

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

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Contact Person

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Company Telephone Number

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Month	Day
Calendar Year	

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FORM TYPE

Month	Day
Annual Meeting	

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Secondary License Type, If Applicable

C	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings			
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To be accomplished by SEC Personnel concerned

<table border="1" style="width: 100%; border-collapse: collapse; height: 20px;"> <tr> <td style="width: 100%;"></td> </tr> </table> <p style="text-align: center;">File Number</p>		<hr style="border: 0; border-top: 1px solid black; margin: 0;"/> <p style="text-align: center;">LCU</p>

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STAMPS

Remarks = Pls. Use black ink for scanning purposes

AC ENERGY PHILIPPINES, INC.

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.

20 April 2020

*Ballroom 2, Fairmont Hotel, 1 Raffles Drive,
Makati Avenue, Makati City, 1224*

AMENDED NOTICE OF ANNUAL STOCKHOLDERS' MEETING¹

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of **AC ENERGY PHILIPPINES, INC.** will be conducted by remote communication via <https://asm.ayala.com/ACEPH2020> and, if prevailing circumstances will allow, at Ballroom 2 of Fairmont Makati, 1 Raffles Drive, Makati Ave., Makati City, on **Monday, April 20, 2020 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 2019 Audited Financial Statements
5. Ratification of the Acts of the Board of Directors and Management since the last Annual Stockholders' Meeting
6. Amendments to the Articles of Incorporation
 - a. Change in Corporate Name
 - b. Increase in Authorized Capital Stock
7. Amendment to the By-laws to Change the Corporate Name
8. Election of Directors (Including the Independent Directors)
9. Appointment of External Auditor and Fixing of its Remuneration
10. Consideration of Such Other Business as May Properly Come Before the Meeting
11. Adjournment

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

Given the current circumstances, stockholders may only attend the meeting by remote communication, by voting *in absentia*, or by appointing the Chairman of the meeting as their proxy. The Company shall notify the stockholders if physical attendance will be allowed at the meeting by April 15, 2020 through a disclosure at the Philippine Stock Exchange or publication of a notice in The Philippine Star.

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¹ This supersedes the Notice of Stockholders' Meeting submitted to the Philippine Stock Exchange on February 21, 2020 (as amended on March 6, 2020 and March 19, 2020, respectively) and the Securities and Exchange Commission on March 9, 2020.

² See next page for the explanation for each agenda item.

Duly accomplished proxies should be submitted on or before 9:00 AM of **April 15, 2020** to the Office of the Corporate Secretary at the 3/F Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City or by email to corpsec.aceph@acenergy.com.ph. Validation of proxies is set for **April 15, 2020** starting at 9:00 AM.

Stockholders intending to participate by remote communication should notify the Corporation by email to corpsec.aceph@acenergy.com.ph on or before **April 15, 2020**.

Stockholders may vote electronically *in absentia*, subject to validation procedures.

The procedures for participating in the meeting through remote communication and for casting their votes *in absentia* are set forth in the Information Statement.

Makati City, March 26, 2020.


DODJIE B. LAGAZO
Assistant Corporate Secretary

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) 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.aceph@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 after being acknowledged by the Chairman and shall limit his remarks to the item in the Agenda under consideration;
 - 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 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.
- (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 Company 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 the Chairman of the meeting as proxy.
- (vi) 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 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.
- (viii) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.
- (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 September 17, 2019 are available at the Company's website, www.acenergy.ph.

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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/ac-energy-philippines-ir-2019/.

The Audited Financial Statements as of December 31, 2019 (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 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 shares³ 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.

Amendments to the By-laws

Approval by the stockholders representing at least a majority of the outstanding capital stock will be sought on the amendment of the title of By-laws to reflect the change of the corporate name to "AC Energy Corporation".

Election of Directors (Including the Independent Directors)

Prior to the meeting, the Corporate Governance and Nomination Committee of the Board has evaluated all nominations and determined that 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.

Appointment of External Auditor and Fixing of its Remuneration

The Audit Committee of the Board will endorse to the stockholders the appointment 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.

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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, SEC's approval of the issuance of shares in exchange for property.

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.aceph@acenergy.com.ph.

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PROXY

The undersigned stockholder of **AC ENERGY PHILIPPINES, INC.** (the "Company") hereby appoints _____ or in his/her 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 20 April 2020 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of the minutes of previous meeting
 Yes No Abstain
2. Approval of the Annual Report of Management including the 2019 Audited Financial Statements
 Yes No Abstain
3. Ratification of the acts of the Board of Directors and Officers since the last Annual Stockholders' Meeting¹
 Yes No Abstain
4. Amendments to the Articles of Incorporation:
 - a. Change in the Company's name to AC Energy Corporation
 Yes No Abstain
 - b. 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.
 Yes No Abstain
5. Amendments to the By-Laws:
 - a. Change in the Company's name to AC Energy Corporation
 Yes No Abstain

6. Election of Directors

	No. of Votes
Fernando M. Zobel de Ayala	_____
Jaime Augusto M. Zobel de Ayala	_____
Gerardo C. Ablaza, Jr.	_____
Jose Rene Gregory D. Almendras	_____
John Eric T. Francia	_____
John Philip S. Orbeta	_____
<u>Independent Directors:</u>	
Consuelo D. Garcia	_____
Ma. Aurora Geotina-Garcia	_____
Sherisa P. Nuesa	_____
Melinda L. Ocampo	_____
Antonio V. Paner	_____

 Withhold authority for all nominees listed above
 Withhold authority to vote for the nominees listed below:

7. Appointment of Sycip Gorres Velayo & Co. as the external auditor and fixing of its remuneration.
 Yes No Abstain
8. At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting.
 Yes No

PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER/ AUTHORIZED SIGNATORY

DATE

¹A 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.aceph@acenergy.com.ph) ON OR BEFORE **15 APRIL 2020 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 PHILIPPINES, INC.**

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 **4th 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 (if the prevailing circumstances will allow):

20 April 2020

9:00 AM

**Ballroom 2, Fairmont Hotel
1 Raffles Drive, Makati Avenue, Makati City**

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

26 March 2020

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

7,521,774,922 shares

Amount of debt

Php 21 Billion (as of 31 December 2019)

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

Yes X No _____

A total of 7,521,774,922 common shares are listed in the Philippine Stock Exchange.

AC ENERGY PHILIPPINES, INC.

INFORMATION STATEMENT

This Information Statement is dated as of 25 March 2020 and is being furnished to stockholders of record of AC ENERGY PHILIPPINES, INC. (“ACEPH” or the “Company”) as of 20 March 2020 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: - 20 April 2020
- Time: - 9:00 A.M.
- Place (if the prevailing circumstances will allow): **Fairmont Hotel**
Ballroom 2
1 Raffles Drive
Makati Avenue, Makati City
- Online web addresses/URLs
(for participation by remote communication) - <https://asm.ayala.com/ACEPH2020>
(for voting in absentia) - 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/definitive-information-statement-2020/>): 26 March 2020

Item 2. Dissenters’ Right of Appraisal

There are no matters to be taken up at the meeting that 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.

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) the amendment of the Company's articles of incorporation for the change in name of the Company to "AC Energy Corporation";
- (ii) the amendment of the Company's By-Laws for the change in name of the Company to "AC Energy Corporation"; and
- (iii) the amendment of the Company's articles of incorporation to increase its authorized capital stock by 24 billion shares.

ACEPH 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 29 February 2020: 7,521,774,922 shares

Of the said outstanding voting shares, 7,410,700,888 are owned by Filipinos and 111,074,034 are owned by foreign nationals.

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

- b. Only stockholders of record of ACEPH at the close of business on 20 March 2020 are entitled to notice of the Annual Stockholders' Meeting, and to vote thereat.
- c. **Manner of voting**

On 18 March 2020, the Executive Committee 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 2020 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, 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 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.

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 ACEPH to be directly the record or beneficial owners of more than five percent (5%) of the Company's voting securities as of 29 February 2020:

Title of Class of Shares	Name & Address of Record Owner & Relationship with Issuer	Name & Address of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	% Held
Common	PCD Nominee Corporation ¹ 29/F BDO Equitable Tower, 8751 Paseo de Roxas, Makati City Stockholder		Filipino	7,156,415,247	95.14%

ii. Security Ownership of Directors and Management as of 29 February 2020

None of the directors and officers individually owns five percent (5%) or more of the outstanding capital stock of ACEPH. The table below shows the securities owned by the directors and officers of the Company as of 29 February 2020:

Title of Class of Outstanding Share	Name of beneficial owner	Citizenship	Amount of beneficial ownership	Nature of beneficial ownership	% of total outstanding shares
Common	Gerardo C. Ablaza, Jr.	Filipino	1,000,001 ²	Indirect ¹	0.01%
Common	Jose Rene Gregory D. Almendras	Filipino	1 ²	Indirect ¹	0.00%
Common	John Eric T. Francia	Filipino	48,981,271 30,000,001 ²	Direct Indirect ¹	1.05%
Common	John Philip S. Orbeta	Filipino	1 2,000,000 ²	Direct Indirect ¹	0.03%
Common	Fernando M. Zobel de Ayala	Filipino	1 237,258,001	Direct Indirect ¹	3.15%
Common	Jaime Augusto M. Zobel de Ayala	Filipino	1	Direct	0.00%
Common	Consuelo D. Garcia	Filipino	1,000	Direct	0.00%
Common	Ma. Aurora D. Geotina-Garcia	Filipino	1	Direct	0.00%
Common	Sherisa P. Nuesa	Filipino	90,000 150,000	Direct Indirect ³	0.00%
Common	Melinda L. Ocampo	Filipino	1	Direct	0.00%
Common	Mario Antonio V. Paner	Filipino	1	Direct	0.00%
Common	Maria Corazon G. Dizon	Filipino	12,432,383 8,000,000	Direct Indirect ³	0.27%
Common	Gabino Ramon G. Mejia	Filipino	5,221,428	Direct	0.07%
Common	Roman Miguel G. de Jesus	Filipino	6,194,849 4,799,200	Direct Indirect ³	0.15%
Common	Solomon M. Hermosura	Filipino	17,712,000	Indirect ³	0.09%

¹ The beneficial owners of such shares are the participants of PCD which holds the shares on their behalf or in behalf of their clients. 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 29 February 2020, BPI Securities Corporation (BSC) is the only PCD Nominee who holds more than five percent (5%) of the Company's securities. BSC is a corporation primarily engaged in securities brokerage, organized and existing under the laws of the Philippines, and a wholly-owned subsidiary of BPI Capital Corporation.

Common	Dodjie D. Lagazo	Filipino	6,526,166	Direct	0.09%
Common	Alan T. Ascalon	Filipino	347,173 276,000	Direct Indirect ³	0.01%
Common	Mariejo P. Bautista	Filipino	1,101,450 1,151,227	Direct Indirect ³	0.03%
Common	Danilo L. Panes	Filipino	94,530 435,207	Direct Indirect ³	0.01%
Common	Ma. Teresa P. Posadas	Filipino	211,898 89,000	Direct Indirect ³	0.00%
Common	Irene S. Maranan	Filipino	3,587,718 1,685,000	Direct Indirect ³	0.07%
Common	Henry T. Gomez, Jr.	Filipino	0	N/A	0.00%
Common	Sebastian Arsenio R. Lacson	Filipino	0	N/A	0.00%
TOTAL			378,419,511		5.03%

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

² The one (1) nominal share of each of Messrs. Gerardo C. Ablaza, Jr., Jose Rene Gregory D. Almendras, John Eric T. Francia, and John Philip S. Orbeta are qualifying shares held in trust for AC Energy, Inc.

³ The indirect shares held by the following officers: Messrs. Roman Miguel G. de Jesus, Solomon M. Hermosura, Alan T. Ascalon, and Danilo L. Panes, and Mses. Maria Corazon G. Dizon, Mariejo P. Bautista, Ma. Teresa P. Posadas, 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 3.15% 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.

iii. Voting Trust Holders of 5% or more

ACEPH 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.

iv. Changes in Control

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

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 two (2) regular, six (6) special, and one (1) organizational meetings in 2019. 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 2019 is as follows:

	07-Jan-19 Special	01-Mar-19 Regular	26-Apr-19 Special	09-May-19 Special	01-Jul-19 Special	23-Jul-19 Special	05-Sep-19 Regular	17-Sep-19 ASM	17-Sep-19 Organizational	09-Oct-19 Special	11-Nov-19 Regular	No. of meetings attended	Percent present
John Eric T. Francia ²					✓	✓	✓ ³	✓	✓	✓	✓	7/7	100%
Gerardo C. Ablaza, Jr. ³					✓	✓	✓ ³	✓	✓	✓	✓	7/7	100%
Jose Rene Gregory D. Almendras ⁴					✓	✓	✓ ³	✓	✓	x	x	5/7	71%
John Philip S. Orbeta ⁵					✓	✓	✓ ³	✓	✓	✓	✓	7/7	100%
Jesus P. Francisco								✓	✓	✓	✓	4/4	100%
Consuelo D. Garcia								✓	✓	✓	✓	4/4	100%
Ma. Aurora Geotina-Garcia								✓	✓	✓	✓	4/4	100%
Sherisa P. Nuesa								✓	✓	✓	✓	4/4	100%
Melinda L. Ocampo								✓	✓	✓	✓	4/4	100%
Fernando M. Zobel de Ayala ⁶						✓	x	✓	✓	✓	✓	5/6	83%
Jaime Augusto M. Zobel de Ayala ⁷							x	✓	✓	✓	✓	4/5	80%
Ramon R. del Rosario	✓	✓	✓	✓								4/4	100%
Oscar J. Hilado	✓	✓	✓	✓								4/4	100%
Magdaleno B. Albarracin, Jr.	✓	✓	✓	✓								4/4	100%
Francisco L. Viray	✓	✓	✓	✓								4/4	100%
Victor J. del Rosario	✓	✓	x	✓								3/4	75%
Roberto M. Laviña	✓	x	✓	✓	✓							4/5	80%
Ricardo V. Camua	✓	✓	✓	✓		✓	✓	✓				8/8	100%
Corazon dela Paz Bernardo	✓	✓	✓	✓	✓ ⁸	✓	✓ ⁸	✓				8/8	100%
Guillermo D. Luchangco	✓	✓	x	✓		✓	✓ ⁸	x				5/8	63%
Pythagoras L. Brion, Jr.	✓	✓	x	✓	✓ ⁸							4/5	80%
David Balangue	✓											1/1	100%
Edward S. Go ¹			✓	✓	✓	✓	✓	x				5/6	83%

✓ - Present

x - Absent

⋮ - resigned from position

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

¹ Mr. Go was elected on 01 March 2019 to serve the unexpired term of Mr. Balangue

² Mr. Francia was elected on 09 May 2019 to serve the unexpired term of Dr. Viray, effective 15 May 2019

³ Mr. Ablaza, Jr. was elected on 01 July 2019 to serve the unexpired term of Mr. del Rosario, Jr.

⁴ Mr. Almendras was elected on 01 July 2019 to serve the unexpired term of Mr. Hilado

⁵ Mr. Orbeta was elected on 01 July 2019 to serve the unexpired term of Mr. del Rosario

⁶ Mr. Fernando M. Zobel de Ayala was elected on 23 July 2019 to serve the unexpired term of Dr. Albarracin, Jr.

⁷ Mr. Jaime Augusto M. Zobel de Ayala was elected on 23 July 2019 to serve the unexpired term of Mr. Laviña

⁸ via teleconference

As of 25 March 2020, the Board has held one (1) regular 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 regular meeting of the Board held on 18 March 2020 is as follows:

	18-Mar-20 Regular	No. of meetings attended	Percent present
John Eric T. Francia ¹	✓	1/1	100%
Gerardo C. Ablaza, Jr. ¹	✓	1/1	100%
Jose Rene Gregory D. Almendras ¹	✓	1/1	100%
John Philip S. Orbeta ¹	✓	1/1	100%
Consuelo D. Garcia ¹	✓	1/1	100%
Ma. Aurora Geotina-Garcia ¹	✓	1/1	100%
Sherisa P. Nuesa ¹	✓	1/1	100%
Melinda L. Ocampo ¹	✓	1/1	100%
Fernando M. Zobel de Ayala ¹	✓	1/1	100%
Jaime Augusto M. Zobel de Ayala ¹	✓	1/1	100%

✓ - Present

x - Absent

¹ via teleconference

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.

For 1 January 2019 until 30 June 2019, the Board committees and their members were as follows:

		Audit Committee	Risk Oversight Committee	Corporate Governance and RPT Committee	Executive Committee	Compensation Committee
1	Ramon R. del Rosario				C	M
2	Oscar J. Hilado				M	C
3	Magdaleno B. Albarracin, Jr.				M	
4	Francisco L. Viray				M	
5	Victor J. del Rosario	M				
6	Roberto M. Laviña		M			
7	Pythagoras L. Brion, Jr.					
8	Ricardo V. Camua			M		M
9	David Balangue/Edward S. Go*	M	M	M		
10	Guillermo D. Luchangco			C	M	
11	Corazon S. dela Paz Bernardo	C	C	M		

C – Chairman M – Member

* Mr. David Balangue resigned effective 15 February 2019 and Mr. Edward S. Go was appointed effective 1 March 2019.

From 16 August 2019 and until 16 September 2019, the board committees and their members were as follows:

		Audit Committee	Risk Oversight Committee	Corporate Governance and RPT Committee	Executive Committee	Compensation Committee
1	Fernando M. Zobel de Ayala				C	
2	Jaime Augusto M. Zobel de Ayala				M	
3	John Eric T. Francia				M	
4	Gerardo C. Ablaza, Jr.					M
5	Jose Rene Gregory D. Almendras	M	M			
6	John Philip S. Orbeta					C
7	Ricardo V. Camua			M		M
8	Edward S. Go	M	C			
9	Guillermo D. Luchangco			C	M	
10	Corazon S. dela Paz Bernardo	C	M	M		

C – Chairman M – Member

Effective 17 September 2019 and as of 25 March 2020, the board committees and their members are as follows:

	Audit Committee	Board Risk Management and RPT Committee	Corporate Governance and Nomination Committee	Executive Committee	Personnel and Compensation Committee
1	Fernando M. Zobel de Ayala			C	
2	Jaime Augusto M. Zobel de Ayala			M	
3	John Eric T. Francia			M	
4	Gerardo C. Ablaza, Jr.				M
5	Jose Rene Gregory D. Almendras				
6	John Philip S. Orbeta				C
7	Sherisa P. Nuesa	C			M
8	Ma. Aurora Geotina-Garcia	C	M		
9	Jesus P. Francisco ¹	M	M	M	
10	Consuelo D. Garcia	M	C		
11	Melinda L. Ocampo		M		

¹ Mr. Francisco passed away on 14 December 2019.

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
GERARDO C. ABLAZA, JR.	JOSE RENE GREGORY D. ALMENDRAS
JOHN ERIC T. FRANCIA	JOHN PHILIP S. ORBETA
CONSUELO D. GARCIA	MA. AURORA D. GEOTINA-GARCIA
SHERISA P. NUESA	MELINDA L. OCAMPO
MARIO ANTONIO V. PANER	

The 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 (2) common shares, or 0.00% of the total outstanding voting shares of the Company, and who is not related to any of the nominees. Mr. Mario Antonio V. Paner and 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. None of the nominees for independent directors are incumbent directors.

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 ACEPH 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 3.15% 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"**.

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

ii. Significant Employee

Other than the directors and officers of the Company, no other employee has significant influence on ACEPH'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 ACEPH's Board are related up to the fourth civil degree, either by consanguinity or affinity.

iv. Independent Directors

The independent directors of ACEPH for the year ending 31 December 2019 and for the current year as of the submission of this Statement are as follows:

1. Mr. Ricardo V. Camua (until 16 September 2019)
2. Mr. David L. Balangue (until 15 February 2019)
3. Mr. Guillermo D. Luchangco (until 16 September 2019)
4. Ms. Corazon dela Paz-Bernardo (until 16 September 2019)
5. Mr. Edward S. Go (from 01 March 2019 to 16 September 2019)
6. Ms. Consuelo D. Garcia
7. Ms. Aurora D. Geotina-Garcia
8. Mr. Jesus P. Francisco⁺ (from 17 September 2019 to 14 December 2019)
9. Ms. Sherisa P. Nuesa
10. Ms. Melinda L. Ocampo

The incumbent independent directors were nominated by Mr. Francisco L. Viray. Mr. Viray is not related to any of the independent directors either by consanguinity or affinity.

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

v. Involvement in Certain Legal Proceedings

As of 25 March 2020, ACEPH 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 25 March 2020, Ms. Ma. Aurora Geotina-Garcia, independent director, is subject of the following criminal or administrative investigation or proceedings:

Offense charged / investigated	Tribunal / agency involved	Status
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	Trial on the merits is ongoing. The accused has a pending Motion for Leave to File Demurrer to Evidence.

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. 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. 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-Garcia'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 4 March 2020, ACEPH was provided a copy of a subpoena issued by the Office of the Provincial Prosecutor of the Province of Lanao Norte (the "Subpoena") as part of its preliminary investigation, together with the Affidavit-Complaint filed against members of the management team of GN Power Kauswagan Ltd. Co. ("GNPK") and officers and employees of Meralco Industrial Engineering Services Corporation. Mr. John Eric T. Francia, director, and Mr. Gabino Ramon G. Mejia, Head of Plant Operations, were impleaded in their capacities as members of the management team of GNPK. The Affidavit-Complaint alleges the following violations:

- a. Republic Act ("RA") No. 8048 as amended by RA 10593 - for cutting coconut tree or trees without a Philippine Coconut Authority permit;
- b. PD 708 (Forestry Code) - for cutting timber or forest products without a license;
- c. RA 9175 (Chainsaw Act) – for cutting trees without a license with the use of chainsaw; and
- d. Article 281 of the Revised Penal Code (Other forms of Trespass) – for encroaching on a portion of a certain property without consent.

The alleged encroachment is connected with an existing right-of-way agreement for the 230kV transmission asset of GNPK, which is already subject to an approved settlement amount. While ACEPH views the complaint as a nuisance case, Messrs. Francia and Mejia will be submitting their counter-affidavits in due course.

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, P10.26 million and nil for 2019, 2018, and 2017, respectively. 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. The transactions and balances of accounts as at and for year ended 31 December 2019 and as of 25 March 2020 with related parties are as follows:

Company	As at and for the Year Ended December 31, 2019					
	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
<i>Parent</i>						
<i>Other Related Parties</i>						
<i>Directors</i>						
General and administrative expenses	₱8,993	Directors' fee and annual incentives	₱-	(₱50)	On demand	Unsecured
<i>Stockholders</i>						
Due to stockholders	-	Cash Dividends	-	(16,594)	On demand	Unsecured
Due from related parties (see Note 7)			₱9	₱-		
Advances to affiliates (see Note 17)			176,000	-		
Due to related parties (see Note 18)			-	(190,062)		
Accrued director's and annual incentives (see Note 18)			-	(50)		
Due to stockholders (see Note 36)			-	(16,594)		

Company	As at and for the Year Ended December 31, 2018					
	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
<i>Ultimate Parent</i>						
<i>PHINMA, Inc.</i>						
Rental and other income	₱103	Rent and share in expenses	₱-	₱-	30-60 day, non-interest bearing	Unsecured
Due to related parties/ General and administrative expenses	27,968	Management fees and share in expenses	-	(23,521)	30-day, non-interest bearing	Unsecured
Accounts payable and other current liabilities	49,308	Cash dividend	-	-	Payable on April 05, 2018; subsequently on demand	Unsecured
Due to related parties	-	Rental deposit	-	(186)	End of lease term	Unsecured
<i>Joint Ventures</i>						
<i>SLTEC</i>						
Due to related parties/ Cost of sale of electricity	6,283,516	Purchase of electricity	-	(508,808)	30-day, non-interest bearing	Unsecured
Revenue from sale of electricity, rental, dividend and other income	517,911	Sale of electricity, rent, dividend and share in expenses	288,453	-	30-day, non-interest bearing	Unsecured, impaired
Investments and advances (see Note 13)	-	Dividends received	-	-	30-day, non-interest bearing	Unsecured
Due to related parties	-	Rental deposit	-	(497)	End of lease term	Unsecured
<i>PHINMA Solar</i>						
Due to related parties	-	Advances	-	(90,000)	Non-interest bearing	Unsecured
<i>Associates</i>						
<i>MGI</i>						
Due to related parties/ Cost of sale of electricity	1,142,885	Trading cost	-	(144,224)	30-day, non-interest bearing	Unsecured
Investments and advances (see Note 13)	12,500	Dividend received	-	-	Non-interest bearing	Unsecured
<i>Asia Coal</i>						
Due to related parties	-	Advances	-	(253)	Non-interest bearing	Unsecured
<i>Entities Under Common Control</i>						
<i>PHINMA Property Holdings Corporation (PPHC)</i>						
Due to related parties	-	Advances	-	(171)	30-60 day, non-interest bearing	Unsecured
PHINMA Corporation Dividend and other income	5,804	Cash dividend and share in expenses	-	-	30-60 day, non-interest bearing	Unsecured

(Forward)

As at and for the Year Ended December 31, 2019

Company	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
<i>Parent</i>						
<i>AC Energy, Inc.</i>						
General and administrative expenses	₱38,664	Management fee and bonus	₱-	(₱31,489)	30-day, non-interest bearing	Unsecured
General and administrative expenses	9	Transportation and travel expense	9			
General and administrative expenses	638	Miscellaneous-Guarantee fee	-	(354)	30-day, non-interest bearing	Unsecured
<i>Associates</i>						
<i>MGI</i>						
Cost of sale of electricity	758,974	Purchase of electricity	-	(157,965)	30-day, non-interest bearing	Unsecured; no impairment
<i>Asia Coal</i>						
Due to related parties	-	Advances	-	(254)	Non-interest bearing	Unsecured
<i>Entities Under Common Control</i>						
<i>Direct Power Services, Inc.</i>						
Revenue from sale of electricity	193,644	Sale of electricity	-	-	30-day, non-interest bearing	Unsecured; no impairment
<i>Ingrid Power Holdings, Inc.</i>						
Advances to affiliates	150,000	Advances	150,000	-	Subsequently on demand	Unsecured
<i>SolarAce1 Energy Corp.</i>						
Advances to affiliates	26,000	Advances	26,000	-	Subsequently on demand	Unsecured

(Forward)

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)		

As at and for the Year Ended 31 December 2017

Company	Amount/ Volume	Amount/ Volume	Nature	Outstanding Balances		Terms	Conditions
				Receivable	Payable		
<u>Ultimate Parent</u>							
PHINMA, Inc.							
Rental and other income	₱1,100	₱771	Rent and share in expenses	₱54	₱-	30-60 day, non-interest bearing	Unsecured, no impairment
General and administrative expenses	104,055	80,903	Management fees and share in expenses	-	(31,164)	30-day, non-interest bearing	Unsecured
Accounts payable and other current liabilities	97,855	49,308	Cash dividend	-	-	On demand	Unsecured
<u>Joint Ventures</u>							
SLTEC							
Revenue from sale of electricity, rental and other income	28,074	27,213	Sale of electricity, rent and share in expenses	20,046	-	30-day, non-interest bearing	Unsecured, no impairment
Investments and advances (see Note 13)	644,945	1,056,742	Dividends received	-	-	30-day, non-interest bearing	Unsecured
Cost of sale of electricity	6,077,461	8,230,415	Purchase of electricity	-	(1,035,505)	30-day, non-interest bearing	Unsecured
ACTA							
Investments and advances (see Note 13)	-	18,073	Additional investment	-	-	Non-interest bearing	Unsecured
<u>(Forward) Associates</u>							
Asia Coal							
Accounts payable and other current liabilities	₱-	₱-	Advances	₱-	(₱254)	Non-interest bearing	Unsecured
MGI							
Cost of sale of electricity	785,167	830,802	Trading cost	-	(83,101)	30-day, non-interest bearing	Unsecured
Investments and advances (see Note 13)	-	25,000	Dividend received	-	-	Non-interest bearing	Unsecured
Investments and advances (see Note 13)	-	80,250	Additional investment	-	-	Non-interest bearing	Unsecured
<u>Entities Under Common Control</u>							
PPHC							
Accounts payable and other current liabilities	-	-	Advances	-	(171)	30-60 day, non-interest bearing	Unsecured
PHINMA Corporation							
Dividend and other income	5,387	5,387	Cash dividend and share in expenses	-	-	30-60 day, non-interest bearing	Unsecured
Other expenses	2,169	3,763	Share in expenses	-	(1,429)	30-day, non-interest bearing	Unsecured
Accounts payable and other current liabilities	102,394	51,285	Cash dividends	-	-	On demand	Unsecured
Accounts payable and other current liabilities	-	4,178	Purchase of U.S. dollars	-	-	On demand	Unsecured
UGC							
Dividend income	2,281	3,334	Cash dividend	-	-	30-60 day, non-interest bearing	Unsecured
Rental income	-	329	Rent	214	-	30-60 day, non-interest bearing	Unsecured, no impairment
Accounts payable and other current liabilities	-	-	Rental deposit	-	(159)	End of lease term	Unsecured
General and administrative expenses	92	108	Roofing materials	-	-	30-60 day, non-interest bearing	Unsecured
T-O Insurance, Inc.							
General and administrative expenses	91,400	112,000	Insurance expense and membership fees	-	(36,062)	30-60 day, non-interest bearing	Unsecured
Receivables	69	15	Refund of overpayment	-	-	30-60 day, non-interest bearing	Unsecured
Emar Corporation							
Other income	646	64	Share in expenses	-	-	30-60 day, non-interest bearing	Unsecured
Accounts payable and other current liabilities	8,559	4,279	Cash dividend	-	-	On demand	Unsecured
PHINMA Education							

Company	As at and for the Year Ended 31 December 2017						
	Amount/ Volume	Amount/ Volume	Nature	Outstanding Balances		Terms	Conditions
				Receivable	Payable		
General and administrative expenses	2,698	2,298	Service fee	–	–	30-60 day, non-interest bearing	Unsecured
<u>Other Related Parties</u>							
Directors							
General and administrative expenses	72,846	33,546	Directors' fee and annual incentives	–	(19,757)	On demand	Unsecured
Stockholders							
Due to stockholders	179,320	89,564	Cash dividends	–	(15,300)	On demand	Unsecured
Due from related parties (see Note 8)				₱20,314	₱–		
Due to related parties (see Note 19)				–	(1,187,845)		
Accrued directors' and annual incentives (see Note 19)				–	(19,757)		
Due to stockholders (see Note 22 and 35)				–	(15,300)		

South Luzon Thermal Energy Corporation

The transactions with South Luzon Thermal Energy Corporation (“SLTEC”) include the sale and purchase of electricity, reimbursements of expenses and receipt of dividends. SLTEC became a subsidiary and was consolidated effective July 1, 2019.

MGI

The Company purchases the entire net electricity output of MGI.

Ayala Land, Inc. (ALI)

The Parent Company leases office unit and parking slots from ALI.

AC Energy, Inc.

The Company is the assignee of a lease contract from AC Energy, Inc. (“AC Energy”) for the 22nd floor, 6750 Office Tower, Ayala Ave., Makati City, and has paid AC Energy for the proportionate share in fit-out costs, cabling, systems development, and other costs. The lease period is from 1 September 2019 to 31 December 2021. The Company and its subsidiaries PHINMA Renewable Energy Corporation (“PHINMA RE”), ACE Enexor, Inc., PHINMA Power Generation Corporation (“PHINMA Power”), and CIP II Power Corporation (“CIPP”) have a management contract with AC Energy for five (5) years from effectivity. Under the management contracts, AC Energy has general management authority with corresponding responsibility over all operations and personnel of ACEPH, including planning, direction, and supervision of all the operations, sales, marketing, distribution, finance, and other business activities of the Company. AC Energy also billed the Company for recovery of general and administrative expenses in 2019.

On 9 October 2019, the Company executed a deed of assignment with AC Energy whereby the Company will issue 6,185,182,288 shares of stock in the Company to AC Energy 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 AC Energy in select subsidiaries and affiliates in the Philippines. The application for increase is currently pending with the SEC.

On 9 October 2019, the Board of the Company approved the following transactions:

- (a) assignment of AC Energy’s right to purchase Axia Power Holdings Philippines Corporation’s (“Axia Power”) twenty percent (20%) ownership in SLTEC to the Company, subject to certain terms including the payment by the Company of an annual guarantee fee of 25 basis points of the amount secured under the payment security to AC Energy in consideration for AC Energy procuring and making available the payment guarantee to Axia Power; and

- (b) the guarantee arrangement for AC Energy to guarantee the Company’s payment obligation under the coal hedging agreement to be entered into with the Macquarie group in exchange for an annual guarantee fee payable to AC Energy equal to 25 basis points per annum of the estimated notional credit exposure of the Company.

NLR/Northwind

On 2 January 2020, the Company entered into separate services agreements with North Luzon Renewable Energy Corp. (“NLR”) and Northwind Power Development Corporation (“Northwind”) covering the provision of management and administrative support services to the two companies. The service agreements will expire on 31 December 2022.

c. Ownership structure and parent company

As of 25 March 2020, AC Energy owns 66.34% of the outstanding voting shares of the Company. The parent company of ACEPH is AC Energy (the “**Parent Company**”). The Company has a management contract with the Parent Company until 1 September 2023. Under the contract, the Parent Company has general management authority with corresponding responsibility over all operations and personnel of ACEPH, including planning, direction, and supervision of all the operations, sales, marketing, distribution, finance, and other business activities of the Company.

On 9 October 2019, the Company executed a deed of assignment with the Parent Company whereby the Company will issue 6,185,182,288 shares of stock in the Company to the Parent Company 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 the Parent Company in select subsidiaries and affiliates in the Philippines. The application for increase is currently pending with the SEC.

Item 6. Compensation of Directors and Executive Officers

a. Executive Compensation

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

	Name/Position	Year	Salaries	Bonus	Other Annual Compensation
CEO and Top 4 Most Highly Compensated Executive Officers (Total Compensation)					
	Francisco L. Viray, President and CEO (until 15 May 2019)				
	Mariejo P. Bautista, SVP- Finance & Controller				
	Danilo L. Panes, VP – Wind Operations				
	Alan T. Ascalon, Assistant Corporate Secretary & VP – Legal				
	Ma. Teresa P. Posadas, AVP – Human Resources				
Estimate		2020	12,155,430	1,058,234	3,815,000
		2019	21,478,153	4,630,134	1,945,000
		2018	21,444,674	2,980,335	590,600
All Other Officers and Directors as a Group (Total Compensation)					
Estimate		2020	-	-	3,720,000
		2019	17,827,743	3,651,125	4,645,000
		2018	12,727,585	1,160,775	2,112,500

The management fees billed by ACEI to the Company in 2019 include ₱15,577,686 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 ACEPH'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.

ACEPH 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 ACEPH 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 ACEPH 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 is available to all officers of ACEPH 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 ACEPH'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 is available to all directors and permanent officers and employees of ACEPH 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 25 March 2020, 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 ACEPH proposed that the accounting firm of SyCip Gorres Velayo & Co. (SGV) be retained as the Company's external auditor for the year 2019. The members of the Audit Committee are as follows:

a.	Ms. Ma. Aurora Geotina-Garcia	Chairman (effective 17 September 2019 until present)
b.	Ms. Corazon S. de la Paz-Bernardo	Chairman (until 16 September 2019)
c.	Mr. Jesus P. Francisco ⁺	Member (effective 17 September 2019 until 14 December 2019)
d.	Ms. Consuelo D. Garcia	Member (effective 17 September 2019 until present)
e.	Mr. Edward S. Go	Member (until 16 September 2019)
f.	Mr. Jose Rene Gregory Almendras	Member (1 July 2019 to 16 September 2019)
g.	Mr. Victor J. del Rosario	Member (until 1 July 2019)

SGV has been ACEPH's Independent Public Accountant since 1969. The Audit Committee, the Board, and the stockholders of ACEPH approved the engagement of SGV as the Company's external auditor for 2019. The services rendered by SGV for the calendar year ended 31 December 2019 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 2019 was Mr. Benjamin N. Villacorte, an SEC accredited auditing partner of SGV. This is Mr. Villacorte's second 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 ACEPH 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. ACEPH 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**

ACEPH paid SGV the amount of Php 1,200,000.00 for each of calendar years 2018 and 2017 for professional services rendered for the audits of the Company's annual financial statements and for services that are normally provided by external auditors in connection with statutory and regulatory filings or engagement. For 2019, audit fees amounted to Php 1,260,000.00.

SGV was also engaged to perform services in support of the AC Energy-ACEPH Exchange, including the review of 30 September 2019 interim financial statements, review of the offering circular, issuance of comfort letters, and related procedures. Fees for these services amounted to Php 6,000,000.00, exclusive of VAT.

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)**

ACEPH also engaged SGV as third-party auditor of the Company's stockholders' meeting voting procedures and results, for an engagement fee of Php 75,000.00

Item 8. Compensation Plans

No matter or action relating to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed will be taken up during the meeting.

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

The authorized capital stock is proposed to be increased by Twenty-Four Billion Pesos (Php 24,000,000.00) consisting of 24,000,000,000 common shares. An amendment to Article Seventh of the Company's Articles of Incorporation will be submitted for approval during the annual stockholders' meeting. The said amendment seeks to increase the Company's 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 (as approved by the stockholders during the 2019 annual stockholders' meeting and which is pending approval by the SEC) 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.

b. Description of the Registrant's Securities:

The Company's current authorized capital stock is Eight Billion Four Hundred Million Pesos (Php 8,400,000,000.00) divided into Eight Billion Four Hundred Million (8,400,000,000) common shares with a par value of One Peso (P1.00) per share. As of 29 February 2020, 7,521,774,922 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.

c. Nature and approximate amount of consideration received or to be received by the Company and amounts devoted to each purpose.

- 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 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 to AC Energy. The total issue price of Php 2,632,000,000.00 was received by the Company on 24 June 2019, simultaneous with the issuance of 2,632,000,000 shares to AC Energy (the "**Subject Shares**")

As an integrated power solutions company, ACEPH generates electricity and sells the same primarily to customers with whom it has entered into long term supply contracts where prices of electricity supplied are fixed, or through the Wholesale Electricity Spot Market where prices of electricity move and fluctuate depending on supply and demand for power. ACEPH also trades electricity by purchasing power from other power generators and selling the same to customers. ACEPH also has bilateral contracts with electricity generators at fixed prices and with customers also at fixed prices. ACEPH earns from margins between the cost of power and the sale price thereof.

ACEPH's long-term supply contracts have resulted in trading losses in 2018. Revenues from power sales of supply contracts are insufficient to cover operating requirements, taxes, and debt obligations. The following first half of 2019 was similar to 2018 and resulted in a huge reduction in the Company's cash. Due to heavy losses incurred in 2018, ACEPH ended the year 2018 with only Php 800 million in cash which, based on the Company's projections for, would have completely depleted the working capital of the Company. The additional cash was utilized by the Company to replenish its working capital and to pay off debt obligations that matured in 2019 amounting to Php 1.33 billion. The remainder will be used for development of future projects of the Company.

On 3 January 2020, the Subject Shares were formally listed on the Exchange.

Item 10. Modification or Exchange of Securities

The Company will not be presenting any matter or act involving the modification of any class of the Company's securities or the issuance or authorization for issuance of one class of the Company's securities in exchange for outstanding securities of another class during the meeting.

Item 11. Financial and Other Information

The Management's Discussion and Analysis (MD&A) or Plan of Operations and ACEPH's Audited Financial Statements as of 31 December 2019 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/ac-energy-philippines-ir-2019/>.

In line with ACEPH'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 2019 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 4th FLOOR, 6750 OFFICE TOWER, AYALA AVENUE, MAKATI CITY AND A COPY WILL BE SENT, FREE OF CHARGE.

Dividends

The payment by ACEPH 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.

ACEPH 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.

As of 25 March 2020, no dividend payment has been declared for the year 2019, while dividends declared and paid in 2014 up to 2018 were as follows:

Date of Declaration	Dividend			Record Date
	Type	Rate (in PHP)	Amount (in PHP) *	
24 March 2014	Cash	0.04 per share	194,555	7 April 2014
23 February 2015	Cash	0.04 per share	194,602	9 March 2015
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

ACEPH's consolidated retained earnings balance amounted to P2.92 billion and P3.30 billion, respectively, as at December 31, 2019 and 2018. 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 P1,109.97 million and P1,285.25 million as at December 31, 2019 and 2018, respectively; and (b) cost of treasury shares amounted to P27.70 million and P27.71 million as at December 31, 2019 and 2018, respectively.

As of 25 March 2020, 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.aceph@acenergy.com.ph before and during the meeting.

Item 12. Mergers, consolidations, acquisitions and similar matters

Recent Sales of Unregistered Securities

- (a) On 24 June 2019, ACEPH signed a Subscription Agreement with AC Energy for the Subject Shares at Php 1.00 per share. Before the foregoing issuance, the total issued and outstanding common shares of ACEPH was 4,889,774,922 shares. ACEPH's issuance of the Subject Shares out of its authorized but unissued capital stock increased its total issued and outstanding common shares to 7,521,774,922.

The unregistered securities of ACEPH were issued to AC Energy, a corporation duly organized and existing under Philippine law, with principal office address at 4th Floor 6750 Building, Ayala Avenue, Makati City. AC Energy manages a diversified portfolio of renewable and conventional power generation projects and engages primarily in power project development operations and in other businesses located in the Philippines, Indonesia, Vietnam, and Australia. AC Energy was designated in 2011 as Ayala Corporation's vehicle for investments in the power sector to pursue greenfield, as well as currently operating, power-related projects for both renewable and conventional technologies in various parts of the Philippines. In 2016, AC Energy expanded its business purpose to include the purchase, retail, supply, and delivery of electricity. In 2017, the business purposes were expanded further to include the development, operation, and maintenance of power projects.

The unregistered securities of ACEPH were issued at the issue price equivalent to its par value of one peso (Php 1.00) per share.

Exemption from Registration. The requirement of registration under subsection 8.1 of the SRC does not apply to the issuance of the Subject Shares to AC Energy as this is an isolated transaction of ACEPH not made in the course of repeated and successive transactions of a like character and ACEPH is not an underwriter of such security (*Section 10.1(c) of the SRC*). Upon its subscription to the primary shares, AC Energy became a stockholder of 2,517,064,700 ACEPH shares by its acquisition of the 51.476% combined stake of PHINMA, Inc. and PHINMA Corporation in ACEPH, and that of additional 156,476 ACEPH shares under the mandatory tender offer conducted during the tender offer period. No commission or other remuneration was

paid or given directly or indirectly in connection with the issuance of such capital stock (*Section 10.1(e) of the SRC*).

On 3 January 2020, the Subject Shares were formally listed on the Exchange

- (b) On 9 October 2019, the Company executed a deed of assignment with AC Energy whereby the Company will issue 6,185,182,288 shares of stock in the Company to AC Energy 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 AC Energy in select subsidiaries and affiliates in the Philippines. Issuance of the shares is subject to approval of the SEC and confirmation by the Bureau of Internal Revenue that the transaction is a tax-free exchange under the National Internal Revenue Code.

The Company has a pending SEC application for confirmation that the issuance of shares is an exempt transaction under SRC Section 10.1 (e) and 10.1 ().

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.

Business Development

- (a) ACEPH is a corporation that was registered with the Commission on 9 August 1969.
- (b) ACEPH 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 AC Energy, 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. The acquisition was completed on 23 March 2020.

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. The acquisition was completed on 23 March 2020.

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

- (a) ACEPH 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. ACEPH 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 3 million annually for emissions testing. In addition, ACEPH and its subsidiaries have made and expect to make capital expenditures in the amount of P20 million to upgrade emissions monitoring systems to comply with safety, health, and environmental laws and regulations.
- (c) As of 25 March 2020, ACEPH has ninety-two (92) employees. Of the total employees, twenty-eight (28) are managers and officers, fifty-six (56) are supervisors, and eight (8) are nonsupervisory employees. The Company has the intention of hiring eight (8) additional employees for the ensuing months.

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”**, starting at page 32)

Legal Proceedings

As of 25 March 2020, ACEPH has no knowledge and/or information of any material pending legal proceedings to which ACEPH 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, ACEPH 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 2019, there were no restatement of accounts, and neither were there restatements that would alter the amount available for distribution to security holders.

D. OTHER MATTERS

Item 15. Action with respect to reports

- a. At the last Annual Stockholders' Meeting held on 17 September 2019, 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 ACEPH multiplied by the whole number of Directors to be elected and provided, however, that no delinquent stock shall be voted.

The assignment of the Management Contract and 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 2018
- 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 Philippines, Inc.;
 2. Change of the Company's principal place of business to the 4th Floor, 6750 Office Tower, Ayala Ave., Makati City;
 3. Increase in the Company's authorized capital stock from PHP 8.4 billion divided into 8.4 billion shares, to PHP 24.4 billion divided into 24.4 billion shares; and
 4. Inclusion of a provision exempting from the pre-emptive right of existing stockholders the issuance of shares not to exceed 16 billion in exchange for property to be used for corporate purposes or in payment of previously contracted debt.
- v. Amendments to the By-laws
 1. Change in the Company's name to AC Energy Philippines, Inc.; and
 2. Change of the Company's principal place of business to 4th Floor, 6750 Office Tower, Ayala Ave., Makati City.
- vi. Election of eleven (11) Directors including five (5) independent directors for the ensuing year
- vii. Issuance of 2.632 billion voting shares to AC Energy, Inc. on 24 June 2019
- viii. Assignment of Management Contract from PHINMA, Inc. to AC Energy, Inc.
- ix. 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 20 April 2020, the President and CEO will report on the performance of the Company in 2019. 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 2019 (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. 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. Amendment of 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 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 2019, the confirmation of all acts of the Board of Directors and of Management since the last Annual Stockholders' Meeting, Amendment of the By-Laws, and the approval of the appointment of the Company's external auditor shall require the affirmative vote or written assent of a majority of the stockholders entitled to vote during the Annual Stockholders' Meeting. Amendment to the Articles of Incorporation requires the affirmative vote of two-thirds (2/3) of the entire outstanding stock of the Company.

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*.² 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.

² The detailed instructions pertaining to the URL and the use thereof are provided for in **Annex "F"** of this Information Statement.

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 Article First and the first paragraph of Article Seventh of its Articles of Incorporation and the amendment of the caption of Article I of the Company's By-Laws to change the name of the Company from "AC Energy Philippines, Inc." to "AC Energy Corporation". The Board of Directors of the Company approved the amendments at its meeting on 18 March 2020.

The proposed amendment shall read as follows (*amended portions underlined*):

Articles of Incorporation:

FIRST: The name of the corporation shall be:

AC ENERGY CORPORATION

(As amended during the meeting of the Board of Directors held on 18 March 2020)

xxx

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 sixteen (16) billion shares, the creation of which was approved by the stockholders during the annual stockholders' meeting on 17 September 2019.

AMENDED BY-LAWS OF AC ENERGY CORPORATION

(formerly AC Energy Philippines, Inc.)

(As amended during the meeting of the Board of Directors held on 18 March 2020)

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 18 September 2019 to 19 April 2020.

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) 2020 Consolidated and Parent Company Budget;
- (vii) approval of reports to be issued by the Company;

- (viii) investment in power generation projects;
- (ix) acquisition of interest in operating projects;
- (x) entry into supply contracts with MERALCO; and
- (xi) others.

c. Election 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 shall require the affirmative vote of two-thirds (2/3) of the outstanding capital stock of the Company. 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 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 15 April 2020. Considering the extraordinary circumstances in relation to COVID-19, the Company shall allow electronic signature for the required documents, as applicable. Notarization requirement shall also be dispensed with at this time. However, the Company reserves the right to request additional information, and original and signed notarized copies of these documents at a later time.

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, imposing on all households strict home quarantine, such that movement shall be limited to accessing basic necessities, 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. If such Regulations are subsisting as of 14 April 2020 and are reasonably expected to subsist on the date of the meeting, the Company will notify the stockholders if physical attendance will be allowed at the meeting by 15 April 2020. If such will be the case, the guidelines therefor will be provided through a disclosure at the Philippine Stock Exchange or publication of a notice in The Philippine Star. For the avoidance of doubt, in the absence of the foregoing notice from the Company by 15 April 2020, stockholders shall not be allowed to physically attend the meeting and may only participate through the means identified above.

The live webcast of the meeting shall be accessible through the following online web address: <https://asm.ayala.com/ACEPH2020>. 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.aceph@acenergy.com.ph on or before 15 April 2020, 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.aceph@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 Taguig on 26 March 2020.

AC ENERGY PHILIPPINES, INC.

by: 
DORJED LACAZO
Assistant Corporate Secretary