

For approval in the 2022 stockholders' meeting

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
Monday, 19 April 2021 at 2:00 P.M.
Conducted virtually via livestream – <http://www.ayalagroupshareholders.com/>

		<i>Percentage of Total</i>
No. of Outstanding and Voting Shares	250,000,001	
No. of Shares Present:	190,768,466	76.31%

Directors Present:

John Eric T. Francia ¹	<i>Chairman, Board of Directors Chairman, Executive Committee</i>
Augusto Cesar D. Bengzon	<i>Member, Audit Committee</i>
Maria Corazon G. Dizon	<i>Member, Executive Committee</i>
Raymundo A. Reyes, Jr. ²	<i>Member, Executive Committee</i>
Jaime Z. Urquijo	<i>Member, Board Risk Management and Related Party Transactions Committee</i>
Jaime Alfonso E. Zobel de Ayala	<i>Chairman, Personnel and Compensation Committee</i>
Ma. Aurora D. Geotina-Garcia (Independent Director)	<i>Chairman, Audit Committee Member, Corporate Governance and Nomination Committee</i>
Alberto A. Lim (Independent Director)	<i>Chairman, Board Risk Management and Related Party Transactions Committee Member, Personnel and Compensation Committee Member, Corporate Governance and Nomination Committee</i>
Raphael Perpetuo M. Lotilla (Independent Director)	<i>Chairman, Corporate Governance and Nomination Committee Member, Audit Committee Member, Board Risk Management and Related Party Transactions Committee</i>

¹ Mr. Francia presided over the meeting and presented while being physically present in the principal office of the Corporation.

² Mr. Reyes participated and presented from his residence in Paranaque City.

1. Call to Order

The Chairman, Mr. John Eric T. Francia, called the meeting to order at 2:00 p.m. He welcomed the stockholders who joined the meeting through the live webcast and thanked the stockholders who participated in the meeting through the Corporation's voting in absentia system or their appointment of the Chairman as proxy. He then introduced his co-presenters, namely: Mr. Raymundo A. Reyes, Jr., the President and Chief Operating Officer, Mr. Dodjie D. Lagazo³, the Corporate Secretary, and Mr. Alan T. Ascalon⁴, the Assistant Corporate Secretary. Finally, he noted the participation of the other members of the Board of Directors (the "**Board**"), other officers of the Corporation, and representatives of the Corporation's external auditor, SyCip Gorres Velayo & Co. ("**SGV**"), who joined the meeting through the live webcast.

2. Notice of Meeting

The Corporate Secretary certified that the Notice of the Annual Stockholders' Meeting (the "**Notice**") and the Definitive Information Statement (the "**DIS**") were sent on March 24, 2021 to the Corporation's stockholders of record as of March 19, 2021, the record date for the meeting, in three ways: first, by e-mail to stockholders who provided their e-mail addresses; second, by posting on the Corporation's website; and third, by disclosure in the Philippine Stock Exchange ("**PSE**"). In addition, the Notice was published on March 25, 2021 in the respective business sections of the Philippine Daily Inquirer and the Philippine Star, and on March 26, 2021 in the respective business sections of the Manila Bulletin and the Philippine Star, all of which are newspapers of general circulation. The Notice contained the agenda, the requirements and procedures for participation and manner of casting votes by remote communication, contact information of the Corporate Secretary, requirements and process of nomination of directors, and the fact that there will be a visual and audio recording. Accordingly, the Corporate Secretary confirmed that the stockholders were duly notified of the meeting in accordance with the Corporation's By-Laws and applicable rules, including the Corporation's Internal Guidelines on Participation in Stockholders' Meeting by Remote Communication and Voting in Absentia under Extraordinary Circumstances, which are embodied in the Corporation's DIS.

3. Determination of Quorum

The Corporate Secretary certified that a quorum existed for the meeting and that based on partial tabulation, stockholders owning at least 190,729,377 shares representing 76.29% of the 250,00,001 total outstanding shares were present in the meeting.

4. Instructions on Rules of Conduct, Voting Procedures and Voting Requirements

The Chairman stated that although the meeting was held in a virtual format because of government regulations that prevented the Corporation from conducting an in-person meeting, the Corporation strived to provide the stockholders the opportunity to participate in the meeting to the same extent possible as in an in-person meeting. Thereafter, the Corporate Secretary explained the rules of conduct and voting procedures for the meeting, as provided in the DIS and the Explanation of Agenda Items, which were part of the Notice that was distributed to the stockholders.

The Corporate Secretary further emphasized the following:

- i. The agenda for the meeting covers a range of matters requiring stockholders' vote and was included in the Notice sent to stockholders for this meeting. Stockholders were also provided an opportunity to propose matters for inclusion in the agenda, pursuant to applicable laws, rules and regulations and our internal guidelines.

³ Mr. Lagazo participated and presented while being physically present in the principal office of the Corporation.

⁴ Mr. Ascalon participated and presented from his residence in Quezon City.

- ii. Stockholders who registered under the Voting in Absentia & Shareholder (“VIASH”) System or who notified the Corporation by email to corpsec.enxor@acenergy.com.ph by April 14, 2021 of their intention to participate in the meeting by remote communication may send their questions or comments to the above-mentioned email address.
- iii. The Assistant Corporate Secretary will read the questions or comments received before 2:30 p.m. under the item “Other Matters”, while questions and comments not taken up during the meeting will be resolved by Management by e-mail.
- iv. As indicated in the ballot, there are six (6) resolutions proposed for adoption by the stockholders in the meeting. Each proposed resolution will be shown on the screen as the same is being taken up.
- v. Stockholders could cast their votes on these proposed resolutions and in the election of directors beginning April 12, 2021 through the Corporation’s VIASH System. The polls would remain open until the end of the meeting for stockholders who had successfully registered to cast their votes electronically using the VIASH System.
- v. Alternatively, the Corporation also provided the stockholders the option to appoint the Chairman as proxy. The Corporation tabulated the votes cast as of April 8, 2021, after the end of the proxy validation process. Those votes were from stockholders owning 190,729,377 voting shares representing 76.29% of the total outstanding shares. All voting results reported at the meeting, will refer to this preliminary tabulation. The results of the final tabulation of votes, with full details of the affirmative and negative votes and abstentions, would be reflected in the minutes of the meeting.

5. Approval of the Minutes of the 2020 Stockholders' Meeting

The Chairman then proceeded with the approval of the minutes of the annual stockholders' meeting held on April 20, 2020. An electronic copy of the minutes was posted on the Corporation’s website and contained in the DIS.

The Corporate Secretary, on behalf of management, proposed the adoption of Resolution No. S-2021-001 for the approval of the minutes of the annual stockholders’ meeting on April 20, 2020. Resolution No. S-2021-001 was shown on the screen:

Resolution No. S-2021-001

RESOLVED, to approve the minutes of the annual stockholders’ meeting held on 20 April 2020.

Thereafter, the Secretary reported that stockholders owning 190,729,377 shares, or 76.29% of the total outstanding shares, voted in favor of Resolution No. S-2021-001. Therefore, the said resolution was approved.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the stockholders voted on Resolution No. S-2021-001 as follows:

	For	Against	Abstain
Number of voted shares	190,732,995	0	0
% of Total Outstanding Shares	76.29%	0%	0%

6. Annual Report of Officers

Message of the Chairman

The Chairman introduced his pre-recorded message, which started with an acknowledgment of the stockholders, colleagues from the Board and management, and guests.

2020 was an exceptionally difficult year for everyone. The Chairman thanked the men and women of ACE Enexor and the AC Energy group who remained committed to deliver amidst the challenges, and for living the true spirit of Bayanihan along with the rest of the Ayala group.

Reeling from the effects of the pandemic, the global oil and gas industry experienced severe contraction due to the steep drop in consumer demand and the threat of shortage of storage capacities. For the first time in history, the price of West Texas intermediate slumped briefly to negative in April 2020. The second half of 2020 was characterized by relatively stable crude oil prices at between \$40 to \$45 per barrel, a significant plunge from pre-pandemic levels of around \$60 per barrel.

ACE Enexor was not spared from the impact of the pandemic, which delayed the Corporation's preparations for the planned drilling of our service area. The Corporation thus sought a one-year force majeure reprieve with the DOE.

The Corporation values the opportunity to help the country in its quest for energy security by exploring for and developing indigenous gas resources.

Notwithstanding the continuing mobility and other restrictions ushered in by the pandemic, the Corporation remains focused on its commitment to drill a deepwater well in the SC 55 block in 2022. Technical studies aimed at further evaluating the prospects as well as preliminary drilling preparations were completed during the year in review. Barring any unforeseen events, ACE Enexor will undertake definitive drilling planning in the second quarter of 2021.

The Corporation is cautiously optimistic that the rollout of vaccines worldwide would help stimulate commercial activity to fuel revival of the upstream industry. The signs in the first quarter of 2021 are promising. Oil prices have rebounded to pre-COVID levels and drilling activities, particularly in the region, are slowly picking up. Management is hoping the trend would be sustained in the near term.

In conclusion, the Chairman stated that he looks forward to the steadfast support of the stockholders in the coming years as ACE Enexor pursues its vision to discover and develop clean, reliable and indigenous energy resources for the benefit of the country and its people.

The Chairman then called on Mr. Raymundo A. Reyes, Jr., the President and Chief Operating Officer (“COO”), to give his report.

Report of the President

Mr. Reyes acknowledged the stockholders and guests, and reported as follows:

The DOE confirmed SC 55's entry into the Appraisal Period effective on 26 April 2020, premised on a consortium undertaking to drill one (1) well within the succeeding two contract years.

Consequently, ACE Enexor's subsidiary and SC 55 Operator, Palawan55, completed specialized geophysical studies focused on the Hawkeye-1 gas discovery and two candidate drilling targets. Palawan55 also carried out initial drilling preparations, covering, among others, project execution plan, rig market survey, tendering for long-lead drilling equipment and supplies, and preliminary well budgeting.

The SC 55 consortium has since selected a prospect to be the subject of the definitive well planning phase.

The preparation of a drilling proposal for the exploratory well is underway. This is a comprehensive technical document that details the plan for constructing the borehole and evaluating the rock formations and fluids that will be encountered in the subsurface. Once completed, the proposal will be submitted to the DOE for approval. Following the DOE's go-ahead, Palawan55 will commence the tendering process for the required drilling rig, major drilling equipment and supplies, and oilfield services.

The Corporation is aware of the headwinds the pandemic might post to drilling operations in the near future, such as mobility restrictions and potential supply chain disruptions. The SC 55 consortium has requested the DOE for the declaration of a one-year Force Majeure period to cover any unforeseen delays in the drilling timetable. Should the Force Majeure be granted, the SC 55 consortium will, nevertheless, continue to exert best efforts to deliver the obligatory well as soon as is reasonably practicable.

The proposed drilling program will be a milestone in ACE Enexor's efforts to help the country develop indigenous gas resources as a pathway to energy security and the energy transition. The Corporation is banking on the support of its consortium partner, its shareholders, and government regulatory bodies, to achieve success in this undertaking.

After the President's report, the Chairman then asked the Corporate Secretary to present the proposed resolution on this item and the voting results.

The Corporate Secretary, on behalf of management, proposed the adoption of Resolution No. S-2021-002 to note the Corporation's Annual Report, and approve the consolidated audited financial statements of the Corporation and its subsidiaries, and parent company financial statements of the Corporation as of December 31, 2020, as audited by SGV. Resolution No. S-2021-002, was shown on the screen:

Resolution No. S-2021-002

RESOLVED, to note the Corporation's Annual Report, which consists of the Chairman's Message and the President's Report to the stockholders, and to approve the consolidated financial statements of the Corporation and its subsidiaries, and parent company financial statements of the Corporation as of 31 December 2020, as audited by the Corporation's external auditor, SyCip Gorres Velayo & Co.

The Corporate Secretary then reported that stockholders owning 190,729,377 shares, or 76.29% of the total outstanding shares, voted for the adoption of Resolution No. S-2021-002. Therefore, the said resolution was approved.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the votes on the adoption of Resolution No. S-2021-002, are as follows:

	For	Against	Abstain
Number of voted shares	190,732,995	0	0
% of Total Outstanding Shares	76.29%	0%	0%

7. Ratification of the Acts of the Board and Officers

The Corporate Secretary, upon the Chairman's request, explained that stockholders' ratification is being sought for all the acts and resolutions of the Board, the Executive Committee, and other Board Committees exercising powers delegated by the Board, which were adopted from April 20, 2020 until April 18, 2021. The acts and resolutions of the Board were reflected in the minutes of the meetings, and

they include the election of officers and members of the various Board Committees, updating of the lists of authorized representatives and bank signatories, treasury matters, budget and funding plan, investments, and matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange.

Stockholders' ratification was also sought for all the acts of the Corporation's officers performed in accordance with the resolutions of the Board, the Executive Committee and other Board Committees as well as the By-Laws, from April 20, 2020 to April 18, 2021. These acts were performed to implement the resolutions of the Board or its Committees, or as part of the Corporation's general conduct of business.

Thereafter, the Corporate Secretary reported that stockholders owning 190,729,377 shares, or 76.29% of the total outstanding shares, voted for the adoption of Resolution No. S-2021-003, which was shown on the screen. Therefore, the said resolution was adopted:

Resolution No. S-2021-003

RESOLVED, to ratify each and every act and resolution, from 20 April 2020 to 18 April 2021 (the "Period"), of the Board of Directors (the "Board"), the Executive Committee and other Board committees exercising powers delegated by the Board, and each and every act, during the Period, of the officers of the Corporation performed in accordance with the resolutions of the Board, the Executive Committee, and other Board committees as well as with the By-laws of the Corporation.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the stockholders voted on the adoption of Resolution No. S-2021-003 as follows:

	For	Against	Abstain
Number of voted shares	190,732,995	0	0
% of Total Outstanding Shares	76.29%	0%	0%

8. Delegation to the Board of Directors the Power to Amend the Corporation's By-Laws and any Portion Thereof

The next item in the Agenda is the proposed delegation to the Board of Directors of the power to amend the Corporation's By-laws.

The Corporate Secretary explained that in accordance with Article IX of the Corporation's By-laws, the Board of Directors agreed to endorse for approval of the stockholders the delegation of authority to amend the Corporation's By-Laws to the Board of Directors. The proposed amendments include but are not limited to (i) ensuring alignment of the By-laws with the provisions of the Revised Corporation Code, (ii) establishing rules of conduct for fully virtual meetings, (iii) enabling the election of other offices such as Compliance Officers, Assistant Corporate Secretaries, and Assistant Treasurers and establishing their duties and functions, and (iv) allowing the payment of cash dividends through electronic means.

The Corporate Secretary then reported that stockholders owning 190,729,377 shares, or 76.29% of the total outstanding shares, voted for the adoption of Resolution No. S-2021-004, which was shown on the screen. Therefore, the said resolution was adopted:

Resolution No. S-2021-004

RESOLVED, to delegate to the Board of Directors the power to amend the Corporation's By-Laws and any portion thereof.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the stockholders voted on the adoption of Resolution No. S-2021-003 as follows:

	For	Against	Abstain
Number of voted shares	190,732,995	0	0
% of Total Outstanding Shares	76.29%	0%	0%

9. Election of Directors

The Corporate Secretary explained that in accordance with the requirements of the Corporation's By-Laws, the Manual of Corporate Governance, and the rules of the SEC, the following stockholders were duly nominated to the Board for the ensuing term: Augusto Cesar D. Bengzon, John Eric T. Francia, Raymundo A. Reyes, Jr., Jaime Z. Urquijo, Jaime Alfonso Zobel de Ayala, Ma. Aurora Geotina-Garcia, Alberto A. Lim, Raphael Perpetuo M. Lotilla, and Mario Antonio V. Paner.

Ms. Geotina-Garcia, Mr. Lim, Mr. Lotilla and Mr. Paner were nominated as independent directors.

The Corporate Governance and Nomination Committee of the Board ascertained that the nine (9) nominees, including the three (3) nominees for independent directors, are qualified to serve as Directors of the Corporation, and that each has given his or her consent to the nomination.

The Corporate Secretary reported that each of the nine (9) nominees garnered at least 190,729,377 votes, which represent 76.29% of the total outstanding shares. Thus, each nominee received sufficient number of votes for election to the Board, and that Resolution No. S-2021-005, as shown on the screen, for the election of the nine (9) nominees to the Board was approved:

Resolution No. S-2021-005

RESOLVED, to elect the following as directors of the Corporation to serve as such beginning today until their successors are elected and qualified:

Augusto Cesar D. Bengzon
 John Eric T. Francia
 Raymundo A. Reyes, Jr.
 Jaime Alfonso E. Zobel de Ayala
 Jaime Z. Urquijo
 Ma. Aurora D. Geotina-Garcia (*Independent Director*)
 Raphael Perpetuo M. Lotilla (*Independent Director*)
 Alberto A. Lim (*Independent Director*)
 Mario Antonio V. Paner (*Independent Director*)

The Chairman thanked Ms. Maria Corazon G. Dizon for her valuable contributions as a Director of the Corporation in the past few years. He then welcomed to the Board the Corporation's new Independent Director, Mr. Mario Antonio V. Paner.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the final votes received by the nominees based on the total cumulative votes received are as follows:

Director	No. of votes received
1. Augusto Cesar D. Bengzon	190,732,995
2. John Eric T. Francia	190,732,995
3. Raymundo A. Reyes, Jr.	190,732,995
4. Jaime Z. Urquijo	190,732,995

5. Jaime Alfonso Zobel de Ayala	190,732,995
6. Ma. Aurora Geotina-Garcia	190,732,995
7. Alberto A. Lim	190,732,995
8. Raphael Perpetuo M. Lotilla	190,732,995
9. Mario Antonio V. Paner	190,732,995

10. Appointment of External Auditor and Fixing of Its Remuneration

The Corporate Secretary explained to the stockholders that the external auditor plays a key role in undertaking an independent audit of the Corporation and in providing an objective assurance on the Corporation's financial statements. Further, the Audit Committee exercises oversight over the company's external auditors, including assessing their integrity and independence and the effectiveness of their audit process. The Audit Committee evaluated the performance during the past year of the Corporation's present auditor, the firm of SGV, and found it satisfactory. Therefore, the Corporate Secretary reported that the Committee and the Board endorse the appointment of SGV as the Corporation's external auditor for the present fiscal year for an audit fee of PhP155,000.00, exclusive of value-added tax and out-of-pocket expenses.

The Corporate Secretary, on behalf of management, then proposed the adoption of Resolution No. S-2021-006 appointing SGV as the Corporation's external auditor and fixing its remuneration, as shown on the screen:

Resolution No. S-2021-006

RESOLVED, as endorsed by the Board of Directors, to approve the appointment of SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the year 2021 for an audit fee of One Hundred Fifty-five Thousand Pesos (PHP 155,000.00), exclusive of value-added tax and out-of-pocket expenses.

The Corporate Secretary then reported that stockholders owning 190,729,377 shares, or 76.29% of the total outstanding shares, voted for the adoption of Resolution No. S-2021-006. Therefore, the said resolution was approved.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by SGV, the votes on the adoption of Resolution No. S-2021-006 are as follows:

	For	Against	Abstain
Number of voted shares	190,732,995	0	0
% of Total Outstanding Shares	76.29%	0%	0%

11. Other Matters

There being no other matters for consideration by the stockholders, the Chairman opened the floor for questions or comments from the stockholders. The Assistant Corporate Secretary, Mr. Alan T. Ascalon, read the questions and comments together with the names of the stockholders who sent them.

Mr. Francis Batnag (stockholder): *What are your immediate plans for Enexor this year? Will you be commencing drilling?*

Chairman: We plan to complete the drilling proposal and submit the same to the DOE for approval soon. Once we receive DOE approval, we will start the tendering process for the drilling rig, drilling equipment and supplies, and oilfield services. We hope to conclude the procurement in H2 2021. Drilling will likely happen in Q2 2022, at the earliest.

Mr. Francis Batnag (stockholder): *What is the nature of the company's request to declare force majeure? What is the current status? Also, should the DOE grant ACEX's request of force majeure on SC55, how will this affect the current roadmap to drill by April 22?*

President: The company requested the DOE to declare force majeure on the service contract in view of the far-reaching adverse effects of the COVID-19 pandemic on the global upstream petroleum industry. The Force Majeure request is still pending with the DOE. Even if the Force Majeure is granted, the SC55 venture will, nevertheless, continue to exert best efforts to deliver the obligatory well as soon as is reasonably practicable.

Danilo L. Panes (stockholder): *You mentioned that you are looking for strategic partners. What is the status of this?*

Chairman: We are open to having new partner(s) whose financial and technical capabilities would be a strategic fit to ours. We are currently still searching for strategic partners.

Danilo L. Panes (stockholder): *Why did the company exit the SC6 Block A consortium?*

President: We used to have a very small minority interest in SC6 Block A, which currently has no commercial operations. Given this, we opted to just exit the service contract in order to focus our efforts on SC55.

12. Adjournment

There being no other comments or questions from the stockholders, the Chairman adjourned the meeting. The Chairman mentioned that a link to the recorded webcast of the meeting will be posted on the Corporation's website and that stockholders may raise issues, clarifications and concerns on the meeting conducted within two (2) weeks from posting of the link by sending an email to corpsec.enexor@acenergy.com.ph.


DOBJIE D. LAGAZO
Corporate Secretary


ALAN T. ASCALON
Assistant Corporate Secretary


RAISSA C. VILLANUEVA
Assistant Corporate Secretary

ATTESTED BY:

JOHN ERIC T. FRANCIA
Chairman of the Meeting, Director