

NOTICE OF ANNUAL STOCKHOLDERS' MEETING¹

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 A²

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**.

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

² 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. 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.³

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, 2021.⁴

All communications should be sent by email to corpsec.acen@acenergy.com.ph on or before the designated deadlines.

Makati City, March 22, 2021.


DODJIE B. TAGAZO
Assistant Corporate Secretary

³ Stockholders should notify the Corporation at 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.

⁴ 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*.⁵ 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 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.

⁵ 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/.

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. 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.⁶

⁶ 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/>.