



22 October 2020

Philippine Stock Exchange, Inc.

6th Floor, PSE Tower, 28th Street corner 5th Avenue,
Bonifacio Global City, Taguig City

To **Janet A. Encarnacion**
Head, Disclosure Department

Securities and Exchange Commission

PICC Complex, Roxas Boulevard, Pasay City

To **Hon. Vicente Graciano P. Felizmenio, Jr.**
Director, Market Regulation Department

Dear Mesdames and Gentlemen,

Please be informed that the Board of Directors of AREIT, Inc. (the “Company”), approved the following items at its regular meeting held this afternoon.

1. The acquisition of The 30th, a 76,000 sqm. commercial development located along Meralco Avenue in Pasig City from its Sponsor, Ayala Land Inc. for a purchase price of P5.1 billion, vat-inclusive, as endorsed by the Related Party Transactions Review Committee.
2. The raising of up to P6.4 billion, with a tenor of up to 10 years, through the issuance of retail bonds and/or corporate notes for listing on the PDEX, and/or bilateral term loans, and/or preferred shares for the purpose of financing asset acquisitions.
3. The establishment of credit facilities with banks amounting to P12.0 billion.
4. Likewise, the Board of Directors ratified and approved following amendments, as endorsed by the Corporate Governance and Nomination Committee:
 - a. Article VI of the Articles of Incorporation and Section 2 of Article III of the By-Laws to increase the number of directors from seven (7) to eight (8); and
 - b. Various sections of the By-Laws to align with the Revised Corporation Code and with recognized good corporate governance practices, and to digitalize certain governance processes. The attached Annex “A” provides a summary of the approved substantial changes.

The above amendments to the charters will be presented to the Company’s stockholders at their annual meeting in 2021 for their approval.

Thank you.

ELAINE MARIE F. ALZONA
CFO and Chief Compliance Officer

Annex “A”

AREIT, INC.

Amendments to the By-Laws

Article and Section Nos.	From	To
Art. II, Sec. 1	Annual/Regular Meetings. The annual meetings of stockholders shall be held every last Friday of May of each year, or if a legal holiday, then on the next business day following.	Annual/Regular Meetings. The annual meetings of stockholders shall be held <u>annually on any date after April 15 as determined by the Board of Directors.</u>
Art. II, Sec. 2	Special Meetings. Special meetings of the stockholders may be called by any of the following: (a) by resolution of the Board of Directors, at its own instance, or at the written request of stockholders representing at least one-third (1/3) of the outstanding capital stock, or (b) by order of the President. Such call shall state the purpose or purposes of the meeting.	Special Meetings. Special meetings of the stockholders may be called by any of the following: (a) by resolution of the Board of Directors, at its own instance, or at the written request of stockholders representing at least one-third (1/3) of the outstanding capital stock, or (b) by order of the President. Such call shall state the purpose or purposes of the meeting, <u>provided that at least one (1) week written notice shall be sent to all stockholders.</u>
Art. II, Sec. 3	Place of Meeting. Stockholders' meetings, whether regular or special, shall be held at the offices of the Corporation or at any place in Metro Manila designated by the Board of Directors.	Place of Meeting. Stockholders' meetings, whether regular or special, shall be held at the offices of the Corporation <u>or in the city where the principal office of the Corporation is located.</u>
Art. II, Sec. 4	Notice of Meeting. Notice for annual and special meetings of stockholders may be sent by the Secretary or Assistant Secretary by personal delivery or by sending the notice by, mail, telegraph, cable, facsimile, electronic-mail or other electronic means to each stockholder of record entitled to vote thereat at the address and/or facsimile, telegraph number or electronic mail address last known to the Secretary or Assistant Secretary of the Corporation, at least fifteen (15) days before the date of the meeting. Except where expressly required by law, no publication of any notice of a meeting of stockholders shall be required. Each stockholder shall provide his current residential or office address and electronic mail address to the Secretary not later than thirty (30) days after the regular meeting of the stockholders as provided for in Section 1 of Article II hereof, and shall notify the Secretary of any change in his residential or office address or electronic mail address within five (5) days from the said change. The Secretary shall maintain a record of the current residential or office address, and the electronic mail address of each stockholder of	Notice of Meeting. Notice for annual and special meetings of stockholders may be sent by the Secretary or Assistant Secretary <u>to the stockholders primarily by electronic transmission or by such other manner as allowed by the Securities and Exchange Commission, such as physical service if there is no available electronic transmission to a relevant stockholder, at least twenty one (21) days</u> before the date of the meeting. Except where expressly required by law, no publication of any notice of a meeting of stockholders shall be required. Each stockholder shall provide his current residential or office address and electronic mail address to the Secretary not later than thirty (30) days after the regular meeting of the stockholders as provided for in Section 1 of Article II hereof, and shall notify the Secretary of any change in his residential or office address or electronic mail address within five (5) days from the said change. The Secretary shall maintain a record of the current residential or office address, and the electronic mail address of each stockholder

the Corporation. Any notice of any regular or special meeting sent by electronic mail to the last known electronic mail address of a stockholder shall be considered a valid service of the notice upon said stockholder. The notice shall state the date, time and place of the meeting and the agenda or purpose or purposes for which the meeting is called. Such requirements aforesaid and notice of any meetings may be waived, expressly or impliedly, by any stockholder.

x x x x x

of the Corporation. Any notice of any regular or special meeting sent by electronic mail to the last known electronic mail address of a stockholder shall be considered a valid service of the notice upon said stockholder. The notice shall state the date, time and place of the meeting and the agenda or purpose or purposes for which the meeting is called. Such requirements aforesaid and notice of any meetings may be waived, expressly or impliedly, by any stockholder.

Any director or stockholder may propose any other matter for inclusion in the agenda at any regular or special meeting subject to such guidelines as may be approved by the Board of Directors. The notice shall also contain the procedures to be followed when a stockholder elects to vote through remote communication or in absentia.

x x x x x

The Corporation shall also provide information or documents to all stockholders by electronic transmission. The information or documents shall be deemed delivered upon the transfer or posting by electronic means.

As used herein, electronic transmission means the delivery or transfer of documents, data or information by electronic mail to the electronic address of the stockholders registered in the books of the Corporation, posting in the Philippine Stock Exchange, posting in the Corporation's website (in the subsections for stockholders' meetings or disclosures of the Governance section), or such other recognized means of electronic transfer of data or information.

The Corporation shall require all stockholders to provide a valid electronic address for them to receive notices and other information or documents from the Corporation.

Stockholders preferring to receive physical copies of the notice, information or documents shall make a written request to the Corporation. Upon receipt

		<p><u>of the request, the Corporation shall send the notice, information and documents by personal service.</u></p> <p><u>Notice to any meeting may be waived, expressly or impliedly, including through a stockholder's attendance to a meeting unless the stockholder's presence is for the express purpose of contending that the meeting is not lawfully convened.</u></p>
Art. II, Sec. 6	<p>Conduct of Meeting. x x x x x</p> <p>-</p>	<p>Conduct of Meeting. x x x x x</p> <p><u>The Corporation may opt to hold fully virtual stockholders' meetings, subject to applicable laws, rules and regulations of the Securities and Exchange Commission, as may be amended from time to time. The virtual meetings shall be conducted in such a way that the stockholder experience will be, to every extent possible, similar to a physical meeting. In any such instance, if stockholders holding at least ten percent (10%) of the outstanding capital stock ask for a physical meeting, the Corporation shall conduct a physical meeting unless prevented by existing rules and regulations. The request shall be made within two (2) weeks from the announcement of the holding of a virtual meeting, which shall be made ahead of the sending out of the Notice of Meeting.</u></p>
Art. II, Sec. 7	<p>Manner of Voting. 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 the 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 be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him.</p>	<p>Manner of Voting. Unless otherwise provided by law, each stockholder <u>entitled to vote may vote in person, through remote communication, in absentia, electronically or otherwise or</u> be represented by proxy at any regular or special stockholders' meetings, <u>subject to compliance with rules and regulations as may be issued by the Securities and Exchange Commission from time to time.</u> 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 the Incorporation, shall be decided by the majority vote of the stockholders present in person, <u>through remote communication, in absentia, electronically or otherwise or</u> be represented or by proxy, a quorum being</p>

		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 be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him.
Art. III, Sec. 2	<p>Number and Term of Office. The Board of Directors shall have seven (7) members who shall be elected by the stockholders entitled to vote at the annual stockholders' meeting, and shall hold office for one (1) year and until their successors are elected and qualified in accordance with these By-Laws.</p> <p style="text-align: center;">x x x x x</p>	<p>Number and Term of Office. The Board of Directors shall have eight (8) members who shall be elected by the stockholders entitled to vote at the annual stockholders' meeting, and shall hold office for one (1) year and until their successors are elected and qualified in accordance with these By-Laws.</p> <p style="text-align: center;">x x x x x</p>
Art. III, Sec. 6	<p>Vacancies. x x x x x</p> <p>The vacancy resulting from the removal of a director by the stockholders in the manner provided by law may be filled by election at the same meeting of stockholders without further notice, or at any regular or at special meeting of stockholders called for the purpose, after giving notice as prescribed in these By-Laws.</p>	<p>Vacancies. x x x x x</p> <p>The vacancy resulting from the removal of a director by the stockholders in the manner provided by law may be filled by election at the same meeting of stockholders without further notice, or at any regular or at special meeting of stockholders called for the purpose, after giving notice as prescribed in these By-Laws, <u>in any instance no later than forty-five (45) days from the time the vacancy occurred.</u></p> <p><u>The director so elected shall be referred to as replacement director and act as a member of the said Board only for the unexpired term of his predecessor.</u></p> <p><u>However, when the remaining directors cannot constitute a quorum and emergency action is required to prevent grave, substantial or irreparable loss or damage to the Corporation, the vacancy may be temporarily filled from among the officers of the Corporation by the unanimous vote of the remaining directors. The designated director's actions shall be limited to any necessary emergency action and his term shall cease within a reasonable time from the termination of the emergency or upon election of the replacement director, whichever comes first.</u></p>

Art. III, Sec. 7	<p>Meetings. The Board of Directors of the Corporation shall meet at least once every calendar quarter, either in person or through teleconference, videoconference or through similar modes of modern communication technology. Special meetings of the Board of Directors shall be held when called by the Chairman, by the President, or by the Secretary at the request of any two (2) directors.</p>	<p>Meetings. The Board of Directors of the Corporation shall meet at least <u>six (6) times per calendar year</u>, either in person or through teleconference, videoconference or through similar modes of modern communication technology. Special meetings of the Board of Directors shall be held when called by the Chairman, by the President, or by the Secretary at the request of any two (2) directors.</p>
Art. III, Sec. 10	<p>Conduct of the Meetings. x x x x x</p> <p>-</p>	<p>Conduct of the Meetings. x x x x x</p> <p><u>Meetings of the Board may be conducted and participation of directors, including voting, at board meetings, can be in person, through remote communication, such as videoconferencing, teleconferencing or other alternative modes of communications allowed by the Securities and Exchange Commission. Participation and voting cannot be done by proxy.</u></p>
Art. III	<p>-</p>	<p><u>Section 13 - Directors with interest, potential or otherwise, in any related party transaction shall timely and fully disclose any and all material facts and abstain from deliberations on and approval of the same without prejudice to compliance with the requirements of the law and the rules and regulations of the Securities and Exchange Commission, as may be amended from time to time. Material related party contracts, as defined in applicable laws, rules and regulations of the Securities and Exchange Commission, shall be approved by at least two-thirds (2/3) of all the Directors, including the unanimous vote of all the independent directors.</u></p>
Art. V, Sec. 1	<p>Election/Appointment. Immediately after the election, the Board of Directors may formally organize by electing the Chairman, President, Chief Executive Officer, Chief Operating Officer, Treasurer, Chief Finance Officer, Corporate Secretary and Assistant Corporate Secretary at said meeting.</p> <p>x x x x x</p>	<p>Election/Appointment. Immediately after the election, the Board of Directors may formally organize by electing the Chairman, President, Chief Executive Officer, Chief Operating Officer, Treasurer, Chief Finance Officer, <u>Chief Compliance Officer</u>, Corporate Secretary and Assistant Corporate Secretary at said meeting.</p> <p>x x x x x</p>

<p>Art. V, Sec. 6 (new Section 6)</p>	<p>-</p>	<p><u>Chief Compliance Officer. The Chief Compliance Officer shall ensure compliance by the Corporation, its directors and officers with applicable laws, rules and regulations, and governance issuances of regulatory agencies, proper onboarding of new directors, identification and appropriate resolution of any compliance issues, and the integrity and accuracy of all documentary submissions to regulators, and perform all other duties which may be assigned to him by the Board of Directors.</u></p>
<p>Art. IX, Sec. 3</p>	<p>Dividends. x x x x x</p> <p>-</p>	<p>Dividends. x x x x x</p> <p><u>Cash dividend payouts shall be done through electronic means such as direct bank transfer and the like, as may be decided by the Board of Directors. The Corporation shall request stockholders to provide account details or other reference number/s needed for the transfer. Stockholders who fail to provide account details or other reference number/s shall receive their dividend payout by check, which will be available for pick-up at a designated office as announced in the Corporation's website and in regulatory disclosures.</u></p>
<p>Art. X (new Article)</p>	<p>-</p>	<p><u>Arbitration</u></p> <p><u>Section 1 – Any dispute, controversy or claim between the Corporation and its stockholders arising from, relating to, or in connection with the implementation of the Articles of Incorporation or By-Laws, or from intra-corporate relations, except those involving criminal offenses and interests of third parties, may be referred to and resolved by arbitration in accordance with prevailing Philippine Dispute Resolution Center, Inc. (PDRCI) Arbitration Rules and Securities and Exchange Commission Rules and Regulations.</u></p> <p><u>Section 2 – The number of arbitrators shall be three (3) appointed by the Philippine Dispute Resolution Center, Inc. (PDRCI) and the place of arbitration shall be in Metro Manila, Philippines. The</u></p>

		<p><u>language to be used for the arbitral proceedings shall be English.</u></p> <p><u>Section 3 – The parties shall be bound by the award rendered by the Arbitral Tribunal and confirmed by the appropriate Regional Trial Court. Arbitration shall not be available for disputes involving claims in excess of One Million Pesos (Php1,000,000.00) or involving the determination of the fair valuation of shares in appraisal proceedings.</u></p>
--	--	---