 60,301,331 out of the 100,000,000 shares.

#### **Item 7. Independent Accountants' Appointment**

- a. The Audit Committee of ACEN proposed that the accounting firm of SyCip Gorres Velayo & Co. (SGV) be retained as the Company's external auditor for the year 2020. The members of the Audit Committee are as follows:

- |      |                               |   |
|------|-------------------------------|---|
| i.   | Ms. Ma. Aurora Geotina-Garcia | Chairperson (effective 20 April 2020 until present) |
| ii.  | Ms. Consuelo D. Garcia        | Member (effective 20 April 2020 until present)      |
| iii. | Mr. Antonio V. Paner          | Member (effective 20 April 2020 until present)      |

SGV has been ACEN's Independent Public Accountant since 1969. The Audit Committee, the Board, and the stockholders of ACEN approved the engagement of SGV as the Company's external auditor for 2020. The services rendered by SGV for the calendar year ended 31 December 2020 included the examination of the parent and consolidated financial statements of the Company, assistance in the preparation of the Company's annual income tax return, and other services related to filing of reports made with the SEC.

The engagement partner who conducted the audit for Calendar Year 2020 was Mr. Benjamin N. Villacorte, an SEC accredited auditing partner of SGV. This is Mr. Villacorte's third year as engagement partner for the Company.

- b. **Changes in and disagreements with accountants on accounting and financial disclosure.**

During the past five (5) years, there has been no event in which ACEN and SGV had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

- c. ACEN complied with SRC Rule 68, paragraph 3(b)(ix) which requires the rotation of external auditors or signing partners every five (5) years of engagement and the mandatory two-year cooling-off period for the re-engagement of the same signing partner or individual auditor.

The external auditors for the current year and for the most recently completed fiscal year are expected to be present at the Annual Stockholders' Meeting and to answer any question. They are likewise given an opportunity to give statements if they desire to do so.

- d. **Audit and Audit-Related Fees**

The total external auditors' fees of SGV in 2020 and 2019 amounted to Php 10.80 million and Php 8.55 million, including VAT, respectively:

2020 External Auditor Fees	Amount in Million Pesos (inclusive of VAT)	
	2020	2019
Audit and Audit-Related Fees	₱10.38	₱8.47
Non-Audit Fees	.42	.08
Grand Total	₱10.80	₱8.55

The audit and audit-related fees include the audit of the Company's annual financial statements, quarterly reviews and other assurance services related to performance of the audit or review of the Company's financial statements pursuant to the regulatory requirements.

The Audit Committee discusses the nature and scope of the audit with the external auditor before the audit commences. It pre-approves audit fees, plans, scope, and frequency during its third quarter committee meeting. It evaluates and determines non-audit work by the external auditor and reviews the non-audit fees paid to the external auditor, both in relation to their significance to the audit and in relation to the Company's total expenditure on consultancy.

e. **Tax fees**

No tax consultancy services were secured from SGV for the past two years.

f. **All other fees (Non-Audit Fees)**

Non-audit fees for 2020 and 2019 include training and validation of votes during the annual stockholders' meeting.

**Item 8. Compensation Plans**

One of the matters that will be presented for the approval of the stockholders is the allocation of 960 million common shares from the unsubscribed portion of the Corporation's authorized capital stock for the proposed stock ownership plan.

Grantees are qualified executives, managers, staff, or consultants of the Company and its affiliates and subsidiaries (the "ACEN Group"), subject to satisfaction of the following eligibility requirements:

- With performance rating of at least "Meets Expectations" for the 3-year period prior to the grant date;
- No administrative penalty or case during the 3-year period prior to the grant date; and
- Must continue to be employed by the ACEN Group until the end of the vesting period for continued entitlement, except in case of compulsory retirement, optional retirement, death, total and permanent disability or transfer to another Ayala group company.

The Personnel and Compensation Committee has proposed for an award to be in three (3) tranches, thus:

- 40% after one (1) year from award date;
- 30% after two (2) years from award date; and
- 30% after three (3) years from award date.

Availment terms of the stock ownership plan (including annual allocation, prices, and other material conditions upon which the option may be exercised) will be reviewed by the Personnel and Compensation Committee, for endorsement to Board approval. Given the foregoing, the amount of such options to be received by the officers, executives, directors, and all other employees of the Company is yet to be determined.

The market value of the Company's securities as of 22 March 2021 may be found on page 45 of Annex D, **Management's Discussion and Analysis (MD&A) or Plan of Operations**.

**C. ISSUANCE AND EXCHANGE OF SECURITIES**

**Item 9. Authorization or issuance of securities other than for exchange**

a. Title and Amount of Securities to be Authorized or Issued:

i. Increase in Authorized Capital Stock

On 20 April 2020, the stockholders approved the increase of the authorized capital stock from Twenty-Four Billion Four Hundred Million Pesos (Php 24,400,000,000.00) divided into Twenty-Four Billion Four Hundred Million (24,400,000,000) shares (then pending approval of the SEC as of the date of the stockholders meeting) to Forty-Eight Billion Four Hundred Million Pesos (Php 48,400,000,000.00) divided into Forty-Eight Billion Four Hundred Million (48,400,000,000) shares, or an increase of Twenty Four Billion (24,000,000,000) common shares.

Due to a pending prior application for increase in authorized capital stock, the Company was unable to file an application to increase its authorized capital stock with the SEC within six (6) months from date of approval of the Board (18 March 2020) and stockholders (20 April 2020), as required under the Revised Corporation Code.

Given the foregoing, this amendment was approved by the directors at its regular meeting on 18 March 2021 and shall again be presented for approval of the stockholders at the annual stockholders' meeting.

ii. Issuance of Shares to Arran Investment Pte. Ltd.

To be presented for approval of the stockholders is the allotment and issuance of Four Billion (4,000,000,000) common shares to Arran. The issuance of said shares was approved by the Board on 11 November 2020.

Arran's principal executive office is located at 168 Robinson Road, #37-01, Capital Tower, Singapore 068912. Arran may be contacted through its parent company, GIC Private Limited, at (65) 6889 8888.

iii. Issuance of Shares pursuant to the Company's Follow-On Offering

To be presented for approval of the stockholders is the issuance of 1,580,000,000 shares pursuant to a planned FOO of the Company's shares, with a secondary common shares component of up to 420 million common shares. On 3 February 2021, pursuant to the authority delegated by the Board of Directors in connection with the Company's planned FOO, the Executive Committee approved an FOO price range of P6.00-P8.20 per share. On 8 February 2021, the Company submitted a registration statement for up to 2,430,248,617 common shares (primary and secondary shares with over-allotment) with the SEC. Finally, on 18 March 2021, the Board approved the primary share issuance size of 1,580,000,000 common shares.

iv. Issuance of Shares pursuant to Stock Ownership Plan

To be presented for approval of the shareholders is the allocation of 960 million common shares from the unsubscribed portion of the Corporation's authorized capital stock for stock grants and stock options available to the officers of the Company and its subsidiaries under terms and conditions to be determined by the Company's Personnel and Compensation Committee and approved by the Board of Directors.

Grantees are executives, managers, staff, or consultants of the ACEN Group subject to satisfaction of eligibility requirements discussed under Item 8. The individual allocation, including the cost per share to the recipients, will be for determination by the Personnel and Compensation Committee, to be subsequently endorsed to the Board for approval.

The award, as will be proposed by the Personnel and Compensation Committee and approved by the Board, will be made in three (3) tranches, as outlined under Item 8.

The subscription payment will be made over a 10-year payment period, thus:

1. Initial payment of at least 5% of total subscription price
2. 5% due on 1<sup>st</sup> anniversary date of subscription
3. 5% due on 2<sup>nd</sup> anniversary date of subscription
4. 5% due on 3<sup>rd</sup> anniversary date of subscription
5. 10% due on 4<sup>th</sup> anniversary date of subscription, or balance due for second/final subscription; and
6. Balance will be based on a schedule of payments for the remaining 6 years to be determined and submitted by the grantee.

Prepayment shall be allowed for fully vested shares.

v. Issuance of Shares to ACEIC

To be presented for approval of the stockholders is the issuance of 16,685,800,533 common shares to ACEIC in exchange for ACEIC's international renewable energy assets and investment.

ACEIC's principal executive office is at 4th Floor 6750 Office Tower, Ayala Avenue, Makati City. The company may be contacted at +(632) 7-730-6300.

Below is information on ACEIC's net sales or operating revenues, income (loss) from continuing operations, and long term obligations and redeemable preferred stock for the last two (2) financial years, in Php:

	2020	2019
Net Sales or operating revenues	28,452,197,749.00	13,005,761,709.00
Income (loss) from continuing operations	7,579,311,340.00	25,384,709,033.00

Long-term obligations		
Current portion of loans payable	711,782,005.00	987,173,836.00
Loans payable - net of current portion	30,236,894,620.00	25,128,895,739.00
TOTAL	30,948,676,625.00	26,116,069,575.00
Redeemable Preferred Shares (in Php)	17,550,621,600.00	17,550,621,600.00

In addition, the following shows historical and pro forma share data of ACEIC for the following items for the last two (2) financial years:

	2020	2019
Book Value per Share	210.67	244.50
Cash dividend per Share	6.26	6.26
Income from continuing operations	7,579,311,340.00	25,384,709,033.00

b. Description of the Registrant's Securities:

The Company's current authorized capital stock is Twenty-Four Billion Four Hundred Million Pesos (Php 24,400,000,000.00) divided into Twenty-Four Billion Four Hundred Million (24,400,000,000) common shares with a par value of One Peso (P1.00) per share. As of 19 March 2021, 19,960,037,644 shares of the Company are issued and outstanding. Stockholders of the Company enjoy full dividend and voting rights in accordance with the Corporation Code, pro-rata to their shareholdings. Pursuant to Article Seventh of the Company's Articles of Incorporation, stockholders have a pre-emptive right to purchase or subscribe to additional shares, except if: (1) the issue of the said additional shares does not exceed 35% of the resulting total issued and outstanding capital stock, and the additional subscribed capital stock will be used exclusively for the benefit of the Company; and (2) in relation to shares issued in good faith in exchange for property needed for corporate purposes or in payment of a previously contracted debt provided however, that shares to be issued for this purpose shall not exceed sixteen (16) billion shares.

All common shares have full voting rights, and the right to receive dividends. There are no other class of shares which enjoy preferential rights as to voting or dividends. There are no provisions in the Articles or the by-laws that would delay, defer or prevent a change in control of the Company.

The following shows historical and pro forma share data of the Company for the following items for the last two (2) financial years:

	2020	2019
Book Value per Share	1.89	2.60
Cash dividend per Share	0.04	-
Income from continuing operations	3,869,512,827.00	132,872,939.00

c. Nature and approximate amount of consideration received or to be received by the Company and approximate amounts devoted to each purpose for which the net proceeds have been used or are to be used.

- i. Increase in Authorized Capital Stock. The terms and conditions of the issuance of shares pursuant to the increase in authorized capital stock will be determined by the Company at a later date. The Company expects to receive at least the par value of the shares to be issued out of the increase in capital stock (in cash and/or the form of property). Additional properties or assets will be used for investments in greenfield projects and acquisition of power assets, including off-shore power generation and development assets. These projects will result in an increase in the asset base of the Company and more power plants that can generate more revenues for the Company, which will ultimately redound to the benefit of the stockholders.
- ii. Issuance of Shares to Arran. The Company received cash in the amount of PHP11,880,000,000.00 as subscription payment for the 4,000,000,000 billion common shares issued to Arran pursuant to the subscription agreement.

The Company plans to utilize the proceeds of the private placement as follows:

- a) Funding of the development and construction of the group's renewable energy projects, including its Arayat solar project in Pampanga and Bayog wind project in Ilocos Norte, as well as possible expansions of existing plants and acquisition of other operating plants, of approximately up to Php 10 billion, estimated to be used in the 1st half of 2021 at the earliest;
  - b) Repayment of debt drawn earlier to fund development funding requirements; and
  - c) Funding of working capital requirements and for general corporate purposes of approximately up to Php 500 million, estimated to be used in the first quarter of 2021 at the earliest.
- iii. Issuance of Shares Pursuant to FOO. The Company expects to raise gross proceeds of up to PHP12,956,000,000.00 from the sale of 1,580,000,000 primary shares, at an offer price range of PHP6.00 to PHP8.20. The net proceeds from the sale of the primary shares (determined by deducting from the gross proceeds the underwriting, selling, and listing fees, taxes, and other related fees and expenses) will be approximately up to Php 12.64 billion and will be used by the Company to partially fund the development of power projects in the pipeline and inorganic growth opportunities if and when they arise, repayment of loans and reduction of payables, and other general corporate requirements. The Company will not receive any proceeds from the sale of the secondary shares by the selling stockholders.
- iv. Issuance of Shares Pursuant to Stock Ownership Plan. The cash proceeds that the Company will receive will depend on the size of the award and the issue price to be approved by the Board.
- v. Issuance of Shares to ACEIC. The Company will issue 16,685,800,533 common shares (the "Shares") to ACEIC in exchange for ACEIC's 1,650,166,347 common shares and 15,035,347,600 redeemable preferred shares in AC Energy International, Inc. ("AC Energy International", formerly, Presage Corporation), constituting 100% of the issued and outstanding shares of AC Energy International (the "Property").

The Property will be used as ACEIC's subscription payment for the Shares and to support the increase in the Company's authorized capital stock from Php24.4 billion to Php48.4 billion, as discussed under Item 9 (a) (i).

- d. If the securities are to be issued other than in a public offering for cash, state reasons for the proposed authorization or issuance and the general effect upon the rights of existing stockholders
- i. Increase in Authorized Capital Stock. Additional properties or assets will be used for investments in greenfield projects and acquisition of power assets, including on-shore power generation and development assets. These projects will result in an increase in the asset base of the Company and more power plants that can generate more revenues for the Company, which will ultimately redound to the benefit of the stockholders.
  - ii. Issuance of Shares Pursuant to Stock Ownership Plan. The Stock Ownership Plan is intended to be implemented for the Company starting performance year 2020 and beyond, given the conclusion of the administration of the long-term incentive plan at the ACEIC level for 2017-2019, and majority of ACEIC's having been assigned to the Company since early 2020.
  - iii. Issuance of Shares to ACEIC. The consolidation of ACEIC's international renewable energy assets portfolio to the Company will firmly establish the Company as the sole listed platform of the Ayala group's entire energy business. The Company plans to acquire strategic investments in operating renewable projects with proven reliable earnings and in projects under construction located in the Philippines, Indonesia, and Vietnam, as well as a robust pipeline of international renewable energy projects under various stages of development located in various countries in the Asia-Pacific. With the portfolio of international renewable projects, the Company aims to exceed its growth aspirations and gain a foothold in the international energy market.

All issuances of shares described above will have the effect of diluting the ownership interest of the existing stockholders in the Company to the extent of such shares, and such existing stockholders will have no pre-emptive rights on such shares.

## Item 10. Modification or Exchange of Securities

One of the matters that will be presented for the approval of the stockholders is the proposed amendment of the Articles of Incorporation of the Company to increase the number of shares exempt from pre-emptive rights from 16 billion shares to 24 billion shares.

This proposed amendment to the Articles of Incorporation to increase the number of shares exempt from the pre-emptive rights for share issuances in exchange for property needed for corporate purposes or in payment of a previously contracted debt provided that shares issued do not exceed 24 billion shares is meant, among other reasons, to make expedient, and streamline the process for, the AC Energy International Transaction in a manner transparent to all stockholders.

To be also presented for approval of the stockholders is the allotment and issuance of Four Billion (4,000,000,000) common shares to Arran. The issuance of said shares was approved by the Board on 11 November 2020.

The Company intends to apply for listing and registration of the shares to be issued to ACEIC as a result of the AC Energy International Transaction and the shares issued to Arran with the Philippine Stock Exchange and the Securities and Exchange Commission.

## Item 11. Financial and Other Information

The Management's Discussion and Analysis (MD&A) or Plan of Operations and ACEN's Audited Financial Statements as of 31 December 2020 are attached hereto as **Annexes "D" and "E"**, respectively. A copy of the Integrated Report for the said period will be provided to stockholders of record via <https://acenergy.ph/integrated-report-2020/>.

In line with ACEN's commitment to promote responsible business, the Company intends to distribute copies of this Definitive Information Statement (the "**DIS**") through a Quick Response Code ("**QR Code**") and soft copy distribution via email or link to the Company's website. The detailed instructions to access information through electronic means and the use thereof is attached hereto as **Annex "F"**.

**THE ANNUAL REPORT ON SEC FORM 17-A FOR THE YEAR ENDED 31 DECEMBER 2020 AND PRINTED COPIES OF THE DIS WILL BE AVAILABLE UPON REQUEST OF STOCKHOLDERS. THE REQUEST MAY BE SENT DIRECTLY TO THE HEAD OF LEGAL AND REGULATORY, ATTY. DODJIE D. LAGAZO, WITH OFFICE ADDRESS AT THE 4<sup>th</sup> FLOOR, 6750 OFFICE TOWER, AYALA AVENUE, MAKATI CITY AND A COPY WILL BE SENT, FREE OF CHARGE.**

## Dividends

The payment by ACEN of dividends shall be subject to the availability of retained earnings following the SEC rule on calculation of available retained earnings for dividend declaration, loan covenants, and financial ratios.

ACEN declares cash or stock dividends to its common stockholders in amounts determined by the Board taking into consideration the results of the Company's operations, its cash position, investments and capital expenditure requirements, and unrestricted retained earnings. The Company also declares special cash dividends where appropriate.

On 18 August 2020, the Company declared dividends of Php 0.05 per share based on then current outstanding shares of 13,692,457,210, or a total amount of Php 547,598,288 from the unrestricted retained earnings of the Company as of 30 June 2020 to all stockholders of record as of 3 September 2020, payable on 17 September 2020.

Dividends declared and paid in 2016 up to 2020 were as follows:

Date of Declaration	Dividend			Record Date
	Type	Rate (in PHP)	Amount (in thousands PHP) *	
23 February 2016	Cash	0.04 per share	194,606	9 March 2016

16 December 2016	Cash	0.04 per share	195,436	4 January 2017
3 March 2017	Cash	0.04 per share	195,436	17 March 2017
28 February 2018	Cash	0.04 per share	195,591	14 March 2018
18 August 2020	Cash	0.05 per share	547,599	3 September 2020

ACEN's consolidated retained earnings balance amounted to Php 5.17 billion and Php 3.30 billion, respectively, as at 31 December 2020 and 2019 (restated). Retained earnings not available for declaration, computed based on the guidelines provided in Revised SRC Rule 68, to the extent of (a) undistributed earnings of subsidiaries, associates and joint venture included in the Group's retained earnings amounted to Php 459.56 million and Php 1,109.97 million as at 31 December 2020 and 2019, respectively; and (b) cost of treasury shares amounted to Php 40.93 million and Php 27.70 million as at 31 December 2020 and 2019, respectively.

As of 23 March 2021, there are no changes in and disagreements with accountants on accounting and financial disclosure. Representatives of SGV, the Company's principal accountants for the current year and for the most recently completed fiscal year are expected to be present at the meeting. Relevant questions for the auditors may be sent to [corpsec.acen@acenergy.com.ph](mailto:corpsec.acen@acenergy.com.ph) before and during the meeting.

## **Item 12. Mergers, consolidations, acquisitions and similar matters**

### **Recent Sales of Unregistered Securities**

- a. On 9 October 2019, the Company executed a deed of assignment with ACEIC for the Company to issue 6,185,182,288 shares of stock in the Company to ACEIC out of the increase in the authorized capital stock of the Company to Php 24.4 billion in exchange for property needed by the Company for corporate purposes consisting of shares of stock owned by ACEIC in select subsidiaries and affiliates in the Philippines (the "ACEIC Philippine Transaction").

On 30 October 2020, the BIR issued a ruling confirming that the ACEIC Philippine Transaction qualifies as a tax-free exchange under the National Internal Revenue Code. Subsequently, the SEC approved the issuance of the shares on 21 December 2020.

On 28 January 2021, the shares issued pursuant to the ACEIC Philippine Transaction were listed on the Exchange.

The issuance of shares in exchange for property is not subject to the pre-emptive rights of the stockholders, pursuant to the amendment to the Articles of Incorporation of the Company approved by stockholders owning at least 2/3 of the outstanding capital stock on 17 September 2019, providing that the pre-emptive right of stockholders does not apply to the issuance of shares of the Company in exchange for property to be used for corporate purposes for as long as such shares do not exceed 16 billion shares.

The transaction was exempt from the registration requirement under Subsection 8.1 of the SRC on the basis of (i) Section 10.1 (l) (vi) or a sale to a qualified buyer on the basis of financial sophistication, net worth, knowledge, and experience in financial and business matters, and amount of assets under management, and (ii) Section 10.2, which exempts if registration is unnecessary in the public interest since the Company conducted a stock rights offer ("SRO") of up to 2.27 billion shares at an offer price range of Php2.25/share to Php2.37/share. ACEIC, as the majority shareholder, did not exercise its offer rights in the first round of the SRO to enable the minority shareholders to recover from the partial dilution arising from the ACEIC Philippine Transaction.

- b. During the rights offer period from 18 January to 22 January 2021, the Company sold, by way of stock rights offering, a total of 2,267,580,434 common shares at an offer price of Php 2.37 per share (the "Rights Shares") to eligible stockholders of record as of 13 January 2021. On 29 January 2021, the Rights Shares were listed with the Exchange.

The transaction was exempt from the requirement of registration under Subsection 8.1 of the SRC on the basis of Section 10.1 (e), which exempts from the requirement of registration "the sale of capital stock of a corporation to its own stockholders exclusively, where no commission or other remuneration is paid or given directly or indirectly

in connection with the sale of such capital stock.” Further, Section 10.1 (l) exempts from registration the sale of securities to any number of the following qualified buyers: (i) Bank; (ii) Registered investment house; (iii) Insurance company; (iv) Pension fund or retirement plan maintained by the Government of the Philippines or any political subdivision thereof or manage by a bank or other persons authorized by the Bangko Sentral to engage in trust functions; (v) Investment company or; (vi) Such other person as the Commission may rule by determine as qualified buyers, on the basis of such factors as financial sophistication, net worth, knowledge, and experience in financial and business matters, or amount of assets under management.

- c. On 18 March 2021, the Company and Arran signed a Subscription Agreement for the issuance of 4,000,000,000 common shares of the Company to Arran in accordance with the Investment Agreement that the Company signed with Arran on 30 December 2020. The issuance of shares to Arran is not subject to the pre-emptive right of the stockholders because such issuance will not exceed 35% of the resulting total issued and outstanding capital stock of the Company in accordance with the second paragraph of Article Seventh of the Company’s Articles of Incorporation.

Arran is an affiliate of GIC Private Limited (“GIC”), a private limited company established in 1981 to manage Singapore’s foreign reserves. Arran is an investment holding company for investments managed by GIC or GIC’s wholly-owned subsidiaries, and primarily holds investments which are managed by the private equity and infrastructure arm of GIC.

The private placement will enable the Company to raise additional capital to fund its various developmental and operating projects, as well as potential acquisitions. The entry of Arran as an institutional investor will also strengthen the Company’s investor base.

Arran subscribed to and paid for 4,000,000,000 Common Shares of ACEN at a price of Php2.97 per Common Share (subject to adjustment pursuant to the Investment Agreement), for an aggregate value or consideration of Php11,880,000,000.00. The subscription price was offered by Arran pursuant to its binding offer of 10 November 2020, and which offer was approved by the Board of Directors of ACEN during its meeting of 11 November 2020.

The value or consideration per share for the private placement was determined by Arran after conducting a due diligence exercise on the Company’s existing business and potential. Arran valued the existing operating assets of the Company as well as the various developmental projects in its pipeline.

Arran is entitled to nominate two (2) directors in the Board of the Company, for as long as it maintains a minimum ownership percentage of 14.6% in ACEN.

Arran is a solvent exempt private company, or a private company owned by the Government of the Republic of Singapore that is expressly declared to be an exempt private company and is thus not required to file its financial statements with the Accounting and Corporate Regulatory Authority (ACRA). Furthermore, Arran is classified as a gazetted company and its financial records are not available to the public. Please see <https://www.acra.gov.sg/xbrl-filing-and-resources/who-needs-to-file-financial-statements> for more information on Singapore’s requirements to file financial statements and those exempted therefrom.

For Arran's past three years audited financial statements, please refer to the attached GIC’s Report on the Management of the Government’s Portfolio for the Year 2019/20, which is also available at <https://report.gic.com.sg/index.html>, to analyze and understand the value of the investment subject of the private placement. Additional information on GIC is available at <http://www.gic.com.sg>.

The details of the issuance are described in the Comprehensive Corporate Disclosure (“CCD”) issued by the Company dated 10 March 2021, as amended, and posted at PSE Edge. Please see link to the CCD at [https://edge.pse.com.ph/openDiscViewer.do?edge\\_no=8a24e39ae6da98da5d542af6f1e997b9](https://edge.pse.com.ph/openDiscViewer.do?edge_no=8a24e39ae6da98da5d542af6f1e997b9).

The transaction is an exempt transaction on the basis of Section 10.1 (l) (iv) for being a sale to a qualified buyer on the basis of financial sophistication, net worth, knowledge, and experience in financial and business matters, and amount of assets under management.



- d. The Company and ACEIC will execute a property-for-shares swap whereby the Company will issue 16,685,800,533 common shares (the “Shares”) to ACEIC in exchange for ACEIC’s 1,650,166,347 common shares and 15,035,347,600 redeemable preferred shares in AC Energy International, constituting 100% of the issued and outstanding shares of AC Energy International (the “Property”).

The Property will be used as ACEIC’s subscription payment for the Shares and to support the increase in the Company’s authorized capital stock from Php24.4 billion to Php48.4 billion, as discussed under Item 9 (a) (i).

AC Energy International holds ACEIC’s interests in various international energy projects through its ownership of AC Renewables International Pte Ltd., a Singapore limited liability company that in turn has interests in various renewable energy and development companies and projects in Indonesia, Vietnam, India, Australia and other countries.

The exchange of the Shares for the Property will qualify as a tax-free exchange under Section 40 (C) (2) of the Tax Code, as amended, which provides that:

(2) Exception. -

No gain or loss shall also be recognized if property is transferred to a corporation by a person in exchange for stock or unit of participation in such a corporation of which as a result of such exchange said person, alone or together with others, not exceeding four (4) persons, gains control of said corporation: Provided, That stocks issued for services shall not be considered as issued in return for property.

Section 40 (C) (2) of the Tax Code, as amended, has been interpreted by the Supreme Court in the case of Commissioner of Internal Revenue vs. Filinvest Development Corporation (G.R. No. 167689, 9 July 2011), to mean that a tax-free exchange applies when the controlling person gains “further control” or transfers where the exchange or already has control of the corporation at the time of the exchange.

The SEC’s approval of the increase in capital stock and the BIR’s issuance of a tax-free exchange ruling are expected to be issued within the first half of 2021.

The AC Energy International Transaction will be implemented as a tax-free exchange, subject to a fairness opinion on the valuation of the Shares and of the Property prepared and issued by FTI Consulting Philippines, Inc. (“FTI Consulting”), an independent fairness opinion provider accredited by both the SEC and the PSE.

FTI Consulting is accredited by the SEC as a professional services organization for the valuation of shares of stock, intangibles and other assets, and accredited by the PSE to issue fairness opinions and valuation reports of listed companies and prospective initial listing applicants of the Exchange.<sup>2</sup> There is no material relationship between FTI Consulting and any party to the proposed transaction during the prior two years in which compensation was received or intended to be received, except for an engagement with the Company and ACEIC (the “Parties”) where FTI Consulting issued a fairness opinion and valuation report dated 9 October 2019, covering assets in a property for share swap transaction between the Parties. These assets are part of the assets of Company valued in the report.

FTI Consulting conducted a valuation study of both the Company and AC Energy International in accordance with the International Valuation Standards (“IVS”) to determine the fairness of the consideration to be transferred and consideration to be received by the Company, thus:

- IVS 101 Scope of Work
- IVS 102 Investigations and Compliance
- IVS 103 Reporting
- IVS 104 Bases of Value
- IVS 105 Valuation Approaches and Methods
- IVS 200 Business and Business Interests

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<sup>2</sup> <https://www.fticonsulting.com/about/locations/regions/philippines>

FTI Consulting assessed the fairness of the proposed transaction on two aspects: (1) fairness of the proposed transaction exchange ratios, and (2) fairness of the aggregate value of AC Energy International shares being exchanged for the Company's shares. The Company was valued using the Sum-of-the-Parts (SOTP) Method, while AC Energy International was valued using the Adjusted Book Value (ABV) Method. Several methodologies were also considered in valuing each business under the subject companies.

The Fairness Report opined solely on the fairness of the consideration to be transferred by ACEIC and consideration to be received by the Company. No other instruction was received from the issuer and neither was a limitation imposed by the issuer or affiliate on the scope of FTI Consulting's investigation.

On 18 March 2021, the Board approved the issuance of the Shares to ACEIC at Php 5.15 per share for ACEIC's shares in AC Energy International, valued at Php 86.0 billion. The foregoing approval of the issue price is mainly supported by the Fairness Opinion issued by FTI Consulting for the valuation of the Company's assets and ACEIC's international assets as of 31 December 2020. FTI did not recommend the issue price; rather, it opined that the exchange ratios and issue price intended to be used by the Company for the proposed transaction is considered fair from a financial point-of-view.

The Company shall seek exemption from the registration requirement under Subsection 8.1 of the SRC on the basis of Section 10.2. Furthermore, the Company will be seeking the approval of stockholders representing majority of the minority stockholders present or represented at the meeting for the waiver of the requirement to conduct a rights or public offering of the Shares, in the interest of ease and expediency of corporate restructuring while maintaining transparency to and protection of minority stockholders.

The details of the issuance are described in the CCD issued by the Company dated 2 April 2020 and posted at PSE Edge. Please see link to the CCD at [https://edge.pse.com.ph/openDiscViewer.do?edge\\_no=ce817752d144bc9f0de8473cebbd6407](https://edge.pse.com.ph/openDiscViewer.do?edge_no=ce817752d144bc9f0de8473cebbd6407). Copies of FTI's Fairness Opinion and Valuation Report may be accessed at PSE Edge via [https://edge.pse.com.ph/openDiscViewer.do?edge\\_no=511d85d4526a20880de8473cebbd6407](https://edge.pse.com.ph/openDiscViewer.do?edge_no=511d85d4526a20880de8473cebbd6407).

## **Business Development**

- (a) ACEN is a corporation that was registered with the Commission on 9 August 1969.
- (b) ACEN has not been the subject of the following during the last five (5) years: any bankruptcy, receivership or similar proceeding or violation of the securities or commodities law or regulation.
- (c) Acquisitions

### **i. NLR**

On 4 November 2019, the Company signed a share purchase agreement, as subsequently amended, with Macquarie Infrastructure Holdings (Philippines) Pte. Limited, Langoer Investments Holding B.V., and the Government Service Insurance System (the "**PINAI Investors**") for the acquisition of the PINAI Investors' entire ownership interest in Philippine Wind Holdings Corporation ("**PhilWind**"), which directly and indirectly owns ~67% of NLR, which in turn owns and operates an 81 MW wind farm in Pagudpud, Ilocos Norte. NLR is a joint venture of ACEIC, UPC Philippines Hold Co I B.V., Luzon Wind Energy Holdings B.V. (an affiliate of Mitsubishi Corporation), and the PINAI Investors. The wind farm started its commercial operations in November 2014.

On 27 February 2020, the acquisition was completed and the final purchase price in the amount of Php 2.573 billion was paid by Giga Ace 1, Inc., the Company's wholly-owned subsidiary and the entity designated by the Company to purchase and hold the PhilWind shares owned by the PINAI Investors. As a result of the acquisition, the Company now directly and indirectly owns 67% of NLR.

### **ii. San Carlos Solar Energy, Inc. ("SACASOL")**

On 2 December 2019, the Company signed a share purchase agreement the PINAI Investors for the acquisition of the PINAI Investors' entire ownership interest in SACASOL, which owns and operates a 45 MW solar farm located in Negros Occidental. The solar farm is operating under the feed-in-tariff (FIT) regime of the Renewable Energy

Act. On 23 March 2020, the acquisition was completed and the final purchase price in the amount of Php 2.981 billion was paid by Giga Ace 2, Inc., the Company's wholly-owned subsidiary and the entity designated by the Company to purchase and hold the SACASOL shares owned by the PINAI Investors. As a result of the acquisition, the Company now indirectly owns 100% of SACASOL.

**iii. Negros Island Solar Power, Inc. ("ISLASOL")**

On 2 December 2019, the Company signed a share purchase agreement with the PINAI Investors for the acquisition of the PINAI Investors' entire ownership interest in ISLASOL, which owns and operates an 80 MW solar farm located in Negros Occidental. On 23 March 2020, the acquisition was completed and the final purchase price in the amount of Php 1.629 billion was paid by Giga Ace3, Inc., the Company's wholly-owned subsidiary and the entity designated by the Company to purchase and hold the ISLASOL shares owned by the PINAI Investors. As a result of the acquisition, the Company now indirectly owns 100% of ISLASOL.

On 22 May 2020, ISLASOL signed a subscription agreement with ThomasLloyd CTI Asia Holdings Pte Ltd ("ThomasLloyd") whereby ThomasLloyd agreed to subscribe to primary shares in ISLASOL with a portion of the subscription proceeds to be used to redeem a portion of the Company's outstanding shares in ISLASOL such that the Company's and ThomasLloyd's voting interests in ISLASOL shall be 66% and 34%, respectively. Payment by ThomasLloyd of the subscription price is in installments.

**iv. Solar Philippines Central Luzon Corporation ("SPCLC")**

On 22 January 2021, the Company signed a Deed of Absolute Sale of Shares with Solar Philippines Power Project Holdings, Inc. ("SP") for the Company's acquisition of SP's 244,000 common shares in SPCLC.

On even date, the Company also signed a subscription agreement with SPCLC for the Company's subscription to 375,000 common shares to be issued out of the unissued authorized capital stock of SPCLC.

The acquisition and subscription will allow the Company to have a significant ownership interest in SPCLC and is meant to implement the joint venture between the Company and SP for the development and operation of solar power projects in the Philippines.

**v. Grencore Power Solutions 3, Inc. ("Grencore")**

On 4 February 2021, the Company signed a Shareholders' Agreement with Citicore Solar Energy Corporation ("CSEC") and Grencore for the development, construction, and operation of a PV solar power plant in Arayat and Mexico, Pampanga with an installed nominal capacity of 50 MWac. The project is scheduled to start operations in November 2021.

Pursuant to the agreement, the Company and its subsidiary, ACE Endeavor, Inc., shall have 45% and 5% interest, respectively, and CSEC will have 50% of the shares in Grencore.

**Business of Issuer** (a more detailed discussion is contained in **Annex "D"**, Management Discussion & Analysis)

- (a) ACEN does not have, and its business does not depend on, any patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements.
- (b) Costs and effects of compliance with environmental laws. The Company's power generation operations are subject to extensive, evolving, and increasingly stringent safety, health, and environmental laws and regulations. These laws and regulations, such as Republic Act ("R.A.") 8749 or the Philippine Clean Air Act and RA 9275 or the Philippine Clean Water Act, address, among other things, air emissions, wastewater discharges, the generation, handling, storage, transportation, treatment, and disposal of toxic or hazardous chemicals, materials and waste, workplace conditions, and employee exposure to hazardous substances. ACEN and its subsidiaries have incurred, and expect to continue to incur, operating costs to comply with such laws and regulations. The Company and its subsidiaries spend Php 2.43 million annually for emissions testing to comply with safety, health, and environmental laws and regulations.
- (c) As of 23 March 2021, ACEN has one hundred thirty-eight (138) employees. Of the total employees, sixty-five (65) are managers and officers, sixty-seven (67) are supervisors, and six (6) are nonsupervisory employees. The Company has the intention of hiring thirteen (13) additional employees for the ensuing

months. The Company has no Collective Bargaining Agreement with its employees. No employees went on strike within the past three (3) years nor is the Company aware of any plan to go on strike.

### **Description of Property**

(For a detailed description of the Properties of the Company, please see the discussion on “Properties” under the Management Discussion & Analysis attached as **Annex “D”**, page 42)

### **Legal Proceedings**

As of 23 March 2021, ACEN has no knowledge and/or information of any material pending legal proceedings to which ACEN or any of its subsidiaries or affiliates is a party or of which any of their property is the subject.

### **Item 13. Acquisition or disposition of property**

There are no matters or actions to be taken up in the meeting with respect to acquisition or disposition of any property by the Company requiring stockholders’ approval under the Revised Corporation Code.

### **Item 14. Restatement of accounts**

- a. As used herein and in other sections of this Information Statement, unless the context otherwise requires, ACEN refers to the Company and its subsidiaries where the Company has control pursuant to SRC Rule 68, Par. 6 (Consolidated Financial Statements).

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the new and amended Philippine Financial Reporting Standards (PFRS) and the Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC) which became effective beginning 1 January 2018. Extensive discussions are made in the Group’s financial statements for PFRS 15 and 9, PIC Q&A on Land Classification, and PIC Q&A on Advances to Contractors, as all these standards have significant impact on the Group. The Group will also adopt several amended and revised standards and interpretations in the coming years 2021, 2022, and 2023.

- b. As of the fiscal year ending 2020, there were restatement of 2019 accounts in relation to the new entities acquired by the Company from ACEIC. ACEN entered into a share swap agreement with ACEIC to acquire the latter’s ownership interest in various entities (the “Onshore Companies”) in exchange for ACEN’s issuance of additional primary shares via a tax-free exchange. The parties obtained relevant regulatory approvals to formalize the agreement. On 22 June 2020, the application for the increase in the capital stock was approved by the SEC, which rendered prior period restatement to account for the retroactive impact of the share swap transaction effective 1 July 2019, the date when ACEN and the Onshore Companies became under the common control of ACEIC.

## **D. OTHER MATTERS**

### **Item 15. Action with respect to reports**

- a. At the last Annual Stockholders’ Meeting held on 20 April 2020, the President and CEO reported the results of operations of the Company through an audio-visual presentation.

*Voting and vote tabulation procedures used in the previous meeting.* For the election of Directors, each stockholder was entitled to one (1) vote per share multiplied by the number of board seats provided in the Articles of Incorporation (*i.e.*, eleven (11)). Cumulative voting was allowed for election of members of the Board of Directors. Each stockholder was allowed to vote the number of shares of stock outstanding in his or her own name as of the record date of the meeting for as many persons as there are directors to be elected or he may cumulate said shares and give one (1) candidate as many votes as the number of Directors to be elected multiplied by the number of his or her shares shall equal, or he or she may distribute them on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him or her shall not exceed the number of shares owned by him or her as shown in the books of ACEN multiplied by the whole number of Directors to be elected and provided, however, that no delinquent stock shall be voted.

The amendments to the Articles of Incorporation required the affirmative vote of at least two-thirds (2/3) of the total outstanding capital stock of the Company entitled to vote. All other matters in the Agenda that require corporate action required the affirmative vote of a majority of the issued and outstanding shares of the Company's common stock present and represented and entitled to vote at the Meeting. Abstentions were treated to have the same effect as negative votes. Broker non-votes and shares as to which proxy authority has been withheld with respect to any matter are not deemed to be present or represented for purposes of determining whether stockholder approval of that matter has been obtained.

Items that required the vote of stockholders were presented for approval of the stockholders at the previous meeting. Voting was through manual and electronic ballot, counted thereafter by the Corporate Secretary in the presence of SGV to validate the counting. The results were tallied in a book kept exclusively for such purpose, and signed by the Corporate Secretary and the External Auditor.

The following matters were likewise presented and approved by the stockholders during the said meeting:

- i. Minutes of the previous Annual Stockholders' Meeting
- ii. Annual Report of Management including the Audited Financial Statements for the year ended 31 December 2019
- iii. Confirmation of all acts of the Board of Directors and of Management since the last Annual Stockholders' Meeting
- iv. Amendments to the Articles of Incorporation
  1. Change in the Company's name to AC Energy Corporation; and
  2. Increase in the Company's authorized capital stock from PHP 24.4 billion divided into 24.4 billion shares, to PHP 48.4 billion divided into 48.4 billion shares.
- v. Amendments to the By-laws
  1. Change in the Company's name to AC Energy Corporation
- vi. Election of eleven (11) Directors including five (5) independent directors for the ensuing year
- vii. Appointment of external auditor

The voting results of each agenda item, attendance of the directors, officers, and stockholders are duly reflected in the Minutes of the previous Annual Stockholders' Meeting attached as **Annex "B"** of this Information Statement.

- b. For the Annual Stockholders' Meeting on 19 April 2021, the President and CEO will report on the performance of the Company in 2020. The following matters will also be presented for the consideration of the stockholders at such meeting:

- i. Minutes of the previous Annual Stockholders' Meeting (see **Annex "B"**)
- ii. Annual Report of Management (see **Annex "D"**) including the Audited Financial Statements for the year ended 31 December 2020 (see **Annex "E"**)
- iii. Confirmation of all acts of the Board of Directors and of Management since the last Annual Stockholders' Meeting (see **Annex "C"**)
- iv. Increase of the capital stock of the Company from PHP24.4 billion to PHP48.4 billion
- v. Amendment to the Articles of Incorporation to increase the number of shares exempt from pre-emptive rights for share issuances in exchange for property needed for corporate purposes or in payment of a previously contracted debt from 16 billion common shares to 24 billion common shares
- vi. Issuance of 4 billion common shares to Arran Investment Pte Ltd
- vii. Issuance of 1,580,000,000 primary common shares pursuant to the Company's follow-on offering
- viii. Issuance of 16,685,800,533 common shares to AC Energy and Infrastructure Corporation ("ACEIC") in exchange for ACEIC's international renewable energy assets and investments (the "AC Energy International Transaction")
- ix. Waiver of requirement to conduct a rights or public offering in relation to the issuance of 16,685,800,533 common shares to ACEIC for the AC Energy International Transaction
- x. Stock ownership plan
- xi. Delegation of power and authority to the Board to amend the By-laws
- xii. Election of eleven (11) Directors including four (4) independent directors for the ensuing year
- xiii. Appointment of external auditor and fixing of its remuneration

The approval of the minutes of the previous Annual Stockholders' Meeting, the approval of Annual Report of Management including the Audited Financial Statements for the year ended 31 December 2020, the confirmation of all acts of the Board of Directors and of Management since the last Annual Stockholders' Meeting, issuance of shares to Arran, issuance of shares pursuant to the FOO, issuance of shares to ACEIC, and the approval of the appointment of the Company's external auditor shall require the affirmative vote or written assent of at least a majority of the stockholders entitled to vote during the Annual Stockholders' Meeting. The increase of the authorized capital stock, proposed amendment to the Articles of Incorporation, stock ownership plan, and delegation of power and authority to the Board to amend the By-Laws require the affirmative vote of stockholders representing at least two-thirds (2/3) of the entire outstanding stock of the Company. Finally, in accordance with the requirement of Article V, Part A, Section 9 (b) of the PSE Listing Rules, the waiver of the requirement to conduct of a rights or public offering of shares in relation to the property for shares swap between the Company and ACEIC requires the approval of majority of the minority stockholders present or represented during the Annual Stockholders' Meeting.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting through remote communication or in absentia by the stockholders, the Company has set up an online web address (URL) which may be accessed by the stockholders to register and vote on the matters at the meeting through remote communication or in *absentia*.<sup>3</sup> A stockholder who votes through remote communication or in *absentia* shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting:

- (i) Anyone who wishes to make a remark shall identify himself or herself after being acknowledged by the Chairman and shall limit his or her remarks to the item in the Agenda under consideration.
- (ii) On voting procedures, voting shall be done electronically in *absentia*. Each of the proposed resolutions will be shown on the screen as the same is taken up at the meeting.
- (iii) All the items in the Agenda for approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock present at the meeting, except for the amendment of the Articles of Incorporation, which will require the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock.
- (iv) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his or her vote.
- (v) The Office of the Corporate Secretary will tabulate all votes received and an independent third party will validate the results. The Corporate Secretary shall report the results of voting during the meeting.

The Chairman will adjourn the meeting when the scheduled order of business is completed, and no further business or matter is considered or raised.

#### **Item 16. Matters Not Required to be Submitted**

There are no matters or actions to be taken up in the meeting that will not require the vote of the stockholders as of the record date.

#### **Item 17. Amendment of Charter, By-laws or Other Documents**

The Company will seek stockholders' approval of the amendment of the first paragraph of Article Seventh of its Articles of Incorporation to increase the authorized capital stock of the Company. The Board of Directors of the Company approved the amendments at its meeting on 18 March 2021. As discussed previously, the Board has approved the acquisition by the Company of ACEIC's international business operations, currently housed under AC Energy International to constitute the Company as the single listed energy platform of the Ayala Group. The acquisition will be done through a tax-free exchange (*i.e.*, the AC Energy International Transaction), with ACEIC transferring its shares of stock in AC Energy International in consideration for additional shares in the Company. The issuance of additional shares in the Company to ACEIC will require an increase in the Company's capital stock, thus, the proposal to create an additional 24 billion shares (and the amendment of the Articles of Incorporation for this purpose) subject to stockholders' approval to enable and implement the AC Energy International Transaction.

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<sup>3</sup> The detailed instructions pertaining to the URL and the use thereof are provided for in **Annex "F"** of this Information Statement.

Further, the Company will seek stockholders' approval of the amendment of the third paragraph of Article Seventh of its Articles of Incorporation to increase the number of shares exempt from pre-emptive rights for share issuances in exchange for property needed for corporate purposes or in payment of previously contracted debt. This proposed amendment to the Articles of Incorporation to increase the number of shares exempt from the pre-emptive right of stockholders from 16 billion common shares to common billion shares, provided that the issuance of shares shall be for property needed for corporate purposes or in payment of previously contracted debt, is meant, among other reasons, to make expedient, and streamline the process for, the AC Energy International Transaction. The Company will thus issue 16,685,800,533 common shares to ACEIC, with ACEIC paying for these newly subscribed shares through its contribution of its international renewable assets and investments to the Corporation.

The proposed amendments of the Articles of Incorporation shall read as follows (*amended portions underlined*):

SEVENTH: That the authorized capital stock of said corporation is FORTY-EIGHT BILLION FOUR HUNDRED MILLION PESOS (P48,400,000,000.00.00) Philippine Currency, and said capital stock is divided into FORTY-EIGHT BILLION FOUR HUNDRED MILLION (48,400,000,000.00.00) shares with a par value of One Pesos (P1.00) per share. (*As amended on 10 February 2017, 20 March 2012, 17 September 2019, and during the meeting of the Board of Directors held on 18 March 2020*).

That no holder of the capital stock, whether said stock is now or hereafter authorized, shall have any right, as such stockholder, to purchase or subscribe to additional shares of the capital stock which are now or hereafter authorized by the Corporation, if the issue of the said additional stock not to exceed thirty-five percent (35%) of the resulting total subscribed capital stock shall be exclusively for the benefit of the Corporation as determined by resolutions of the Board of Directors.

That existing stockholders shall have no pre-emptive right in relation to shares issued in good faith in exchange for property needed for corporate purposes or in payment of a previously contracted debt provided however, that shares to be issued for this purpose shall not exceed twenty-four (24) billion shares.

#### **Item 18. Other Proposed Action**

- a. Election of the members of the Board, including the independent directors, for the ensuing year.
- b. Ratification of all acts of the Board and officers beginning 20 April 2020 to 18 April 2021.

The acts of the Board, its Committees, and Management involve the following:

- (i) constitution of Board Committees and appointment of Chairpersons and members;
  - (ii) election of lead independent director and officers;
  - (iii) updating of lists of attorneys-in-fact and authorized signatories;
  - (iv) ratification of the actions of the board committees;
  - (v) execution of agreements relating to the properties of the Company;
  - (vi) approval of terms of the Company's stock rights offering;
  - (vii) 2021 Consolidated and Parent Company Budget;
  - (viii) declaration of dividends;
  - (ix) approval and adoption of dividend policy;
  - (x) approval of reports to be issued by the Company;
  - (xi) investment in power generation projects;
  - (xii) acquisition of interest in operating projects; and
  - (xiii) others.
- c. Appointment of external auditor and fixing of its remuneration

#### **Item 19. Voting Procedures**

- a. Vote Required.

The eleven (11) nominees for directors receiving the highest number of votes shall be declared elected, provided that at least two (2) out of the eleven (11) directors shall be independent. The stockholders have cumulative voting rights with respect to the election of the Company's Directors. Amendments to the Articles of Incorporation, stock

ownership plan, and delegation of power and authority to the Board to amend the By-laws shall require the affirmative vote of two-thirds (2/3) of the outstanding capital stock of the Company. The waiver of the requirement to conduct of a rights or public offering of shares in relation to the property for shares swap between the Company and ACEIC requires the approval of majority of the minority stockholders present or represented during the meeting. All other items in the Agenda shall require the affirmative vote of a majority of the outstanding capital stock entitled to vote in the meeting. Each stockholder may vote in person or by proxy the number of shares of stock standing in his own name in the books of the Company as of the record date of the meeting.

b. Method of Voting.

In all items for approval, each voting share of stock entitles its registered owner as of the Record Date to one (1) vote. In light of the Regulations (as defined in Item 20), stockholders will only be allowed to vote by appointing the Chairman of the meeting as their proxy or by voting electronically in *absentia*.

Proxies shall be in writing, signed and filed, by the stockholders, in the form provided in this Information Statement, and shall be received by the Corporate Secretary on or before 8 April 2021.

Each stockholder or member shall have the right to nominate any director or trustee who possesses all of the qualifications and none of the disqualifications set forth in this Code. Stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their own names in the stock books of the corporation at the time fixed in the bylaws or where the bylaws are silent, at the time of the election. The said stockholder may: (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit: *Provided*, That the total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of the corporation multiplied by the whole number of directors to be elected: *Provided, however*, That no delinquent stock shall be voted. (Section 23 of the *Revised Corporation Code of the Philippines*)

Because abstentions with respect to any matter are treated as shares present and represented and entitled to vote for purposes of determining whether that matter has been approved by the stockholders, abstentions have the same effect as negative votes. Broker non-votes and shares as to which proxy authority has been withheld with respect to any matter are not deemed to be present or represented for purposes of determining whether stockholder approval of that matter has been obtained.

Items requiring the vote of stockholders will be presented for approval of the stockholders at the meeting. The results shall be tallied in a book kept exclusively for such purpose and signed by the Corporate Secretary and the External Auditor. Each of the proposed resolutions will be shown on the screen as the same is taken up at the meeting.

## **Item 20. Participation of Stockholders by Remote Communication**

To comply with applicable regulations prohibiting mass gatherings, identifying authorized persons outside residence, and/or requiring social distancing to prevent the spread of COVID-19 (the "Regulations") and to ensure the safety and welfare of our stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication, as set forth below, and by voting in *absentia*, as provided in Item 4 (c) and Item 19 above, or voting through the Chairman of the meeting as proxy.

The live webcast of the meeting shall be accessible through the following online web address: <http://www.ayalagroupshareholders.com/> To enable the Company to perform validation procedures, identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders shall inform the Company by email to [corpsec.acen@acenergy.com.ph](mailto:corpsec.acen@acenergy.com.ph) on or before 14 April 2021, of their participation in the meeting by remote communication. Stockholders may email questions or comments prior to or during the meeting at the following email address: [corpsec.acen@acenergy.com.ph](mailto:corpsec.acen@acenergy.com.ph). The detailed instructions for participation through remote communication are attached as Annex F.



**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed in the City of Makati on ~~MAR 24 2021~~

**AC ENERGY CORPORATION**

by:   
DOENITO LAGAZO  
*Assistant Corporate Secretary*