AC Energy
PHILIPPINES

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NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of **AC ENERGY PHILIPPINES, INC.** will be held at Ballroom 2 of Fairmont Makati, 1 Raffles Drive, Makati Avenue, Makati City, on **Monday, April 20, 2020** at **9:00 o'clock in the morning** with the following

A G E N D A[1] [2]

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of Minutes of Previous Meeting
4. Annual Report of Management Including the 2019 Audited Financial Statements
5. Ratification of the Acts of the Board of Directors and Officers
6. Amendments to the Articles of Incorporation
   a. Change in Corporate Name
   b. Increase in Authorized Capital Stock
   c. Denial of Pre-emptive Rights in Respect of the Issuance of Shares Comprising the Increase in the Authorized Capital Stock
7. Election of Directors (Including Independent Directors)
8. Election of External Auditor and Fixing of its Remuneration
9. Consideration of Such Other Business as may Properly Come Before the Meeting
10. Adjournment

Only stockholders of record as of March 20, 2020 are entitled to notice of, and to vote at, this meeting.

Stockholders may attend in person or by proxy. Duly accomplished proxies shall be submitted on or before April 15, 2020 at 9:00 a.m. to the Office of the Corporate Secretary at the 3/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City. Validation of proxies is set for April 15, 2020 at 9:00 a.m. at the Office of the Corporate Secretary.

Stockholders may vote *in absentia* in accordance with the procedures set forth in the Information Statement to be sent to stockholders.

Nominations for directors should be received by the Corporate Governance and Nomination Committee at the 4/F 6750 Office Tower, Ayala Avenue, Makati City on or before March 17, 2020.

Makati City, March 6, 2020.

SOLOMON M. HERMOSURA
Corporate Secretary

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[1] See next page for the explanation for each agenda item.
[2] Subject to deliberation and approval of the Board of Directors on March 18, 2020.

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*. A stockholder who votes *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 after being acknowledged by the Chairman and shall limit his remarks to the item in the Agenda under consideration.
(ii) Stockholders present at the meeting may opt to vote manually or electronically. For manual voting, each stockholder will be given, upon registration, a ballot where he can write his 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. Each of the proposed resolutions will be shown on the screen as the same is taken up at the meeting.
(iii) Stockholders voting *in absentia*, who have previously registered through the online web address (URL) provided, may cast their votes electronically at any time using such online web address prior to the meeting.
(iv) 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, except for the proposed amendments to the Articles of Incorporation which will require the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock.
(v) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.
(vi) 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.

Approval of Minutes of Previous Meeting
The minutes of the meeting held on September 17, 2019 are available at the Company's website, www.acenergy.ph. Copies of the minutes will also be distributed to the stockholders upon their registration for the meeting.

Annual Report of Management Including the 2019 Audited Financial Statements
The President and Chief Executive Officer, Mr. John Eric T. Francia will report on the performance of the Company in 2019 and the outlook for 2020.

The Company'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 Company's website, www.acenergy.ph.

The Audited Financial Statements as of December 31, 2019 (AFS), to be approved by the Board upon the recommendation of the Audit Committee, will be embodied 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 since the annual stockholders' meeting on September 17, 2019 until April 19, 2020. 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.

Amendments to the Articles of Incorporation

Approval by the stockholders representing at least two thirds (2/3) of the outstanding capital stock will be sought on the following matters:

(a) Change of the corporate name from "AC Energy Philippines, Inc." to "AC Energy Corporation" and the amendment of the First Article of the Articles of Incorporation for this purpose; and

(b) Increase in the Company's authorized capital stock from PHP24.4 billion divided into 24.4 billion common shares[3] to PHP48.4 billion divided into 48.4 billion common shares, and the amendment of the Seventh Article of the Articles of Incorporation for this purpose.

(c) Denial of pre-emptive rights in respect of the issuance of shares comprising the increase in the Company's authorized capital stock, and the amendment of the Seventh Article of the Articles of Incorporation for this purpose. For this particular amendment, a stockholder who votes against this proposed amendment may exercise the right of appraisal in accordance with Section 80 and 81 of the Revised Corporation Code by making a written demand on the Company for payment of the fair value of shares held within thirty (30) days from the date of the vote, and the failure to make the demand within said period shall be deemed a waiver of the appraisal right.

Election of Directors (Including Independent Directors)

Prior to the meeting, the Corporate Governance and Nomination Committee of the Board will evaluate all nominations and determine if the nominees for directors, including the nominees for independent directors, 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.

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 year as well as its proposed remuneration. The external auditor conducts an independent verification of the Company'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

The Chairman will open the floor for comments and questions by the stockholders. Stockholders may raise other matters or issues that may be properly taken up at the meeting.

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[3] An increase of the Company's authorized capital stock from PHP8.4 billion divided into 8.4 billion common shares to PHP24.4 billion divided into 24.4 common shares was approved by the Board of Directors on 23 July 2019 and by the stockholders on 17 September 2019. The increase in authorized capital stock is currently being evaluated by the Securities and Exchange Commission ("SEC") and is subject to, among others, (a) SEC approval of the issuance of shares in exchange for property; and (b) a Bureau of Internal Revenue ("BIR") confirmatory ruling that the issuance of shares in exchange for property constitutes a tax free exchange under the National Internal Revenue Code.