



**ACE ENEXOR, 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*

*2:00 P.M.*

*20 April 2020*

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

**AMENDED NOTICE OF ANNUAL STOCKHOLDERS' MEETING<sup>1</sup>**

NOTICE IS HEREBY GIVEN that the annual meeting of stockholders of **ACE ENEXOR, INC.** will be conducted by remote communication via <https://asm.ayala.com/ACEX2020> 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 2:00 o'clock in the afternoon** with the following

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

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of Minutes of Previous Meeting
4. Annual Report of Management including the 2019 Audited Financial Statements
5. Ratification of the Acts of the Board of Directors and of Management since the last Annual Stockholders' Meeting
6. Election of Directors (Including the Independent Directors)
7. Appointment of External Auditor and Fixing of its Remuneration
8. Consideration of Such Other Business as May Properly Come Before the Meeting
9. Adjournment

Only stockholders of record as of **March 31, 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.

Duly accomplished proxies should be submitted on or before **April 15, 2020** at 9:00 a.m. to the Office of the Corporate Secretary at the 4<sup>F</sup> 6750 Office Tower, Ayala Avenue, Makati City or by email to [corpsec.enexor@acenergy.com.ph](mailto:corpsec.enexor@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.enexor@acenergy.com.ph](mailto:corpsec.enexor@acenergy.com.ph) on or before **April 15, 2020**. A

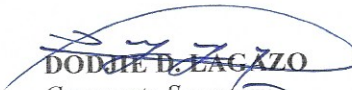
<sup>1</sup> This supersedes the Notice of Stockholders' Meeting submitted to the Philippine Stock Exchange on February 21, 2020 (as amended on March 9, 2020 and March 19, 2020, respectively) and the Securities and Exchange Commission on March 9, 2020.

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

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.

  
DODIE D. LACAZO  
Corporate Secretary

## EXPLANATION OF AGENDA ITEMS

### Call to Order

The Chairman will formally open the meeting at approximately 2:00 o' clock in the afternoon.

### 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.enexor@acenergy.com.ph](mailto:corpsec.enexor@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 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.enexor.com.ph](http://www.enexor.com.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.enexor.com.ph](http://www.enexor.com.ph).

The Audited Financial Statements as of December 31, 2019 (AFS) has been approved by the Board upon the recommendation of the Audit Committee and 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

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.

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.

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.enexor@acenergy.com.ph](mailto:corpsec.enexor@acenergy.com.ph).

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## PROXY

The undersigned stockholder of **ACE ENEXOR, INC.** (the "Company") hereby appoints \_\_\_\_\_ or in his or her absence, the Chairman of the meeting, as *attorney* 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

Independent Director

Ma. Aurora Geotina-Garcia \_\_\_\_\_  
Raphael Perpetuo M. Lotilla \_\_\_\_\_  
Alberto A. Lim \_\_\_\_\_

2. Approval of the Annual Report of Management including the 2019 Audited Financial Statements

Yes  No  Abstain

Withhold authority for all nominee directors and independent directors listed  
 Withhold authority to vote for the nominees listed below:

3. Ratification of the Acts of the Board of Directors and Officers Since the Last Annual Stockholders' Meeting<sup>1</sup>

Yes  No  Abstain

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Election of Directors

No. of Votes

Augusto Cesar D. Bengzon \_\_\_\_\_  
Maria Corazon G. Dizon \_\_\_\_\_  
John Eric T. Francia \_\_\_\_\_  
Raymundo A. Reyes, Jr. \_\_\_\_\_  
Jaime Alfonso E. Zobel de Ayala \_\_\_\_\_  
Jaime Z. Urquijo \_\_\_\_\_

5. Appointment of Sycip Gorres Velayo & Co. as External Auditors

Yes  No  Abstain

6. At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting.

Yes  No  Abstain

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

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

\_\_\_\_\_  
DATE

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

THIS PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY BY EMAIL AT [corpsec.enexor@acenergy.com.ph](mailto:corpsec.enexor@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

Definitive Information Statement

2. Name of Registrant as specified in its charter:

**ACE ENEXOR, INC.**

3. Country of Incorporation: **PHILIPPINES**

4. SEC Identification Number: **AS94008811**

5. BIR Tax Identification Number: **004-500-964-000**

6. Address of Principal Office: **4<sup>th</sup> Floor, 6750 Office Tower  
Ayala Avenue, 1226 Makati City**

7. Telephone Number: **(632) 7730-6300**

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

**20 April 2020, 2:00 PM  
Ballroom 2, Fairmont Hotel  
1 Raffles Drive, Makati Avenue, Makati City**

Online web addresses/URLs

(for participation by

remote communication) - <https://asm.ayala.com/ACEX2020>

(for voting in absentia) - [ayalagroupshareholders.com](http://ayalagroupshareholders.com)

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

**250,000,001 shares**

Amount of debt

**Nil (as of 31 December 2019)**

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

Yes

No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

**Philippine Stock Exchange – common shares**



**ACE ENEXOR, INC.**

**INFORMATION STATEMENT**

This Information Statement is dated as of 24 March 2020 and is being furnished to stockholders of record of ACE ENEXOR, INC. (“ACEX” or the “Company”) as of 31 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:                               2:00 p.m.
- Place:                               Fairmont Hotel  
  Ballroom 2  
  1 Raffles Drive, Makati Avenue  
  Makati City, 1224
- Online web addresses/URLs  
  (for participation by  
  remote communication) - <https://asm.ayala.com/ACEX2020>  
  (for voting in absentia) - [ayalagroupshareholders.com](http://ayalagroupshareholders.com)
- Principal Office:               4<sup>th</sup> Floor, 6750 Office Tower, Ayala Avenue  
  1226 Makati City, Philippines
- b.       Approximate date when the Information Statement is first to be sent to stockholders: 26 March 2020

**Item 2. Dissenter’s 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**

None of the directors or nominees for directors have any substantial interest in the matter to be acted upon.

As of 29 February 2020, AC Energy Philippines, Inc. (“**ACEPH**” or “**Parent Company**”, formerly PHINMA Energy Corporation) directly owns 189,804,439 shares of the Company, representing 75.92% of the Company’s total outstanding shares of stock.

The Board of Directors of the Company is not aware of any party who has indicated an intention to oppose any of the matters 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: 250,000,001 shares

Of the said outstanding voting shares, 248,988,668 are owned by Filipinos and 1,011,333 are owned by foreign nationals.

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

Only stockholders of record of the Company at the close of business on **31 March 2020** are entitled to notice of the Annual Stockholders’ Meeting, and to vote thereat

#### **b. Manner of voting**

Sections 10 to 12 of SEC Memorandum Circular No. 6, series of 2020 (“**SEC MC No. 6**”) provide:

***Section 10. Participation in Stockholders’ or Members’ Meetings Through Remote Communication.*** When so provided in the bylaws or by majority of the board of directors, stockholders or members who cannot physically attend at stockholders’ or members’ meetings may participate in such meetings through remote communications or other alternative modes of communication.

If a stockholder or member intends to participate in a meeting through remote communication, he/she shall notify in advance the Presiding Officer and the Corporate Secretary of his/her intention. The Corporate Secretary shall note such fact in the Minutes of the meeting.

***Section 11. Quorum in Meetings.*** Unless otherwise provided in the Revised Corporation Code or in the bylaws, a quorum shall consist of the stockholders representing a majority of the outstanding capital stock or a majority of the members in the case of nonstock corporations.

A stockholder or member who participates through remote communication or *in absentia* shall be deemed present for purposes of quorum.

***Section 12. Voting in the Election of Directors, Trustees and Officer Through Remote Communication.*** The right to vote of stockholders or members may be exercised in person, through a proxy, or when so authorized in the bylaws, through remote communication or *in absentia*. [*Rcc-49, last par.*]

The right to vote of stockholders or members may be exercised also through remote communication or *in absentia* when authorized by a resolution of the majority of the board of directors; *Provided*, That the resolution shall only be applicable for a particular meeting.

In the election of directors, trustees and officers of corporations vested with public interest, stockholders and members may vote through remote communication or *in absentia*, notwithstanding the absence of a provision in the bylaws of such corporations.

Stockholders may vote electronically *in absentia* using the online web address, [ayalagroupshareholders.com](http://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 in person or by proxy 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 nine (9) nominees for directors receiving the highest number of votes shall be declared elected, provided that at least two (2) of the nine (9) directors shall be independent directors.

For other items in the Agenda, each stockholder shall be entitled on 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.

Voting shall either be by electronic or manual voting (if available). For manual voting, stockholders present at the meeting will be given, upon registration, a ballot where they can write their 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.

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

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

The table below shows the persons or groups known to the Company 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
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Common	Philippine Depository and Trust Corporation <sup>1</sup> 29 <sup>th</sup> Floor, BDO Equitable Tower, 8751 Paseo de Roxas Street, Makati City Stockholder		Filipino 22.53% Foreign 0.36%	56,315,012 906,033	22.89%
Common	AC Energy Philippines, Inc. <sup>2</sup> 4 <sup>th</sup> Floor, 6750 Office Tower, Ayala Avenue, Makati City Stockholder	AC Energy Philippines, Inc., which is also the record owner. Mr. John Eric T. Francia, the President of ACEPH, is the person appointed to exercise voting power.	Filipino	189,804,439	75.92%

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

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

<sup>1</sup> Philippine Depository and Trust Corporation (“**PDTC**”) is a wholly-owned subsidiary of Philippine Central Depository, Inc. (“**PCD**”) which acts as trustee-nominee for all shares lodged in the PCD system. It was formerly known as PCD Nominee Corporation. 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, AB Capital Securities, Inc. (“**ABCSI**”) and BPI Securities Corporation (“**BSC**”) are PCD Nominees who hold more than five percent (5%) of the Company’s securities. ABCSI and BSC are corporations engaged in securities brokerage, organized and existing under the laws of the Philippines. ABCSI is one of the oldest stock brokerage houses in the Philippines Stock Exchange. BSC is a wholly-owned subsidiary of BPI Capital Corporation.

<sup>2</sup> AC Energy Philippines, Inc. was incorporated on 8 September 1969. ACEPH is engaged primarily in power generation and electricity supply. The immediate parent company of ACEPH and its subsidiaries is AC Energy, Inc., and its ultimate parent company is Mermac, Inc., domiciled and incorporated in the Philippines. ACEPH is listed in the Philippine Stock Exchange. The principal stockholders of ACEPH are AC Energy, Inc. and PDTC. On 11 October 2019, the Securities and Exchange Commission approved the Company’s change of name from PHINMA Energy Corporation to AC Energy Philippines, Inc.

Title of Class of Outstanding Share	Name of beneficial owner	Citizenship	Amount of beneficial ownership	Nature of beneficial ownership	% of total outstanding shares
Common	John Eric T. Francia	Filipino	1	Direct	0.00%
Common	Augusto Cesar D. Bengzon	Filipino	1	Direct	0.00%
Common	Jaime Z. Urquijo	Filipino	1	Direct	0.00%
Common	Raymundo A. Reyes, Jr.	Filipino	111,230	Direct	0.04%
Common	Maria Corazon G. Dizon	Filipino	1	Direct	0.00%
Common	Jaime Alfonso E. Zobel de Ayala	Filipino	1	Direct	0.00%
Common	Raphael Perpetuo M. Lotilla	Filipino	1	Direct	0.00%
Common	Ma. Aurora Geotina-Garcia	Filipino	1	Direct	0.00%
Common	Alberto A. Lim	Filipino	75	Direct	0.00%
Common	Mariejo P. Bautista	Filipino	1,046	Direct	0.00%
Common	Dodjie D. Lagazo	Filipino	0	N/A	0.00%
Common	Alan T. Ascalon	Filipino	1,818	Direct	0.00%
Common	Raissa C. Villanueva	Filipino	0	N/A	0.00%
Common	Henry T. Gomez, Jr.	Filipino	0	N/A	0.00%
<b>TOTAL</b>			114,176		0.05%

No director or member of the Company's management owns 2.0% or more of the outstanding capital stock of the Company.

iii. Voting Trust Holders of 5% or more

The Company 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 the Company. On 24 June 2019, then PHINMA Energy Corporation (now, ACEPH; "**PHINMA Energy**") purchased the combined 25.18% stake of PHINMA, Inc. (30,481,111 shares) and PHINMA Corp. (32,481,317 shares) in the Company at P2.44 per share.

On 24 June 2019, AC Energy, Inc. ("**AC Energy**") acquired the 51.48% combined stake of PHINMA, Inc. and PHINMA Corp. in then PHINMA Energy at a purchase price of P1.4577 per share or a total purchase price of P3,669,125,213.19. In addition, AC Energy acquired an additional 156,476 PHINMA Energy shares under the mandatory tender offer which ended on 19 June 2019 at the tender offer price of P1.4577 per share and subscribed to 2.632 billion PHINMA Energy shares at P1.00 per share or for a total subscription price of P2.632 billion. The consideration for the shares was sourced out of AC Energy's equity. AC Energy (66.34%), together with its directors, officers and affiliates (5.55%), owns and controls 71.89% percent of all issued and outstanding shares of ACEPH.

## Item 5. Directors and Executive Officers

Article IV, Sections 2 and 3 of the By-Laws provide:

Section 2. *Number, Qualifications and Term of Officer.* – The number of directors shall be as fixed in the Articles of Incorporation. Each director shall own in his own right at least one (1) share of the capital stock of the Corporation. The directors shall be elected annually in the

manner provided in these By-Laws and each director shall hold office until the annual meeting held next after his election and until his successor shall have been elected and shall have qualified, or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. The directors named in the Articles of Incorporation of the Corporation and their successors in accordance with these By-Laws shall hold office until the first annual meeting of the stockholders for the election of directors and until their successors shall hold office until the first annual meeting of the stockholders for the election of directors and until their successors shall have been elected and shall have qualified.

Section 3. *Election of Directors.* – At each meeting of the stockholders for the election of directors, at which a quorum is present, the persons receiving the highest number of votes of the stockholders present in person or by proxy and entitled to vote shall be the directors. In case of any increase in the number of directors, the additional directors may be elected by the stockholders (i) at the first annual meeting held after such increase has been approved, (ii) or at a special meeting called for the purpose, or (iii) at the same meeting authorizing the increase of directors if so stated in the notice of the meeting.

The Board of Directors held three (3) regular meetings, two (2) special meetings, and one (1) organizational meeting in 2019. The details of the matters taken up during the board meetings are included in the Definitive Information Statement sent to the shareholders.

The attendance of the directors at the meetings of the Board of Directors (“**Board**”) and of stockholders held in 2019 is as follows:

ACE ENEXOR, INC. ATTENDANCE OF DIRECTORS									
	01-Mar-19	09-May-19	01-Jul-19	23-Jul-19	17-Sep-19	17-Sep-19	22-Oct-19	No. of meetings attended	Percent present
	Regular	Regular	Special	Special	ASM	Organizational	Regular		
John Eric T. Francia <sup>2</sup>	✓	✓	✓	✓	✓	✓	✓	5/5	100%
Augusto Cesar D. Bengzon <sup>3</sup>	✓	✓	✓	✓	✓	✓	✓	4/4	100%
Maria Corazon G. Dizon <sup>4</sup>	✓	✓	✓	✓	✓	✓	✓	5/5	100%
Ma. Aurora Geotina-Garcia	✓	✓	✓	✓	✓	✓	✓	3/3	100%
Alberto A. Lim	✓	✓	✓	✓	✓	✓	✓	3/3	100%
Jaime Urquijo Zobel de Ayala <sup>5</sup>	✓	✓	✓	✓	✓	✓	✓	4/4	100%
Jaime Alfonso Zobel de Ayala <sup>6</sup>	✓	✓	✓	✓	✓	✓	✓	3/3	100%
Raymundo A. Reyes	✓	✓	✓	✓	✓	✓	✓	7/7	100%
Ramon R. del Rosario	✓	✓	✓	✓	✓	✓	✓	2/2	100%
Magdaleno B. Albarracin, Jr.	✓	✓	✓	✓	✓	✓	✓	2/2	100%
Francisco L. Viray	✓	✓	✓	✓	✓	✓	✓	2/2	100%
Victor J. del Rosario	✓	✓	✓	✓	✓	✓	✓	2/2	100%
Roberto M. Laviña	x	✓	✓	✓	✓	✓	✓	1/2	50%
Corazon dela Paz Bernardo	✓	✓	✓ <sup>1</sup>	✓	✓	✓	✓	5/5	100%
Rapahel Perpetuo M. Lotilla	✓	✓	✓	✓	✓	✓	✓	7/7	100%
Edward S. Go	x	✓	✓	x	x	✓	✓	2/5	40%

✓ - Present

x - Absent

..... - resigned from position

..... - have not yet been elected

<sup>1</sup> via teleconference

<sup>2</sup> Mr. Francia was elected on 9 May 2019 to serve the unexpired term of Mr. Viray, effective 15 May 2019

<sup>3</sup> Mr. Bengzon was elected on 1 July 2019 to serve the unexpired term of Mr. Albarracin, Jr.

<sup>4</sup> Ms. Dizon was elected on 1 July 2019 to serve the unexpired term of Mr. Del Rosario, Jr.

<sup>5</sup> Mr. Urquijo was elected on 1 July 2019 to serve the unexpired term of Mr. del Rosario

<sup>6</sup> Mr. Zobel de Ayala was elected on 23 July 2019 to serve the unexpired term of Mr. Laviña



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.

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

	<b>Audit Committee</b>	<b>Risk Oversight Committee</b>	<b>Corporate Governance and RPT Committee</b>	<b>Executive Committee</b>	<b>Compensation Committee</b>
1 Ramon R. del Rosario				C	
2 Magdaleno B. Albarracin, Jr.				M	C
3 Franciso L. Viray				M	
4 Roberto M. Laviña	M	M		M	M
5 Raymundo A. Reyes, Jr.					
6 Victor J. del Rosario					
7 Edward S. Go (Independent)	M	C	M		M
8 Corazon S. dela Paz Bernardo (Independent)	C	M	M		
9 Raphael Perpetuo M. Lotilla (Independent)			C	M	

*C: Chairman*

*M: Member*

From 1 July 2019 to 22 July 2019, the Board committees and their members were as follows:

	<b>Audit Committee</b>	<b>Risk Oversight Committee</b>	<b>Corporate Governance and RPT Committee</b>	<b>Executive Committee</b>	<b>Compensation Committee</b>
1 John Eric T. Francia				C	
2 Maria Corazon G. Dizon		M		M	
3 Raymundo A. Reyes, Jr.				M	
4 Augusto Cesar D. Bengzon	M				C
5 Jaime Z. Urquijo					M
6 Edward S. Go (Independent)	M	C	M		M
7 Corazon S. dela Paz Bernardo (Independent)	C	M	M		
8 Raphael Perpetuo M. Lotilla (Independent)			C	M	

*C: Chairman*

*M: Member*

From 23 July 2020 to 16 September 2019, the Board committees and their members were as follows:

	<b>Audit Committee</b>	<b>Risk Oversight Committee</b>	<b>Corporate Governance and RPT Committee</b>	<b>Executive Committee</b>	<b>Compensation Committee</b>
1 John Eric T. Francia				C	
2 Maria Corazon G. Dizon		M		M	
3 Raymundo A. Reyes, Jr.				M	
4 Augusto Cesar D. Bengzon	M				C
5 Jaime Z. Urquijo					M
6 Jaime Alfonso E. Zobel de Ayala				M	
7 Edward S. Go (Independent)	M	C	M		M
8 Corazon S. dela Paz Bernardo (Independent)	C	M	M		
9 Raphael Perpetuo M. Lotilla (Independent)			C	M	

*C: Chairman*

*M: Member*

Effective 17 September 2019, the Board committees and their members are as follows:

	Audit Committee	Board Risk Management and Related Party Transactions Committee	Corporate Governance and Nomination Committee	Executive Committee	Personnel and Compensation Committee
1 John Eric T. Francia				C	
2 Maria Corazon G. Dizon				M	
3 Raymundo A. Reyes, Jr.				M	
4 Augusto Cesar D. Bengzon	M				
5 Jaime Z. Urquijo		M			
6 Jaime Alfonso E. Zobel de Ayala					C
7 Ma. Aurora Geotina-Garcia (Independent)	C		M		M
8 Raphael Perpetuo M. Lotilla (Independent)	M	M	C		
9 Alberto A. Lim (Independent)		C	M		M

C: Chairman

M: Member

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:

AUGUSTO CESAR D. BENGZON  
 JOHN ERIC T. FRANCIA  
 JAIME Z. URQUIJO  
 MA. AURORA GEOTINA-GARCIA  
 RAPHAEL PERPETUO M. LOTILLA

MARIA CORAZON G. DIZON  
 RAYMUNDO A. REYES, JR.  
 JAIME ALFONSO ZOBEL DE AYALA  
 ALBERTO A. LIM

The nominees were formally nominated to the Corporate Governance and Nomination Committee of the Board by a minority stockholder of the Company, Mr. Francisco L. Viray, who holds one (1) common share, or 0.00 % of the total outstanding voting shares of the Company, and who is not related to any of the nominees. Ms. Ma. Aurora Geotina-Garcia, Mr. Alberto A. Lim, and Mr. Raphael Perpetuo M. Lotilla are being nominated as independent directors in accordance with 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. All of the nominees for independent directors are incumbent independent directors of the Company.

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

The Board of the Company 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 (1) year and until their respective successors have been elected and qualified.

None of the directors hold more than two percent (2%) of the Company's shares.

A summary of the qualifications of the incumbent directors who are nominees for directors for election at the annual stockholders' meeting, and the nominees for independent directors 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. Family Relationships

Jaime Z. Urquijo, Director, and Jaime Alfonso E. Zobel de Ayala, Director, are first cousins. 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 the Company's Board are related up to the fourth civil degree, either by consanguinity or affinity.

iii. Independent Directors

On 11 February 2005, the SEC approved the Amended By-Laws of the Company with regard to incorporation of the guidelines on the nomination and election of independent directors in compliance with SRC Rule 38.

The incumbent independent directors of the Company are as follows:

1. Ms. Ma. Aurora Geotina-Garcia
2. Mr. Raphael Perpetuo M. Lotilla
3. Mr. Alberto A. Lim

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 the Company are not officers or substantial shareholders of the Company, or officers of the Company's related companies.

iv. Significant Employee

Other than the aforementioned directors and executive officers identified in the item on Directors and Executive Officers in this Information Statement, there are no other employees of the Company who may have significant influence on the Company's major and/or strategic planning and decision-making.

v. Involvement in Certain Legal Proceedings

As of 24 March 2020, to the knowledge and/or information of the Company, the nominees for election as directors of the Company, present members of the Board, and the executive officers are not, presently or during the last five (5) years, involved in any legal proceedings which will have any material effect on the Company, its operations, reputation, or financial condition.

As of 24 March 2020, Ms. Ma. Aurora Geotina-Garcia, independent director, is subject of the following criminal or administrative investigation or proceeding:

<b>Offense charged / investigated</b>	<b>Tribunal / agency involved</b>	<b>Status</b>
Libel during Ms. Geotina-Garcia's term as director of the Bases Conversion and Development Authority ("BCDA") (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 of Directors 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 of Directors during Ms. Geotina-Garcia's term as BCDA director (OMB-C-A-12-1308-G)	Case filed before 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 Directors of BCDA. The administrative and criminal complaints filed against Ms. Geotina-Garcia as a member of the Board of Directors 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.

As of 24 March 2020, Mr. Alberto A. Lim, independent director, is charged with Violation of Section 24.1(a)(iii) of the Securities Regulations Code, which is still pending with the Securities and Exchange Commission. The Company believes that this case will not and does not in any way affect Mr. Lim's ability and bias his judgement and independence to act as an independent director of the Company.

On 4 March 2020, the Company 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 was impleaded in his capacity as member 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 the Company views the complaint as a nuisance case, Mr. Francia will be submitting his counter-affidavit in due course.

Further, none of its directors and senior executives has been 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, or being subject to a pending criminal proceeding, domestic or foreign; (c) to 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) being found 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, to have violated the securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

As of 24 March 2020, there are no material pending legal proceedings to which the Company or any of its subsidiaries is a party or of which any of the property of the Company or that of its subsidiaries is the subject.

a. 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.

In the last two (2) years, the Company has not been a party to any transaction in which a director or executive officer of the Company, any nominees for election as a director, any security holder owning more than 10% of the Company's issued and outstanding shares and/or any member of his immediate family had a material interest thereon. Outstanding balances at year-end are unsecured and settlement occurs in cash throughout the financial year. There have been no guarantees provided or received for any related party receivables or payables. For the years ended 31 December 2019 and 31 December 2018, the Company has not recorded any impairment of receivables on amounts owed by the related parties. The assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Any transaction between the Company and a related party must be approved by the Board Risk Management and Related Party Transactions Committee, composed of independent directors. The Committee uses acceptable valuation methods common in the industry or project involved, including but not limited to:

- 1) Joint Venture Method, a market-based approach which uses actual transactions on the asset;
- 2) Comparative Valuation Method, which uses similar projects to estimate the value of an asset; and
- 3) Multiple Exploration Expenditure Method, which uses historical cost as basis for estimating asset value.

In the ordinary course of business, the Company transacts with associates, affiliates and other related parties on operating and reimbursement of expenses, management service agreements and advances.

<b>As at and for the Six Months Ended December 31, 2019</b>						
<u>Company</u>	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
			Receivable	Payable		
<b>Parent Company</b>						
<b>ACEPH</b>						
Accounts payable and other current liabilities	P8,577,272	Advances	P-	P7,577,272	30-60 day terms; noninterest-bearing	Unsecured
Due to related parties (see Note 9)			P- P7,577,272			

Company	As at and for the Six Months Ended June 30, 2019				
	Amount/ Volume	Nature	Outstanding Balance	Terms	Conditions
<b>Ultimate Parent Company</b>					
<b>PHINMA, Inc.</b>					
Accounts payable and other current liabilities	₱–	Share in expenses	₱–	30–60 day terms; noninterest-bearing	Unsecured
<b>Intermediate Parent Company</b>					
<b>ACEPH</b>					
Accounts payable and other current liabilities - Due to related parties (see Note 9)	1,100,000	Advances	1,000,000	30–60 day terms; noninterest-bearing	Unsecured

Company	2017	As at and for the Year Ended December 31, 2018					
	Amount/ Volume	Amount/ Volume	Nature	Outstanding Balance		Terms	Conditions
				Receivable	Payable		
<b>Ultimate Parent Company</b>							
<b>PHINMA, Inc.</b>							
Accounts payable and other current liabilities	₱165,787	₱262,645	Share in expenses	₱–	₱29,445	30–60 day terms; noninterest-bearing	Unsecured
<b>Parent Company</b>							
<b>ACEPH</b>							
Accounts payable and other current liabilities	663,643	–	Accommodation	–	–	30–60 day terms; noninterest-bearing	Unsecured
Others	543,879	140,724	Purchase of U.S. dollars	–	–	30–60 day terms; noninterest-bearing	Unsecured
<b>Entity Under Common Control</b>							
<b>PHINMA Corporation</b>							
Accounts payable and other current liabilities	48,118	54,038	Share in expenses	–	3,036	30–60 day terms; noninterest-bearing	Unsecured
<b>T-O Insurance, Inc.</b>							
Accounts payable and other current liabilities	2,209	2,459	Insurance expense	–	–	30–60 day terms; noninterest-bearing	Unsecured
Due to related parties (see Note 9)				₱–	₱32,481		

#### ACEPH

The Group purchased U.S. dollars to pay for various expenses through ACEPH's banking facilities and accommodation of expenses.

#### PHINMA Inc.

The Parent Company and its subsidiaries PHINMA Power, CIPP and PHINMA Renewable have management contracts with PHINMA, Inc. These Management Contracts were assigned by PHINMA Inc. to AC Energy on June 24, 2019.

#### T-O Insurance

T-O Insurance is also controlled by PHINMA, Inc. through a management agreement. The Group insures its properties through T-O Insurance.

#### a. Ownership structure and Parent Company

As of 29 February 2020, ACEPH owns 75.92% of the outstanding voting shares of the Company. The immediate parent company of ACEPH is AC Energy. ACEPH has a management contract with AC Energy effective until 01 September 2023. Under the contract, 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. The ultimate parent company of the Company is Mermac, Inc., which domiciled and incorporated in the Republic of the Philippines.

b. Resignation of Directors

The following directors have resigned since the date of their election as directors in 2019:

Director	Date of Effectivity of Resignation
Ramon R. Del Rosario, Jr.	1 July 2019
Magdaleno B. Albarracin, Jr.	1 July 2019
Victor J. del Rosario	1 July 2019
Roberto M. Laviña	1 July 2019
Francisco L. Viray	15 May 2019

There are no disagreements between any of the directors and the Company on any matter relating to the Company's operations, policies or practices. None of the directors or independent directors who were not nominated in this stockholders' meeting declined a nomination or refused to be nominated. The change in the directors reflected the change in control of the Company as discussed in Item (4) (c) (iv) above.

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

a. Executive Compensation

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

Name/Position	Year	Salaries	Bonus	Others
<b>CEO and Top 4 Officers (Total Compensation)</b>				
John Eric T. Francia, Chairman, President and CEO				
Raymundo A. Reyes, Jr., COO				
Maria Corazon G. Dizon, Treasurer & CFO				
Mariejo P. Bautista, SVP-Finance & Controller				
Dodjie D. Lagazo, Corporate Secretary				
	2020	-	-	-
	2019	729,896	168,188	54,000
	2018	2,502,500	168,188	546,000
<b>All Other Officers and Directors as a Group (Total Compensation)</b>				
Estimate	2020	-	-	1,180,000
	2019	-	-	860,000
	2018	-	-	516,000

a) **Compensation of Directors**

The incumbent non-independent directors do not receive allowances, per diem, or bonuses. The incumbent independent directors are entitled to receive PhP50,000 per Board meeting attended, and PhP10,000 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.

b) **Employment Contracts and Termination of Employment and Change-in-Control Arrangements**

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

Under Article VI, Section 2 of the Company's By-Laws, the Chairman of the Board, the Vice Chairman, the President, the Vice President(s), the General Manager, the Secretary, and the Treasurer shall be elected annually by affirmative vote of a majority of all the members of the Board. Each officer shall hold office until his or her successor is elected and qualified in his or her stead, or until he or she shall have resigned or shall have been removed in the manner so provided. Such other officers as may from time to time be elected or appointed by the Board shall hold office for such period, have such authority and perform such duties as are provided in these By-Laws or as the Board may determine. The Chairman of the Board, the Vice Chairman and the President shall be chosen from among the directors, and the Secretary shall be a resident and a citizen of the Philippines.

c) **Compensatory Plan or Arrangement**

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

Retirement plan varies per entity, but all permanent and regular employees of the Company and its subsidiaries are covered by the ACEPH retirement plan (the "Plan"). The Plan provides benefits upon normal retirement beginning at age 60, early retirement beginning at age 50 with completion of at least 5 or 10 years of service. At the plant-level, retirement plan includes voluntary separation beginning upon completion of at least 10 years of service, total and physical disability, death, and involuntary separation. Benefits are based on the employee's final monthly basic salary and length of service.

d) **Warrants and Options Outstanding**

As of 29 February 2020, none of the Company's directors and executive officers hold any warrants or options in the Company.

**Item 7. Independent Accountant's Appointment**

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

- |    |                                 |          |
|----|---------------------------------|----------|
| a. | Ms. Ma. Aurora Geotina-Garcia   | Chairman |
| b. | Mr. Raphael Perpetuo M. Lotilla | Member   |
| c. | Mr. Augusto Cesar D. Bengzon    | Member   |

SGV has been the Company's Independent Public Accountant since 1994. The Audit Committee, the Board, and the stockholders of the Company 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 is 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 the Company 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. The Company 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. Relevant questions for the auditors may be sent to [corpsec.enexor@acenergy.com.ph](mailto:corpsec.enexor@acenergy.com.ph) and will be answered directly by them.

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

The Company paid SGV the amount of P155,000 (exclusive of Value-Added Tax and Out-of-Pocket Expenses) for calendar year 2019 and P150,000 for each of calendar years 2018 and 2017, for professional services rendered for the audit 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. There were no other services rendered or fees billed for products and services provided by SGV.

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 one (1) month before the conduct of external audit. 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 (2) years.

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

ACEX also engaged SGV as third-party auditor of the Company's stockholders' meeting voting procedures and results, for an engagement fee of Php 50,000.00 (exclusive of Value-Added Tax and Out-of-Pocket Expenses).

## **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**

No matter or action concerning authorization or issuance of securities will be taken up during the meeting.

### **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 the Company's Audited Financial Statements as of 31 December 2019 are attached hereto as **Annexes "D" and "E"**. The Annual Report for the said period will be distributed to stockholders of record during the Annual Meeting.

**THE ANNUAL REPORT ON SEC FORM 17-A FOR THE YEAR ENDED 31 DECEMBER 2019 WILL BE AVAILABLE UPON REQUEST OF STOCKHOLDERS. THE REQUEST MAY BE SENT DIRECTLY TO THE CORPORATE SECRETARY, ATTY. DODJIE D. LAGAZO, WITH OFFICE AT THE 4<sup>th</sup> FLOOR, 6750 OFFICE TOWER, AYALA AVENUE, MAKATI CITY AND A COPY WILL BE SENT, FREE OF CHARGE.**

#### **Dividends**

There is no restriction on payment by the Company of dividends other than the availability of retained earnings following the SEC rule on calculation of available retained earnings for dividend declaration.

The Company's By-Laws provide that cash and stock dividends shall be declared only from the unrestricted surplus profit and shall be payable at such time and in such manner and in such amounts as the Board and stockholders respectively shall determine. No dividends shall be declared which would impair the capital of the Company. Apart from the said restrictions provided by law and the SEC, there is no restriction on payment of dividends.

The Service Contracts of the Company are in their exploration stage. As such, significant expenses on the part of the Company to finance its share in the expenses of exploration, in accordance with its participation interests in the said Service Contracts, are expected. In the event of favorable results of exploration and extraction of oil/gas from the areas of said Service Contracts, and favorable operational and market conditions, the Company plans to declare cash or stock dividends to its stockholders on a regular basis, in amounts determined by the Board, taking into account various factors, including:

- the level of the Company's cash, gearing, return on equity and retained earnings;
- the Company's results for, and the Company's financial condition at, the end of the year, the year in respect of which the dividend is to be paid, and the Company's expected financial performance;
- the Company's projected levels of capital expenditure and other investment plans;
- restrictions of payment of dividends that may be imposed on the Company by any of its financing arrangements and current and prospective debt service requirements; and
- such other factors as the Board deems appropriate.

The Company has not declared any cash or other dividends from the time of its incorporation, and as of record date.

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

There is no proposed merger, consolidation, sale or liquidation of the Company that will be presented during the meeting.

#### **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**

As used herein and in other sections of this Information Statement, unless the context otherwise requires, the Company refers to the Company and its subsidiary 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 01 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.

### **D. OTHER MATTERS**

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

- a. At the last Annual Stockholders' Meeting held on 17 September 2019, the President reported on the performance of the Company in 2018 through an audio-visual presentation. 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. Amendment of the Articles of Incorporation;
    1. Change in the Company's name to ACE Enexor, Inc.
    2. Change of the Company's principal place of business to 4<sup>th</sup> Floor, 6750 Office Tower, Ayala Ave., Makati City
  - v. Amendment of the By-Laws;
    1. Change in the Company's name to ACE Enexor, Inc.
    2. Change in the reference to existing committees, and creation of new committees, as follows:
      - a.) Corporate Governance and Nomination Committee;
      - b.) Audit Committee;
      - c.) Personnel and Compensation Committee; and
      - d.) Board Risk Management and Related Party Transactions Committee.
  - vi. Election of nine (9) directors including three (3) independent directors for the ensuing year; and
  - 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 2018, 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 were approved by a majority of the stockholders represented in person or by proxy during the Annual Stockholders' Meeting. The Amendment of the Articles of Incorporation were approved by at least two thirds (2/3) of the entire outstanding stock entitled to vote.

- b. For the Annual Stockholders' Meeting on 20 April 2020, the President 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. Approval of the minutes of the previous Annual Stockholders' Meeting (see **Annex "B"**);
  - ii. Approval of the 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. Election of nine (9) directors including three (3) independent directors for the ensuing year; and
  - v. 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, the election of directors including independent directors, 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 represented in person or by proxy during the Annual Stockholders' Meeting.

#### **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**

On 17 September 2019, the stockholders' of the Company approved the amendment of the First and Third Articles, of its Articles of Incorporation, and amendment of the caption of Article I of the Company's By-Laws to change the name of the Company from "PHINMA Petroleum and Geothermal, Inc." to "ACE Enexor, Inc."

The amendments read as follows (*amended portions underlined*):

#### **Amended Articles of Incorporation of ACE Enexor, Inc.**

Know all men by these presents: xxx

**FIRST:** The name of the corporation shall be:

#### **ACE Enexor, Inc.**

*(As amended during the meeting of the Board of Directors held on 23 July 2019 and approved during the Annual Stockholders' Meeting held on 17 September 2019)*

xxx

**THIRD:** The principal office of the corporation is to be established or located at 4<sup>th</sup> Floor, 6750 Office Tower, Ayala Ave., Makati City.



**AMENDED BY-LAWS OF ACE ENEXOR, INC.**

*(As amended during the meeting of the Board of Directors held on 23 July 2019 and approved during the Annual Stockholders' Meeting held on 17 September 2019)*

xxx

Likewise, on 17 September 2019, the stockholders' of the Company approved the amendment of Article V of the Company's By-Laws to update the Board committees to redefine the powers and functions of the Executive Committee, Audit Committee, and Personnel and Compensation Committee, re-organize the Nomination Committee into the Corporate Governance and Nomination Committee, and create the Board Risk Management and Related Party Transactions Committee

The amendments read as follows *(amended portions underlined)*:

**ARTICLE V: Committees**

**SECTION 1. EXECUTIVE COMMITTEE.** *(As amended during the meeting of the Board of Directors held on 23 July 2019 and approved during the Annual Stockholders' Meeting held on 17 September 2019)* The Committee shall be composed of not less than three (3) but not more than five (5) members, majority of whom shall be citizens of the Philippines, and shall designate among the members of the Committee a Chairman and a Vice Chairman. The Board may, from time to time, increase the membership of the Committee, and appoint additional members therein, who may or may not be Directors. Except as provided in Section 34 of the Revised Corporation Code of the Philippines, the Committee shall act on such specific matters within the competence of the Board as may from time to time be delegated to it.

**ARTICLE V-A: Corporate Governance and Nomination Committee** *(As amended during the meeting of the Board of Directors held on 23 July 2019 and approved during the Annual Stockholders' Meeting held on 17 September 2019)*

**SECTION 1. CREATION.** The Committee shall be composed of at least three (3) Directors, all of whom shall be Independent Directors.

**SECTION 2. FUNCTION.** The Committee shall be tasked to ensure that good corporate governance principles and practices are being complied with and observed by the Corporation, and to determine the nomination and election process for the Corporation's Directors.

**ARTICLE V-B: Audit Committee.** *(As amended during the meeting of the Board of Directors held on 23 July 2019 and approved during the Annual Stockholders' Meeting held on 17 September 2019)*

**SECTION 1. CREATION.** The Committee shall be composed of at least three (3) Non-Executive Directors, majority of whom shall be Independent Directors chaired by an Independent Director, who shall not chair any other Committee. The Chairman should not be the chairman of the Board or of any other committees.

**SECTION 2. FUNCTION.** The Committee shall be responsible for ensuring that adequate, effective and adequate financial reporting, internal control, internal and external audit, and compliance systems are established and maintained.

**ARTICLE V-C: Personnel and Compensation Committee** *(As amended during the meeting of the Board of Directors held on 23 July 2019 and approved during the Annual Stockholders' Meeting held on 17 September 2019)*

**SECTION 1. CREATION.** The Committee shall be composed of at least three (3) members, one of whom shall be an Independent Director.

**SECTION 2. FUNCTION.** The Committee shall be responsible for establishing a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of

corporate officers and Directors, ensuring that compensation is consistent with the Corporation's culture, strategy, and control environment and aligned with the long-term interests of the Corporation and stakeholders.

**ARTICLE V-D: Board Risk Management and Related Party Transactions Committee** (As amended during the meeting of the Board of Directors held on 23 July 2019 and approved during the Annual Stockholders' Meeting held on 17 September 2019)

**SECTION 1. CREATION.** The Committee shall be composed of at least three (3) Non-Executive Directors, majority of whom shall be Independent Directors. An Independent Director shall chair the Committee. The Chairman should not be the chairman of the Board or of any other committee.

**SECTION 2. FUNCTION.** The Committee shall be responsible for the oversight of the Corporation's Enterprise Risk Management (ERM) system and for the review of all material related party transactions of the Corporation.

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

- a. Election of the members of the Board of Directors, including the independent directors, for the ensuing year.
- b. Ratification of all acts of the Board of Directors and officers beginning 18 September 2019 until 19 April 2020.

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

- (i) constitution of Board Committees and appointment of Chairmen and members;
  - (ii) election of lead independent director and officers;
  - (iii) updating of the list 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 Company Budget;
  - (vii) approval of reports to be issued by the Company; and
  - (viii) Others.
- c. Election of external auditor and fixing of its remuneration

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

- a. Vote Required.

The nine (9) nominees for directors receiving the highest number of votes shall be declared elected, provided that at least two (2) out of the nine (9) directors shall be independent directors. 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 issued and 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 or her 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 circumstance in relation to COVID-19, the Corporation shall allow electronic signature of the required documents, as applicable. Notarization requirement shall also be dispensed with at this time. However, the Corporation reserves the right to request additional information, and original and sign 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, identifying authorized persons outside residence, and/or requiring social distancing to prevent the spread of COVID-19 (the “**Regulations**”) and to ensure the safety and welfare of our stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication, as set forth below, and by voting in *absentia*, as provided in Item 4 (c) and Item 19 above, or voting through the Chairman of the meeting as proxy. 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/ACEX2020>. 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.enexor@acenergy.com.ph](mailto:corpsec.enexor@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.enexor@acenergy.com.ph](mailto:corpsec.enexor@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 24 March 2020.

**ACE ENEXOR, INC.**

by:   
**DODJE D. LAGAZO**  
*Corporate Secretary*