

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT OF
AREIT, INC. (the "Registrant", "Company" or "AREIT")
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 **AREIT, INC.**

3. Province, country or other jurisdiction of incorporation or organization
REPUBLIC OF THE PHILIPPINES

4. SEC Identification Number **CS200613870**

5. BIR Tax Identification Code **006-346-689**

6. Address of principal office **28th Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City 1226**

7. Registrant's telephone number, including area code **(632) 7908 3804**

8. Date, time and place of the meeting of security holders

Date	April 23, 2021
Time	2:45 pm
Place	To be conducted virtually through http://www.ayalagroupshareholders.com/¹

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

Date	March 31 2021
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10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the Revised Securities Act:

a. Shares of Stock as of January 31, 2021

Common Shares	1,092,986,405
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b. Amount of Debt Outstanding as of January 31, 2021

P 4,145,000,000.00

11. Are any or all of registrant's securities listed in a Stock Exchange?

☐ Yes ☐ No

1,092,986,405 common shares are listed with the Philippine Stock Exchange ("PSE")

¹ Please refer also to Item 20 of this DIS.



NOTICE OF SPECIAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that a special meeting of the stockholders of **AREIT, INC.** will be conducted virtually via <http://www.ayalagroupshareholders.com/> on **Friday, April 23, 2021** at **2:45 o'clock in the afternoon** with the following agenda:

AGENDA¹

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Waiver of the Requirement to Conduct a Rights or Public Offering of the Shares to be subscribed by Ayala Land, Inc.
4. Adjournment

Only stockholders of record as of **March 23, 2021** are entitled to notice of, and to vote at, this meeting.

Given the current circumstances, stockholders may only attend the meeting by appointing the Chairman of the meeting as their proxy, by remote communication or by voting *in absentia*. Stockholders intending to participate by remote communication should notify the Company on or before April 14, 2021.

Duly accomplished proxies shall be submitted on or before April 14, 2021 to the Office of the Corporate Secretary at 4/F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City or by email to corporate.secretary@areit.com.ph. Validation of proxies is set for April 16, 2021 at 9:00 o'clock in the morning.

Stockholders may vote by remote communication, or *in absentia* subject to validation procedures. The procedures for participating in the meeting through remote communication and for casting of votes *in absentia* will be set forth in the Information Statement.

Stockholders of record as of March 23, 2021 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusion in the agenda on or before April 16, 2021².

All communications should be sent by email to corporate.secretary@areit.com.ph on or before the designated deadlines.

Makati City, March 30, 2021.

SOLOMON M. HERMOSURA
Corporate Secretary

¹ See next page for the explanation and rationale for each agenda item.

² The inclusion of the proposed agenda item is in accordance with SEC Memorandum Circular No. 14, Series of 2020, and the Company's internal guidelines.



EXPLANATION AND RATIONALE OF AGENDA ITEMS

Call to Order

The Chairman will formally open the meeting at approximately 2:45 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 Company 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*³. A stockholder participating by remote communication or who votes *in absentia* shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting to be conducted in virtual format:

- (i) Stockholders may attend the meeting remotely through the online web address (URL) provided. Questions and comments may be sent prior to or during the meeting at corporate.secretary@areit.com.ph and shall be limited to the items in the Agenda.
- (ii) The proposed resolution will be shown on the screen during the livestreaming as the same is taken up at the meeting.
- (iii) Stockholders must notify the Company on or before April 14, 2021 of their intention to participate in the Meeting by remote communication to be included in determining the existence of a quorum, together with the stockholders who voted *in absentia* and by proxy.
- (iv) Voting shall only be allowed for stockholders registered in the Voting *in Absentia* and Shareholder (VIASH) System or through authorizing the Chairman of the meeting as proxy.
- (v) Stockholders voting *in absentia*, who have previously registered in the VIASH System, may cast their votes electronically at any time using the VIASH System prior to or during the meeting.
- (vi) The item in the agenda for approval by the stockholders will need the affirmative vote of the majority representing the outstanding shares held by the minority stockholders present or represented during the meeting.
- (vii) 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.
- (viii) The meeting proceedings shall be recorded in audio and video format.
- (ix) A link to the recorded webcast of the meeting will be posted on the Company's website after the meeting. Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the matters arising from the meeting conducted.

Approval of the Waiver of the Requirement to Conduct a Rights or Public Offering of the Shares to be subscribed by Ayala Land, Inc.
Approval of the stockholders will be sought for the waiver of the requirement to conduct a rights or public offering of the shares to be subscribed by Ayala Land, Inc. as part of the requirements of the Philippine Stock Exchange for the listing of additional shares (Article V, Part A, Section 5 of the Consolidated Listing and Disclosure Rules of the Philippine Stock Exchange).

A resolution on this agenda item must be approved by the majority vote of the minority stockholders present or represented in the meeting by voting electronically *in absentia* or voting through the Chairman of the meeting as proxy or attending via remote communication.

Consideration of Such Other Business as May Properly Come Before the Meeting

The Chairman will open the floor for comments and questions by the stockholders, and take up agenda items received from stockholders on or before April 7, 2021 in accordance with existing laws, rules and regulations of the Securities and Exchange Commission and the Company's internal guidelines⁴.

³ The detailed instructions pertaining to the URL and the use thereof will be provided in the Information Statement.

⁵ SEC Memorandum Circular No. 14, series of 2020 or "Shareholders' Right to Put items on the Agenda for Regular/Special Stockholders' Meetings": <https://www.sec.gov.ph/mc-2020/mc-no-14-s-2020shareholders-right-to-put-items-on-the-agenda-for-regular-special-stockholders-meetings/>.

PROXY

The undersigned stockholder of **AREIT, INC.** (the "Company") hereby appoints the Chairman of the meeting, as *attorney-in-fact* and *proxy*, to represent and vote all shares registered in his/her/its name at the annual meeting of stockholders of the Company and the special meeting of the stockholders of the Company, both on April 23, 2021 and at any of the adjournments thereof for the purpose of acting on the matters stated below:

Please place an "X" in the box below how you wish your votes to be cast in respect of the matters to be taken up during the respective meetings.

If no specific direction as to voting is given, the votes will be cast for the election of all nominees and for the approval of the resolutions on the matters stated below and as set out in the notices, and for such other matters as may properly come before the meetings in the manner described in the respective Information Statements and as recommended by the Chairman.

Annual Stockholders' Meeting

- | | |
|--|--|
| 1. Approval of minutes of previous meeting.
<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain | 8. Election of directors.

Jose Emmanuel H. Jalandoni _____
Bernard Vincent O. Dy _____
Carol T. Mills _____
Augusto D. Bengzon _____
Mariana Zobel de Ayala _____
<u>Independent Directors:</u>
Omar T. Cruz _____
Enrico S. Cruz _____
Simeon S. Cua _____ |
| 2. Annual report.
<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain | |
| 3. Ratification of the acts of the Board of Directors and Officers.
<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain | |
| 4. Approval of the amendment to the Sixth Article of the Articles of Incorporation to increase the number of directors from seven (7) to eight (8)
<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain | |
| 5. Approval of the increase of Authorized Capital Stock from ₱11,740,000,000.00 to ₱29,500,000,000.00, and the corresponding amendment to the Seventh Article of the Articles of Incorporation
<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain | |
| 6. Approval of issuance of common shares in exchange for properties
<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain | 9. Election of SyCip Gorres Velayo & Co. as the external auditor and fixing of its remuneration.
<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain |
| 7. Approval of the delegation of authority to amend, repeal or adopt new By-Laws to the Board of Directors
<input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Abstain | 10. At his/her discretion, the proxy named above is authorized to vote upon such other matters as may properly come before the meeting.
<input type="checkbox"/> For <input type="checkbox"/> Against |

Special Stockholders' Meeting

1. Approval of the waiver of the requirement to conduct a rights or public offering of the shares to be subscribed by Ayala Land, Inc.
☐ For ☐ Against ☐ Abstain

PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER /
AUTHORIZED SIGNATORY

DATE

A SCANNED COPY OF THIS PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY AT corporate.secretary@areit.com.ph ON OR BEFORE **APRIL 14, 2021**, THE DEADLINE FOR SUBMISSION OF PROXIES. FOR CORPORATE STOCKHOLDERS, PLEASE ATTACH TO THIS PROXY FORM THE SECRETARY'S CERTIFICATE ON THE AUTHORITY OF THE SIGNATORY TO APPOINT THE PROXY AND SIGN THIS FORM.

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 REGISTERS ON THE VOTING *IN ABSENTIA* & SHAREHOLDER (VIASH) SYSTEM.

STOCKHOLDERS PARTICIPATING BY REMOTE COMMUNICATION WILL NOT BE ABLE TO VOTE UNLESS THEY REGISTER IN THE VIASH SYSTEM OR AUTHORIZE THE CHAIRMAN TO VOTE AS PROXY, ON OR BEFORE **APRIL 14, 2021**.

NOTARIZATION OF THIS PROXY IS NOT REQUIRED.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. **Date, time and place of meeting of security holders (hereafter, the “special stockholders’ meeting” or “meeting”)**

Date	April 23, 2021
Time	2:45 pm
Place	To be conducted virtually through http://www.avalagroupshareholders.com/²
Principal Office	28th Floor, Tower One and Exchange Plaza Ayala Triangle, Ayala Avenue, Makati City 1226

The Information Statement may be accessed by the Company’s stockholders beginning March 31, 2021 at the Company’s website, areit.com.ph.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY

Item 2. **Dissenters' Right of Appraisal**

Under Sections 41 and 80, Title X of the Revised Corporation Code of the Philippines (“Revised Corporation Code”), a stockholder shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

- (a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders 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 the Revised Corporation Code;
- (c) In case of merger or consolidation; and
- (d) In case of investment of funds by the Company in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized.

No matters or actions to be taken up at the meeting that may give rise to a possible exercise by stockholders of their appraisal rights.

Item 3. **Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

- (a) No current director or officer³, or nominee for election as director or any of his associate, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.
- (b) No director has informed the Company that he intends to oppose any action to be taken at the annual stockholders’ meeting.

² Please also refer to Item 20 of this DIS.

³ References to directors, officers, Board or Committees are references to directors, officers, Board or Committees of the Company unless otherwise specified.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Number of Shares Outstanding as of January 31, 2021:

Common Shares **1,025,656,435**

Number of Votes Entitled: one (1) vote per share

- (b) All stockholders of record as of March 23, 2021 are entitled to receive notice and to vote at the annual stockholders' meeting.

(c) Manner of Voting

Article II, Section 7 of the By-Laws of the Company (the "By-Laws") provide:

"Section 7 - Unless otherwise provided by law, each stockholder shall at every meeting of the stockholders be entitled to one vote, in person or by proxy, for each share held by such stockholder. At all meetings of the stockholders, all elections and all questions, except in cases where hereunder specified or where other provision is made by statute or by the Articles of Incorporation, shall be decided by the majority vote of the stockholders present in person or by proxy, a quorum being present. Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall state the number of shares voted by him. *(as amended in a meeting of the Board of Directors and stockholders on September 26, 2018)*

On March 30, 2021, the Board of Directors of the Company, approved and authorized the holding of a fully virtual special stockholders' meeting, including all the necessary and related arrangements, and the internal guidelines or procedures on participation in meetings by remote communication and voting *in absentia* in compliance with the requirement of the Securities and Exchange Commission and in accordance with Sections 57 and 23 of the Revised Corporation Code. Stockholders may vote electronically *in absentia* using the online web address, <http://www.ayalagroupshareholders.com/>, subject to validation procedures. Please refer to Annex A (I) for the detailed instruction on electronic voting. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

(d) Security Ownership of Certain Record and Beneficial Owners and Management

- i. Security Ownership of Record and Beneficial Owners of more than 5% as of January 31, 2021:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (of total outstanding shares)
Common	Ayala Land, Inc. ⁴ 31F, Tower One and Exchange Plaza Ayala Triangle Ayala Ave., Makati City	Ayala Land, Inc. ⁵	Filipino	461,977,093	45.04209%
Common	PCD Nominee Corporation (Filipino) ⁶ G/F MSE Bldg.	PCD participants acting for themselves or for their customers ⁷	Filipino	397,124,617	38.71907%

⁴ Ayala Land, Inc. ("ALI") is the principal stockholder of the Company.

⁵ Under the By-Laws of ALI and the Revised Corporation Code, the ALI Board has the power to decide how ALI's shares are to be voted.

⁶ PCD is not related to the Company.

⁷ Each beneficial owner of shares through a PCD participant is the beneficial owner to the extent of the number of shares in his account with the PCD participant. The beneficial owner, with certification of ownership of shares from the PCD Participant, has the power to vote *in absentia* or through the Chairman of the meeting as proxy. Out of the 467,327,600 common shares registered

	Ayala Ave., Makati City				
Common	AyalaLand Offices, Inc. ⁸	AyalaLand Offices, Inc. ⁹	Filipino	96,292,435	9.38837%
Common	PCD Nominee Corporation (Non-Filipino) ⁶ G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers ⁷	Various Non-Filipino	70,202,983	6.84469%

ii. Security Ownership of Directors and Management (Executive Officers) as of January 31, 2021:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of total outstanding shares)
Directors				
Common	Bernard Vincent O. Dy	(direct) 1	Filipino	0.00000%
Common	Augusto D. Bengzon	(direct) 1	Filipino	0.00000%
Common	Jose Emmanuel H. Jalandoni	(direct) 1	Filipino	0.00000%
Common	Carol T. Mills	(direct & indirect) 101,001	Filipino	0.00985%
Common	Enrico S. Cruz	(direct & indirect) 2,670,001	Filipino	0.26032%
Common	Omar T. Cruz	(direct & indirect) 717,601	Filipino	0.06997%
Common	Simeon S. Cua	(direct) 1	Filipino	0.00000%
CEO and Most Highly Compensated Executive Officers				
Common	Carol T. Mills	(direct & indirect) 101,001	Filipino	0.00985%
Common	Augusto D. Bengzon	(direct) 1	Filipino	0.00000%
Common	Elaine F. Alzona	(indirect) 5,000	Filipino	0.00049%
Common	Michael Anthony D. Garcia	0	Filipino	0.00000%
Other Executive Officers				
Common	Solomon M. Hermosura	(indirect) 580,000	Filipino	0.05655%
Common	Amelia Ann T. Alipao	(indirect) 20,000	Filipino	0.00195%
Common	June Vee D. Monteclaro-Navarro	(indirect) 40,000	Filipino	0.00390%
Common	Nimfa Ambrosia L. Perez-Paras	(indirect) 39,900	Filipino	0.00292%
All Directors and Officers as a group		4,173,507		0.40691%

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 knows of no persons holding more than 5% of common shares under a voting trust or similar agreement.

iv. Changes in Control

No change of control in the Company has occurred since the beginning of its last fiscal year.

in the name of PCD Nominee Corporation, 115,468,427 or 11.25801% of the outstanding capital stock is for the account of BPI Securities Corporation (BPI Trade) and 52,328,400 or 5.10194% of the outstanding capital stock is for the account of Citibank N.A..None of BPI Trade, Citibank N.A. or any of their customers have coordinated with the Company for the submission of SEC Form 18-A for beneficially owning more than 5% of the Company's common shares.

⁸ AyalaLand Offices, Inc. is an affiliate of AREIT, Inc. for having ALI as their common stockholder owning at least 10% of their outstanding capital stock.

⁹ The Board of AyalaLand Offices, Inc. has the power to decide how the shares are to be voted.

(e) Foreign ownership level as of January 31, 2021:

Security	Total Outstanding Shares	Shares Owned By Foreigners	Percent of Ownership
Common Shares	1,025,656,435	70,202,983	6.8447%

Item 5. Directors and Executive Officers

Article III, Section 2 of the By-Laws provides in part:

“Section 2. xxx The Board of Directors shall have seven (7) members who shall be elected by the stockholders entitled to vote at the annual meeting, and shall hold office for one (1) year until their successors are elected and qualified in accordance with these By-laws.” xxx

All matters pertaining to the Directors and Executive Officers of the Company form part of the Definitive Information Statement for the Company's annual stockholders' meeting to be held on April 23, 2021. No matter shall be taken up during the special stockholders meeting in relation to the directors and executive officers.

Item 6. Compensation of Directors and Executive Officers

All matters pertaining to the compensation of Directors and Executive Officers of the Company form part of the Definitive Information Statement for the Company's Annual Stockholders Meeting to be held on April 23, 2021. No matter shall be taken up during the special stockholders meeting in relation to the compensation of directors and executive officers.

Item 7. Independent Public Accountants

- (a) The principal accountant and external auditor of the Company is SyCip Gorres Velayo & Co. (SGV & Co.). The same accounting firm is being recommended for re-appointment at the annual stockholders' meeting.
- (b) All matters pertaining to the Company's independent public accountants form part of the Definitive Information Statement for the Company's Annual Stockholders Meeting to be held on April 23, 2021. No other matter shall be taken up during the special stockholders meeting in relation to the Company's independent public accountants.

Item 8. Compensation Plans

No matters or actions with respect 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 matters or actions 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 audited financial statements as of December 31, 2020, Management's Discussion and Analysis, Market Price of Shares and Dividends and other data related to the Company's

financial information are attached to the Company's Definitive Information Statement for its annual stockholders meeting as Annex "C". The Schedules required under Part IV(c) of Rule 68 will be included in the Annual Report (SEC Form 17-A). There are no changes in the said audited financial statements and schedules from the time of the annual stockholders meeting to the special stockholders meeting

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

There is no proposed merger, consolidation, acquisition by 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 special stockholders' 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

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 Interpretations of International Financial Reporting Interpretation Committee (IFRIC) which became effective beginning January 1, 2019. The Company will also adopt several amended and revised standards and interpretations in 2021 and onwards.

Please refer to Note 2 of the Company's audited financial statements attached to the Definitive Information Statement for the Company's annual stockholders meeting on the Summary of Significant Accounting Policies for the accounting of the new PFRS and IFRIC which became effective in 2019 and new PFRS and IFRIC that will be effective in 2021 and onwards.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

There are no matters or actions to be taken up in the special stockholders' meeting with respect to the Company's reports.

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, Bylaws or Other Documents

There are no matters or actions to be taken up in the meeting with respect to amendment of the Company's Charter, Bylaws or other documents.

Item 18. Other Proposed Action

- (a) Approval of the waiver of the requirement to conduct a rights or public offering of the shares to be subscribed by Ayala Land, Inc. as part of the requirements of the Philippine Stock Exchange for the listing of additional shares (Article V, Part A, Section 5 of the Consolidated Listing and Disclosure Rules of the Philippine Stock Exchange)

The majority vote representing the outstanding shares held by the minority stockholders present or represented in the meeting shall be obtained for the issuance of the waiver of the requirement to conduct a rights or public offering of the shares to be subscribed by Ayala Land, Inc. ("Waiver"), as part of the requirements of the Philippine Stock Exchange ("Exchange"), in connection with the additional listing of shares of the Company with the Exchange.

The Waiver is being sought in relation to the proposed property-for-share swap transaction between the Company and Ayala Land, Inc. ("ALI"), and its subsidiaries Westview Commercial Ventures Corp. ("Westview") and Glensworth Development, Inc. ("GDI") (Westview and GDI are collectively referred to as "Subsidiaries") which will be presented to the stockholders during the annual stockholders meeting of the Company to be held on April 23, 2021.

Briefly, to be presented for the approval of the stockholders during the Company's annual stockholders meeting is the issuance of 483,254,375 primary common shares to ALI and the Subsidiaries in exchange for identified properties owned by ALI and the Subsidiaries, valued at Fifteen Billion Four Hundred Sixty- Four Million One Hundred Forty Thousand Pesos (P15,464,140,000), independently evaluated and recommended to the Company by AREIT Fund Managers, Inc., under a property-for-share swap with transaction price of P32/share, and will be validated by a fairness opinion issued by PwC Philippines – Isla Lipana & Co. The properties to be infused have been evaluated by AREIT Fund Managers, Inc., and have been appraised by the Company's property appraiser, Asian Appraisal Company, Inc. The Valuation Reports issued by Asian Appraisal Company, Inc. are collectively attached to the Company's Definitive Information Statement for its annual stockholders meeting as Annex "F."

Property	Registered Owner	Fair Market Value (in Php)
Vertis North Corporate Center 3 Office Towers and Retail Podium	Ayala Land, Inc.	11,975,700,000
BPI-Philam Life Makati	Ayala Land, Inc.	238,175,000
BPI-Philam Life Alabang	Ayala Land, Inc.	63,390,000
Bacolod Capitol Corporate Center	Westview Commercial	897,939,000
Ayala Northpoint Technohub	Ventures Corp. ¹	300,247,000
One Evotech and Two Evotech	Glensworth Development, Inc. ²	1,988,689,000
Total		15,464,140,000

¹ 100% owned by ALI
² 100% owned by AyalaLand Offices, Inc., a wholly-owned subsidiary of Ayala Land, Inc. (collectively, the "Properties")

The following primary common shares will be issued to ALI, and the Subsidiaries in exchange for the above-described Properties:

Stockholder	Number of Shares
ALI	383,664,531
Westview	37,443,313
GDI	62,146,531
TOTAL	483,254,375

The Properties will be used as ALI's and the Subsidiaries' payment for the shares and to support the increase in the Company's authorized capital stock from Php11,740,000,000.00 to Php29,500,000,000.00. The transaction will be implemented as a tax-free exchange, subject to a fairness opinion on the valuation of the Shares and of the Properties prepared and issued by PwC Philippines – Isla Lipana & Co., an independent fairness opinion provider accredited by both the SEC and the PSE.

This matter was approved by the Related Party Transactions Review Committee of AREIT (composed of Simeon S. Cua, Chairman, Omar T. Cruz, Enrico S. Cruz, members) and ratified by the Board of Directors of the Company by unanimous vote on March 16, 2021.

The Company will apply for the listing of the new shares issued to Ayala Land, Inc. upon approval of all regulatory agencies, and the relevant exchange. The issuance of the shares will be submitted for approval of the stockholders. A copy of the Comprehensive Corporate Disclosure for this purpose will be sent to the stockholders in connection with this proposal.

The Company will pay the following approximate fees in connection with the proposed property-for-share swap:

Nature of Fees	Amounts (in Php)
(1) Increase in Authorized Capital Stock	
a) SEC	
• Filing Fee	35,520,000.00
• Legal Research Fee	355,200.00
• Amendments to By-Laws	1,000.00
• Amendments to Articles of Incorporation	1,000.00
b) BIR	
• DST on Original Issuance of Shares of the Increase in ACS	48,325,437.50
(2) Listing of Shares (PSE)	
• Processing Fee	50,000.00
• Additional Listing Fee for Shares for Property Swap	15,464,140.00
(3) Property Transfer (Local Government Units)	
• Local Transfer Tax	115,981,050.00

The issuance of shares in favor of Ayala Land, Inc. Westview Commercial Ventures Corp., and Glensworth Development, Inc. will have the effect of diluting the ownership interest of the existing stockholders in the Company to the extent of such shares, and such existing stockholders will have no pre-emptive rights on such shares.

Item 19. Voting Procedures

(a) **Vote required:** The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the annual stockholders' meeting is required for the approval of all matters presented to the stockholders for decision, except for the Waiver. The majority vote representing the outstanding shares held by the minority stockholders present or represented in the meeting shall likewise be obtained for the issuance of waiver of the requirement to conduct a rights or public offering of the shares to be subscribed by Ayala Land, as part of the requirements of the Philippine Stock Exchange in connection with the additional listing of shares with the Philippine Stock Exchange.

(b) **Method of Voting:** Straight and Cumulative 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 view of the Regulations, as explained in Item 20 below, stockholders will only be allowed to vote by appointing the Chairman of the meeting as their proxy or electronically *in absentia*.

In the case of the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate the aforesaid shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that, the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

A stockholder may vote electronically *in absentia* using the online web address, <http://www.ayalagroupshareholders.com/>,¹ subject to validation procedures. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

Proxies shall be in writing, signed and filed, by the stockholders, in the form provided in this

¹ A stockholder may vote through <http://www.ayalagroupshareholders.com/> for both the annual and special stockholders' meetings of the Company to be held on April 23, 2020.

DIS, and shall be received by the Corporate Secretary at corporate.secretary@areit.com.ph on or before April 14, 2021.

All votes will be counted and tabulated by the Committee of Inspectors of Proxies and Ballots and the results will be validated by an independent third party.

Item 20. Participation of Shareholders by Remote Communication

To comply with applicable regulations prohibiting mass gatherings 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.

To enable the Company to identify the shareholders participating by remote communication and record their presence for purposes of quorum, the shareholders shall inform the Company by email to corporate.secretary@areit.com.ph on or before April 14, 2021, of their participation in the meeting by remote communication. Further, stockholders may participate by remote communication by clicking on the Meeting livestreaming access button which will be available on the Stockholder's dashboard in the VIASH System on the date set for the Meeting as indicated in the Company's Notice of Meeting.

Stockholders may email questions or comments prior to or during the meeting at the following email address: corporate.secretary@areit.com.ph. The detailed instructions for participation through remote communication are set forth in Annex A (II).

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 Makati on the 30th day of March 2021.

AREIT, INC.



SOLOMON M. HERMOSURA
Corporate Secretary

ANNEX “A”

2021 SPECIAL STOCKHOLDERS’ MEETING OF AREIT, INC. (THE “MEETING”)

REQUIREMENTS AND PROCEDURE FOR ELECTRONIC VOTING IN ABSENTIA AND PARTICIPATION BY REMOTE COMMUNICATION

Electronic voting *in absentia* and participation by remote communication shall be allowed only through complete registration and successful validation in the Voting *in Absentia* & Shareholder (VIASH) System.

I. ELECTRONIC VOTING IN ABSENTIA

1. Stockholders as of March 23, 2021 (“Stockholders”) have the option of electronic voting *in absentia* on the matters in the Agenda, after complete registration and successful validation in the VIASH System. Stockholders with e-mail addresses on record shall be sent an e-mail with a link to the VIASH System. To register in the VIASH System, Stockholders shall simply follow the instructions sent in the e-mail.
2. Otherwise, Stockholders may access the link <http://www.ayalagroupshareholders.com/> to create an account and register in the VIASH System. Stockholders should complete the online registration form and submit for validation together with the requirements provided in Item 4 below. Registration to the VIASH System shall be valid for the Company’s annual and special stockholders’ meetings to be held on April 23, 2021.
3. All registered accounts shall be subject to the validation process set forth. The deadline for registration to vote *in absentia* is April 14, 2021. The VIASH System will be open for registration for both the annual and special stockholders’ meetings on **March 31, 2021**.
4. The following are needed for registration:
 - 4.1 For individual Stockholders –
 - 4.1.1 A recent photo of the Stockholder, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
 - 4.1.2 A scanned-copy of the Stockholder’s valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
 - 4.1.3 A valid and active e-mail address;
 - 4.1.4 A valid and active contact number;
 - 4.2 For Stockholders with joint accounts –

A scanned copy of an authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account (in JPG or PDF format). The file size should be no larger than 5MB;
 - 4.3 For Stockholders under Broker accounts –
 - 4.3.1 A broker’s certification on the Stockholder’s number of shareholdings (in JPG or PDF format). The file size should be no larger than 5MB;
 - 4.3.2 A recent photo of the stockholder, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;

- 4.3.3 A scanned copy of the Stockholder's valid government-issued ID showing photo and personal details, preferably with residential address (in JPG or PDF format). The file size should be no larger than 5MB;
- 4.3.4 A valid and active e-mail address;
- 4.3.5 A valid and active contact number;
- 4.4 For corporate Stockholders –
 - 4.4.1 A secretary's certificate attesting to the authority of the representative to vote for, and on behalf of the Corporation (in JPG or PDF format). The file size should be no larger than 5MB;
 - 4.4.2 A recent photo of the Stockholder's representative, with the face fully visible (in JPG or PNG format). The file size should be no larger than 5MB;
 - 4.4.3 A scanned copy of the valid government-issued ID of the Stockholder's representative showing photo and personal details, preferably with residential address (in JPG or PDF format). The file-size should be no larger than 5MB;
 - 4.4.4 A valid and active e-mail address of the Stockholder's representative;
 - 4.4.5 A valid and active contact number of the Stockholder's representative.

Important Notes:

- Stockholders of the Company need only to register one account in the VIASH System in order to participate in both the annual and special stockholders' meetings of the Company to be held both on April 23, 2021.
 - Stockholders who are also stockholders as of record date of the other publicly listed corporations in the Ayala group need only to register one account in the VIASH System. The digital absentee ballot for each corporation shall be separately accessed from the Stockholder's Dashboard in the VIASH System and votes shall be cast per corporation.
 - Considering the prevailing extraordinary circumstances in relation to COVID-19, the Company shall allow electronic signature for the required documents, as applicable. Notarization requirement shall also be dispensed with at this time. However, the Company reserves the right to request additional information, and original signed and notarized copies of these documents at a later time.
 - Incomplete or inconsistent information may result in an unsuccessful registration. As a result, Stockholders will not be allowed access to vote electronically *in absentia*, but may still vote through the Chairman of the Meeting as proxy, by submitting a duly accomplished proxy form, on or before April 14, 2021.
5. The validation process in the VIASH System will be concluded by the Company no later than three (3) business days from the date of the Stockholder's complete registration. The Stockholder's dashboard in the VIASH System will indicate the status of registration.
- Once validated, the Stockholder will receive an e-mail confirmation on their successful registration. Registered Stockholders have until the end of the Meeting to cast their votes *in absentia*.
6. All agenda items indicated in the Notice of the Meeting will be set out in the digital absentee ballot in the VIASH System and the registered Stockholder may vote as follows:
- 6.1 For items other than the Election of Directors, the registered Stockholder has the option to vote: For, Against, or Abstain. The vote is considered cast for all the registered Stockholder's shares.
 - 6.2 For the Election of Directors, the registered Stockholder may either: (1) vote for all nominees, (2) not vote for any of the nominees, or (3) vote for some nominees only, in such number of shares as preferred by the Stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected.

Once voting on the agenda items is finished, the registered Stockholder can proceed to submit the accomplished ballot by clicking the 'Submit' button.

The VIASH System will prompt the Stockholder to confirm the submission of the ballot. The votes cast *in absentia* will have equal effect as votes cast by proxy.

After the ballot has been submitted, Stockholders may no longer change their votes except by submitting a duly accomplished proxy form within the set deadline.

7. The Office of the Corporate Secretary will tabulate all votes cast *in absentia* together with the votes cast by proxy, and a firm selected for this purpose will validate the results.

II. PARTICIPATION BY REMOTE COMMUNICATION

1. Stockholders as of March 23, 2021 ("Stockholders") are required to register in the VIASH System to participate in the Annual and Special Meetings on April 23, 2021 by remote communication. A Meeting livestreaming access button will be available in the Stockholder's dashboard in the VIASH System on the date set for the Meetings as indicated in the Corporation's Notice of the Meeting.
2. The procedure and requirements for registration in the VIASH System are found in the Electronic Voting *in Absentia* section in this Annex. The deadline for registration to participate by remote communication is on April 14, 2021.
3. In addition to their registration in the VIASH System, Stockholders are requested to notify the Company by e-mail to corporate.secretary@areit.com.ph by April 14, 2021 of their intention to participate in the Meetings by remote communication.
4. Only the Stockholders who have notified the Company of their intention to participate in the Meeting by remote communication, together with the Stockholders who voted *in absentia* and by proxy, will be included in the determination of quorum at the Meeting.
5. Stockholders participating by remote communication may vote anytime until the end of the Meeting using the digital ballot in the VIASH System.
6. Stockholders may send their questions and/or remarks prior to or during the Meeting by e-mail to corporate.secretary@areit.com.ph.
7. A link to the recorded webcast of the Meeting will be posted on the Company's website after the Meeting. Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted by e-mail to corporate.secretary@areit.com.ph.

For any clarifications, please contact our Office of the Corporate Secretary through corporate.secretary@areit.com.ph.