



**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING**

**April 26, 2023, Wednesday, 2:00 P.M.**

**Conducted virtually via**

**<http://www.ayalagroupshareholders.com/>**

**Stockholders Present and Represented:** The complete list is attached as Annex A.

<b>Total Number of Shares Present and Represented:</b>	1,269,508,182
<b>Total Number of Outstanding Shares:</b>	1,761,047,193
<b>Percentage of Shares Present vis-à-vis Total Outstanding Shares:</b>	72.09%

**Directors Present:**

Jose Emmanuel H. Jalandoni	<i>Chairman of the Board Chairman, Executive Committee</i>
Carol T. Mills	<i>President and Chief Executive Officer Member, Executive Committee Member, Sustainability Committee</i>
Augusto D. Bengzon	<i>Member, Audit Committee</i>
Omar T. Cruz	<i>Lead Independent Director Member, Executive Committee Chairman, Risk Management and Related Party Transactions Review Committee Member, Audit Committee Member, Personnel and Compensation Committee Member, Corporate Governance and Nomination Committee</i>
Enrico S. Cruz	<i>Chairman, Audit Committee Member, Risk Management and Related Party Transactions Review Committee Member, Personnel and Compensation Committee Member, Corporate Governance and Nomination Committee</i>
Bernard Vincent O. Dy	
Mariana Beatriz Zobel de Ayala	

**Officers Present:**

Ma. Teresa R. Famy, *Treasurer, Chief Finance Officer and Chief Compliance Officer*  
Solomon M. Hermosura, *Corporate Secretary*  
Michael Anthony Garcia, *Investor Relations Officer*

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**Also Present:**

Anna Ma. Margarita B. Dy, *Incoming Director*

Sherisa P. Nuesa, *Incoming Director*

**1. Call to Order**

After the national anthem, the Chairman, Mr. Jose Emmanuel H. Jalandoni, called the meeting to order at 2:00 p.m. He welcomed the stockholders and mentioned that pursuant to the Corporation's By-Laws and after the stockholders were given the opportunity to request for a physical meeting, the meeting would be conducted in a fully virtual format. He added that advancements in technology made virtual meetings the new normal in today's world. Aligned with the Corporation's continued efforts to keep abreast of these technological advancements, in holding the meeting in a virtual format, the Corporation would do its best to ensure the convenient and full participation by the stockholders in the annual meeting guided by good governance objectives, particularly to fully respect and protect the Corporation's stockholders' right to vote and be informed. He also mentioned that the stockholders could exercise their right to vote through proxy forms submitted by April 17, 2023 or through voting using the electronic voting that was available until the end of the meeting. He stated that questions were encouraged and could be sent to [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph).

The Chairman introduced the directors and officers who joined the meeting as presenters, namely: Carol T. Mills (President and Chief Executive Officer (CEO)), Ma. Teresa R. Famy (Treasurer, Chief Finance Officer, and Chief Compliance Officer), Solomon M. Hermosura (Corporate Secretary), Michael Anthony L. Garcia (Investor Relations Officer), Omar T. Cruz (Member of the Corporate Governance and Nomination Committee), and Enrico S. Cruz (Chairman of the Audit Committee). He also acknowledged the other members of the Board, namely: Bernard Vincent O. Dy, Augusto D. Bengzon, and Mariana Beatriz Zobel de Ayala, members of the Management Committee, other officers, representatives of SyCip Gorres Velayo & Co. (SGV), the Corporation's external auditor for 2022, and the representatives of PwC Isla Lipana & Co., the incoming external auditor, who were also in attendance.

**2. Notice of Meeting**

The Secretary, Mr. Solomon M. Hermosura, certified that the stockholders were duly notified of the Annual Stockholders' Meeting (ASM) in accordance with the By-Laws and applicable rules of the Securities and Exchange Commission (SEC), pointing out that: (1) on March 28, 2023, by posting on the Corporation's website and by disclosure through the Philippine Stock Exchange electronic disclosure platform, the Notice of the Annual Stockholders' Meeting (the "Notice") and the Definitive Information Statement (DIS) for the ASM were distributed to all stockholders; (2) on April 5, 2023, the Notice was sent by email to all stockholders of record as of March 24, 2023 with email addresses on file; and (3) the Notice was published, on print and online, in the Philippine Daily Inquirer and the Philippine Star on April 4 and 5, 2023.

**3. Certification of Quorum**

The Secretary certified that there was a quorum for the meeting with stockholders owning 1,269,508,182 shares, or 72.09% of the 1,761,047,193 total outstanding shares. The breakdown of the stockholders present in terms of their mode of attendance are set forth below:

Mode of Attendance	Number of Shares Present and Represented	% of Total Outstanding Shares
Appointment of the Chairman as proxy	1,269,492,175	72.09%
Voting <i>in absentia</i>	15,800	0.001%
Remote Communication	207	0.00001%
Total	1,269,508,182	72.09%

Additionally, there were 70 viewers of the live webcast of the meeting.

#### 4. Instructions on Rules of Conduct and Voting Procedures

The Chairman mentioned that participation in the meeting through various means was encouraged as the Corporation valued the engagement with the stockholders.

The Secretary then shared the rules of conduct and the voting procedures for the meeting set forth in the DIS and in the Explanation of Agenda Items, which formed part of the Notice of the meeting, and highlighted the following points:

- (i) Stockholders present through the live webcast could send their questions or comments to [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph).
- (ii) Questions or comments received before 1:30 p.m. would be read aloud and addressed during the Question and Answer period. Management would reply by email to questions and comments not taken up during the meeting.
- (iii) Each of the seven (7) resolutions proposed for adoption by the stockholders would be shown on the screen as the same was being taken up.
- (iv) Stockholders could cast their votes on the proposed resolutions and in the election of directors through the Voting in Absentia and Shareholders (VIASH) System beginning April 4, 2023 until the end of the meeting.
- (v) The votes cast as of April 19, 2023 have been tabulated. Those votes were from stockholders owning 1,269,508,182 voting shares representing 100% of the total voting shares represented in the meeting, and 72.09% of the total outstanding voting shares. The results of this tabulation would be the basis for the voting results during the meeting. The results of the final tabulation of votes, with full details of the affirmative and negative votes and abstentions, will be reflected in the minutes.

#### 5. Approval of the Minutes of the 2022 Annual and Special Stockholders' Meetings

The Chairman then proceeded with the approval of the minutes of the annual and special stockholders' meetings held on April 21, 2022. An electronic copy of the minutes was posted on the website of the Corporation.

The Secretary presented Resolution No. S-01-2023, as proposed by Management, and based on the votes received, reported the approval by the stockholders of the following resolution:

##### **Resolution No. S-01-2023**

**RESOLVED**, to approve the minutes of the Annual and Special Stockholders' Meetings held on April 21, 2022.

As tabulated by the Proxy Validation Committee and validated by SGV, the votes for the adoption of Resolution No. S-01-2023 for the approval of the minutes of the previous meetings are as follows:

	For	Against	Abstain
Number of Voted Shares	1,269,507,975	-	-
% of Shares of Shareholders Present	99.99998%	-	-

## 6. Annual Report

The President and CEO, Ms. Carol T. Mills, reported that the Corporation celebrated its second year since becoming the first Philippine Real Estate Investment Trust as it remained resilient, outperformed, and delivered solid operational results.

In 2022, the Corporation recorded revenues of ₱5.1 Billion and Earnings Before Interest, Taxes, Depreciation, and Amortization of ₱3.6 Billion, 53% and 52% higher year-on-year, respectively, as a result of strong financial performance. The net income reached ₱2.9 Billion, including a net fair value change in investment properties of ₱549 Million due to the higher interest rate environment. Excluding the impact of the net fair market value change on investment properties and a one-time gain on a finance lease, the net operating income reached ₱3.4 Billion representing an impressive year-on-year increase of 55%. The outstanding financial results converted to a full-year dividends of ₱3.1 Billion in 2022, 53% higher than in 2021 and in line with the operating income.

Ms. Mills mentioned that in the span of two (2) years, the Corporation generated a total shareholder return of 50% at the end of 2022 and dividends per share growth of 86% since August 2020. The outstanding results were driven by revenues reaching 2.5 times from ₱2 Billion to ₱5 Billion, following the growth in the gross leasable area by more than four (4) times from 153,000 to 673,000 square meters, doubling the Assets under Management from ₱30 Billion to ₱64 Billion. The Corporation's current portfolio maintained a high occupancy rate of 98% despite evolving hybrid work arrangements. Eighty-eight percent (88%) of expired office leases were renewed and all 7,000 square meters of pre-terminated leases in 2022 were replaced.

Ms. Mills added that the Corporation also demonstrated an uninterrupted growth in quarterly dividends from ₱0.28 centavos per share to ₱0.52 centavos per share for the last quarter of 2022 posting an increase of 86%. Upon infusion of the Cebu assets last year, the fourth quarter dividends of ₱0.52 per share grew 11% year-on-year and 6% higher than the previous quarter of ₱0.49 per share indicating the impact of accretive acquisitions.

Ms. Mills also highlighted that the Corporation made a strong rebound across commercial businesses, particularly in retail. As it turns three (3) years since its listing as the first Philippine REIT, the Corporation will be undertaking its largest infusion including One Ayala Avenue, Glorietta 1 and 2, and Ayala Marquee Mall, bringing its total assets to ₱87 Billion. As a result of the infusion, the Corporation will enlarge its portfolio of prime, stable, income-generating properties to a value worth ₱87 Billion across 23 properties nationwide. It will also have a broader, more diversified asset base across offices, retail, hospitality, and industrial, thereby reducing concentration risk to anyone, particularly the commercial segment and geographical location and minimizing exposure to any tenant occupier. The asset additions would also be yield accretive consistent with what the Corporation has done in previous acquisitions targeting total shareholder return of 10-12% through both dividends and annual growth.

Ms. Mills reported that to date, the Corporation has received multiple international recognitions including The Best Premier REIT and Most Innovative REIT Offering by International Finance awarded in Thailand

and the Best Office REIT and Best Diversified REIT with \$1 Billion market capitalization by Asia Pacific Best of the Breeds REIT awards in Singapore this year.

Ms. Mills thanked the Chairman for his vision of ramping up Ayala Land's flagship office developments, and reviving the Real Estate Investment Trust as a vehicle for commercial real estate among others, and the officers and management for all their hard work and selfless commitment to the Corporation's goals. Ms. Mills also extended her gratitude to the stockholders for trusting the Corporation.

In closing, Ms. Mills thanked the members of the Board of Directors, the officers and management for their unwavering trust in her and the team, and for their continuing guidance and engagement. He also thanked the Corporation's Sponsor, Ayala Land, Inc., for its continued focus on growth and reinvestment in Philippine real estate.

An audio-visual presentation of the Corporation was shown immediately after the annual report.

Upon the request of the Chairman, the Secretary presented Resolution No. S-02-2023, and reported the stockholders' approval of the same in accordance with the voting results:

### **Resolution No. S-02-2023**

**RESOLVED**, to note the Corporation's Annual Report, which consists of the Message from the Chairman, the President's Report, and the audio-visual presentation to the stockholders, and to approve the audited financial statements of the Corporation as of December 31, 2022, as audited by the Corporation's external auditor, SyCip Gorres Velayo & Co.

As tabulated by the Proxy Validation Committee and validated by SGV, the votes for the adoption of Resolution No. S-02-2023 for the noting of the annual report and the approval of the 2022 audited financial statements of the Corporation are as follows:

	For	Against	Abstain
Number of Shares Voted	1,269,507,975	-	-
% of Shares of Shareholders Present	99.99998%	-	-

## **7. Ratification of all Acts and Resolutions of the Board of Directors and Officers**

The Secretary explained that stockholders' ratification was sought for all the acts and resolutions of the Board, the Executive Committee, and other Board Committees exercising powers delegated by the Board, which were adopted from April 21, 2022 until April 26, 2023. The Secretary explained that these acts and resolutions were reflected in the minutes of the meetings, and included the (1) updating of Attorneys-in-Fact for various transactions, (2) declaration of cash dividends, (3) renewal and establishment of short-term credit facilities, (4) approval of transfer of the functions of the Personnel and Compensation Committee to the Corporate Governance and Nomination Committee and consequent dissolution of the Personnel and Compensation Committee, (5) amendment of the Corporate Governance and Nomination Committee Charter and Amendment of the Corporation Governance Manual, (6) approval of projects and investments, (7) appointment of Stock Transfer Agent and Independent Appraiser, and (8) other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange. The Secretary further stated that stockholders' ratification is also being sought for all the acts of the Corporation's officers performed in accordance with the By-Laws in the general conduct of the Corporation's business or in accordance with the resolutions of the Board, the Executive Committee and other Board Committees from April 21, 2022 to date.

The Secretary then reported that Resolution No. S-03-2023 has been approved by the stockholders:

**Resolution No. S-03-2023**

**RESOLVED**, to ratify each and every act and resolution, from April 21, 2022 until April 26, 2023 (the “Period”), of the Board of Directors (the “Board”), the Executive Committee and other Board committees exercising powers delegated by the Board, and each and every act, during the Period, of the officers of the Corporation performed pursuant to the resolutions of the Board, the Executive Committee and other Board committees as well as pursuant to the By-Laws of the Corporation.

As tabulated by the Proxy Validation Committee and validated by SGV, the votes for the ratification of the acts of the Board of Directors and officers of the Corporation, and for the adoption of Resolution No. S-03-2023 are as follows:

	For	Against	Abstain
Number of Shares Voted	1,269,507,975	-	-
% of Shares of Shareholders Present	99.99998%	-	-

**8. Approval of the Amendment to the Seventh Article of the Articles of Incorporation to Increase the Authorized Capital Stock**

As requested by the Chairman, Ms. Ma. Teresa R. Famy presented the proposed increase in the authorized capital stock of the Corporation from ₱29,500,000,000.00 to ₱40,500,000,000.00 divided into 4,050,000,000 common shares with par value of ₱10.00, and the corresponding amendment of the Seventh Article of the Corporation’s Articles of Incorporation. The increase in authorized capital stock would provide opportunity to acquire properties in exchange for shares and to further grow through future asset infusions.

The Secretary then presented Resolution No. S-04-2023, and based on the votes received, reported the approval by the stockholders of the increase of the authorized capital stock of the Corporation and the corresponding amendment of the Seventh Article of the Corporation’s Articles of Incorporation, through the adoption of Resolution No. S-04-2023:

**Resolution No. S-04-2023**

**RESOLVED**, to approve the amendment of the Seventh Article of the Corporation’s Articles of Incorporation to increase the authorized capital stock from Pesos: Twenty-Nine Billion Five Hundred Million Pesos (₱29,500,000,000.00), Philippine Currency, consisting of Two Billion Nine Hundred Fifty Million (2,950,000,000) Common Shares with par value of Ten Pesos (₱10.00) per share to Forty Billion Five Hundred Million Pesos (₱40,500,000,000.00), Philippine Currency, consisting of Four Billion Fifty Million (4,050,000,000) Common Shares with par value of Ten Pesos (₱10.00) per share. As amended, the Article shall henceforth read as follows:

**SEVENTH:** The authorized capital stock of the corporation is Pesos: Forty Billion Five Hundred Million Pesos (₱40,500,000,000.00), Philippine Currency, consisting of Four Billion Fifty Million (4,050,000,000) Common Shares with par value of Ten Pesos (₱10.00) per share.

No stockholders of any class shall be entitled to any pre-emptive right to purchase, subscribe for, or receive any part of the shares of the Corporation, whether issued from its unissued capital, increase in its authorized capital or its treasury stock.

*(as amended on December 20, 2006, further amended on May 11, 2008; further amended on July 6, 2015; further amended in a meeting of the Board of Directors and stockholders on September 26, 2018; further amended in a meeting of the Board of Directors on March 16, 2021 and stockholders on April 23, 2021; and as further amended in a meeting of the Board of Directors on February 24, 2023 and stockholders on April 26, 2023.)*

As tabulated by the Proxy Validation Committee and validated by SGV, the votes for the adoption of Resolution No. S-04-2023 for the increase of the authorized capital stock of the Corporation from ₱29,500,000,000.00 to ₱40,500,000,000.00 divided into 4,050,000,000 common shares with par value of ₱10.00 and the amendment to the Seventh Article of the Articles of Incorporation are as follows:

	For	Against	Abstain
Number of Shares Voted	1,269,507,575	-	400
% of Total Outstanding Shares	72.08822%	-	0.0002%

## **9. Approval of the Issuance of Common Shares in Exchange of Properties**

As requested by the Chairman, Ms. Famy presented the proposed issuance of 607,559,380 primary common shares to Ayala Land, Inc. (ALI), and its subsidiaries, Ayalaland Malls, Inc. (ALMI), and Northbeacon Commercial Corporation (NBCC), in exchange for identified properties owned by ALI, ALMI, and NBCC valued at ₱22,479,697,060.00, under a property-for-share swap, at an issue price of ₱37.00 per share, which issue price is set at a 3% premium over the thirty (30)-day volume weighted average price (30-day VWAP) of ₱35.83, which was the prevailing Market Price as of the meeting of the Board of Directors approving the transaction on March 7, 2023, and validated by a third-party fairness opinion, in accordance with the prevailing rules.

The assets subject of the swap included some of the Sponsor's (ALI) prime flagship developments setting the Corporation as ALI's commercial REIT platform. The assets include the recently completed One Ayala Avenue East and West Towers at the corner of EDSA and Ayala Avenue, the newly redeveloped Glorietta 1 and 2 mall wings and office buildings, and MarQueen Mall in Angeles, Pampanga.

She added that the infusion would enlarge the Corporation's portfolio of prime, stable, income-generating properties to ₱87 Billion, tripling the asset size of ₱30 Billion during the initial public offering. It would likewise broaden and further diversify the Corporation's asset base across office, retail, hospitality, and industrial, thereby reducing concentration risk to any one particular commercial segment, and geographical location, and minimizing exposure to any tenant occupier. Finally, the asset additions would be yield accretive to shareholders with a target total return of 10-12% per year.

The Secretary then presented Resolution No. S-05-2023, and based on the votes received, reported the approval by the stockholders of the subscription of ALI of up to 607,559,380 primary common shares of the Corporation in exchange for the properties (One Ayala East and West Towers, Glorietta BPO 1 and 2, Glorietta 1 and 2 Mall wings, and Marquee Mall) valued at ₱22,479,697,060.00 via a property-for-share swap, through the adoption of Resolution No. S-05-2023:

### **Resolution No. S-05-2023**

**RESOLVED**, to approve the issuance of 607,559,380 primary common shares to Ayala Land, Inc. (ALI), and its subsidiaries, Ayalaland Malls, Inc. (ALMI), and Northbeacon Commercial Corporation (NBCC), in exchange for identified properties owned by ALI, ALMI, and NBCC valued at Twenty-Two Billion Four Hundred Seventy-Nine Million Six Hundred Ninety-Seven Thousand Sixty Pesos (₱22,479,697,060.00), under a property-for-share swap, at an issue price of ₱37.00 per share, set at a 3% premium over the thirty (30)-day volume weighted average price (30-day VWAP) of ₱35.83 or the prevailing Market Price.

As tabulated by the Proxy Validation Committee and validated by SGV, the votes for the adoption of Resolution No. S-05-2023 for the issuance of 607,559,380 primary common shares to ALI and its subsidiaries, ALMI, and NBCC, in exchange for identified properties owned by ALI, ALMI, and NBCC valued at ₱22,479,697,060.00, under a property-for-share swap, at an issue price of ₱37.00 per share are as follows:

	For	Against	Abstain
Number of Shares Voted	1,268,253,135	1,254,840	-
% of Total Outstanding Shares	72.01699%	0.07126%	-

#### 10. Election of Directors

The next item in the Agenda was the election of eight (8) members of the Board of Directors for the ensuing year. The Chairman requested Mr. Omar T. Cruz, Member of the Corporate Governance and Nomination Committee, to explain the item.

Mr. Cruz explained that, in accordance with the requirements of the Corporation's By-Laws, the Manual on Corporate Governance, and the Charter of the Board of Directors, the Corporate Governance and Nomination Committee of the Board has ascertained that the following eight (8) duly nominated stockholders are qualified to serve as directors of the Corporation for the ensuing term: Bernard Vincent O. Dy, Augusto D. Bengzon, Carol T. Mills, Anna Ma. Margarita B. Dy, Mariana Zobel de Ayala, Omar T. Cruz, Enrico S. Cruz, and Sherisa P. Nuesa.

Messrs. Omar T. Cruz, Enrico S. Cruz and Ms. Sherisa P. Nuesa have been nominated as independent directors.

Mr. Cruz further reported that the Corporate Governance and Nomination Committee has ascertained that all the nominees are qualified to serve as directors of the Corporation, and all the nominees have given their consent to their respective nominations.

The Chairman requested the Secretary to report on the results of the election.

The Secretary reported that based on the preliminary tabulation of votes, each of the eight (8) nominees has garnered at least 1,264,518,935 votes. Given this, he certified that each nominee has received enough votes for election to the Board, and consequently, Resolution No. S-06-2023 for the election of the eight (8) nominees to the Board has been approved:

#### **Resolution No. S-06-2023**

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

1. Bernard Vincent O. Dy



2. Augusto D. Bengzon
3. Carol T. Mills
4. Anna Ma. Margarita B. Dy
5. Mariana Zobel de Ayala
6. Omar T. Cruz (*Independent Director*)
7. Enrico S. Cruz (*Independent Director*)
8. Sherisa P. Nuesa (*Independent Director*)

As tabulated by the Proxy Validation Committee and validated by SGV, the final votes received by the nominees are as follows:

Director	For	Against	Abstain
1. Bernard Vincent O. Dy	1,264,525,435	4,983,440	-
2. Augusto D. Bengzon	1,268,095,425	1,408,550	-
3. Carol T. Mills	1,268,416,575	1,093,900	-
4. Anna Ma. Margarita B. Dy	1,268,415,475	1,093,900	-
5. Mariana Zobel de Ayala	1,268,417,975	1,093,900	-
6. Omar T. Cruz	1,269,509,475	-	-
7. Enrico S. Cruz	1,264,523,935	4,983,440	-
8. Sherisa P. Nuesa	1,264,518,935	4,983,440	-

# 11. Appointment of External Auditor and Fixing of its Remuneration

Upon the request of the Chairman, Mr. Enrico S. Cruz, Chairman of the Audit Committee, informed the stockholders that in the performance of its oversight function, the Audit Committee recommended to the Board of Directors the appointment of PwC Isla Lipana & Co. (PwC) as the independent auditor of the Corporation for 2023 replacing SyCip Gorres Velayo & Co. (SGV) following the adoption of the Independent Auditor Tenure Policy by ALI, the Corporation's parent company, prescribing that an independent auditor shall be replaced after a maximum duration of ten (10) years, extendable to a maximum of twenty-four (24) years, subject to meeting certain conditions. He said that the policy is aligned with the 2014 European Union Audit Regulation standard on mandatory audit firm rotation. He then stated that the Committee and the Board of Directors have agreed to endorse for stockholders' approval, the election of PwC as the Corporation's external auditor for 2023 for an audit fee of ₱800,000.00, exclusive of value-added tax and five percent (5%) out of pocket expenses.

The Secretary presented Resolution No. S-07-2023 for the election of the Corporation's external auditor and fixing of its remuneration and reported that there were enough votes received for the approval of said resolution:

## Resolution No. S-07-2023

**RESOLVED**, as endorsed by the Board of Directors, to approve the election of PwC Isla Lipana & Co. as the external auditor of the Corporation for the year 2023 for an audit fee of Eight Hundred Thousand Pesos (₱800,000.00), exclusive of value-added tax and five percent (5%) out of pocket expenses.

As tabulated by the Proxy Validation Committee and validated by SGV, the votes for the adoption of Resolution No. S-07-2023 for the election of the Corporation's external auditor and fixing of their remuneration are as follows:

	For	Against	Abstain
Number of Shares Voted	1,269,507,575	-	400

% of Shares of Shareholders Present	99.99995%	-	0.00003%
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## 12. Other Matters

After the Secretary confirmed that there were no other matters that required consideration by the stockholders and that there were no submission from the stockholders of proposed agenda items, the Chairman requested Mr. Michael Anthony Garcia, Investor Relations Officer, to read aloud the questions and comments together with the names of the stockholders who sent them.

Mr. Garcia read the first question from Ms. Nicole Go regarding the rationale behind diversifying the Corporation's asset base and its contribution to dividend growth. Ms. Mills replied that having a diversified portfolio reduces several risk exposures for the Corporation. The primary advantage of it is that it reduces risk to a single asset class with balance of predominantly office-based portfolio with more retail properties. It will also reduce concentration risk to any particular tenant with a larger tenant base and a smaller exposure to any third-party tenant which will reduce the impact on the Corporation's income dividends. Lastly, it will diversify geographical exposure reducing the effect on the Corporation's portfolio in case of unexpected higher vacancy on one location or unfortunate calamity. Ms. Mills added that aside from risk management, diversifying the portfolio would also broaden the growth potential of the Corporation across different asset classes with lesser risk of income or dividend impairment and opportunities for growth.

The second question came from Mr. Allen dela Cruz who asked about the effect of work-from-home and hybrid work set-up in the Corporation's office buildings and the Management's measures to mitigate the office vacancies. Ms. Mills replied that the high industry vacancy was due to the departure of Philippine offshore gaming operators (POGOs) who terminated leases since 2020. She mentioned that the Corporation does not have POGO lessees and has business process outsourcing offices (BPOs) and top local and global companies which have been stable despite the pandemic and more-so post-pandemic. She added that according to the IT & Business Process Association of the Philippines, the BPO sector has continued to expand with outlook growing 10% adding another 1 Million BPO workers in the next five (5) years on top of 1.4 Million current employees. On the measures to mitigate the office vacancies, Ms. Famy answered that the leases were designed for long-term stability which include annual rental escalations. The overall weighted average lease expiry or WALE is 7.7 years, and for offices alone, it is three (3) years. Currently, 15.5% of the Corporation's leases will expire within the year, but to date, 19% have already been renewed and 68% are in the process of renewal with most leases expiring towards the end of the second semester. She also highlighted that the Management expects to achieve an 80% to 85% renewal rate in 2023.

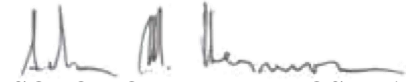
The last question came from Ms. Maria Romero and Mr. Anthony Gilbert Antiquiera regarding the Corporation's growth plans this year and the other properties to be infused into the Corporation after this year's property-for-share swap, respectively. Ms. Mills answered that the Corporation's REIT sponsor, ALI, has a strong pipeline of offices and malls including hotels that could be infused to the Corporation. The Corporation is also open to third party acquisitions as long as the assets are prime, stable and will be dividend accretive to the Corporation. She added that after the recent asset infusion is approved by regulatory bodies, the offices and malls in the Corporation's portfolio will only comprise 10% and 42% of ALI's total malls and offices, respectively, and she concluded that there is a significant room for growth. She noted that the goal is to ensure that the Corporation is not only large enough in size but also has a healthy pipeline for future growth.

Mr. Garcia informed the Chairman that those were the only questions received by the Corporation. He informed the stockholders that the link to the recorded webcast of the meeting would be posted on the Corporation's website, and stockholders may raise issues, clarifications and concerns on the meeting

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conducted within two (2) weeks from posting of the link by sending an email to [corporate.secretary@areit.com.ph](mailto:corporate.secretary@areit.com.ph).

The Chairman then adjourned the meeting. In closing, he said that as the Corporation moves forward, it plans to grow its asset portfolio and continue to look for opportunities. He expressed gratitude to the employees, partners, and stockholders, for the support. He wished them continued good health and implored everyone to take care and keep safe.



**SOLOMON M. HERMOSURA**  
Corporate Secretary

Approved:

**JOSE EMMANUEL H. JALANDONI**  
Chairman of the Board and of the Meeting

## Annex A

### AREIT, Inc. 2023 Annual Stockholders' Meeting

#### Attendance of Stockholders

Stockholder	No. Of Shares	Appointee/Beneficial Owner
1. Ayala Land, Inc.	635,800,914	Chairman of the Meeting
2. BPI Securities Corporation FAO Ayala Land, Inc.	330,607,092	Chairman of the Meeting
3. Ayalaland Offices, Inc.	96,292,435	Chairman of the Meeting
4. Westview Commercial Ventures Corp.	37,443,313	Chairman of the Meeting
5. Glensworth Development, Inc.	62,146,531	Chairman of the Meeting
6. The Hongkong and Shanghai Banking Corp. Ltd.-Clients' Acct.	29,074,600	Chairman of the Meeting
7. BPI Securities Corporation FAO Aileen S. Lamasuta	25,000	Chairman of the Meeting
8. Citibank N.A.	11,165,000	Chairman of the Meeting
9. BPI Securities Corporation FAO Omar T. Cruz	1,236,000	Chairman of the Meeting
10. COL Financial Group, Inc. FAO Marinel E. Mangubat	400	Chairman of the Meeting
11. Cualoping Securities Corporation	1,523,100	Chairman of the Meeting
12. COL Financial Group, Inc.	959,464	Chairman of the Meeting
13. BPI Securities Corporation FAO Antonino T. Aquino and/or Evelina S. Aquino	1,396,300	Chairman of the Meeting
14. BPI Securities Corporation FAO John Philip S. Orbeta and/or Elizabeth Pardo Orbeta	2,000,000	Chairman of the Meeting
15. BPI Securities Corporation FAO Wilfredo Eco Nuesa and/or Sherisa Pulido Nuesa	111,100	Chairman of the Meeting
16. BPI Securities Corporation FAO Sherisa P. Nuesa or Wilfredo Nuesa or Sherwil Farah Pulido Nuesa	131,800	Chairman of the Meeting
17. SB Equities, Inc. FAO Enrico Cruz	1,000,000	Chairman of the Meeting
18. Standard Chartered Bank	33,157,846	Chairman of the Meeting
19. Standard Chartered Bank FAO Sun Life Grepa Financial, Inc.	3,868,200	Chairman of the Meeting
20. BPI Securities Corporation FAO Enrico Salonga Cruz and/or Ma. Emma Mercedes Locsin Cruz	1,625,000	Chairman of the Meeting
21. BPI Securities Corporation FAO Laurent Pascal Lamasuta	352,000	Chairman of the Meeting
22. BPI Securities Corporation	19,576,080	Chairman of the Meeting
<b>Sub-Total (Proxies)</b>	<b>1,269,492,175</b>	

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23.	BPI Securities Corporation	15,000	Michelle Marie T. Valbuena
24.	COL Financial Group, Inc.	600	Anna Rhea A. Fegalquin
25.	COL Financial Group, Inc.	100	Anthony Gilbert L. Antiquiera
26.	COL Financial Group, Inc.	100	Edward C. Yao
	<b>Sub-Total (VIASH)</b>	<b>15,800</b>	
27.	COL Financial Group, Inc.	100	Adrian Bondoc
28.	COL Financial Group, Inc.	100	Anthony Gilbert L. Antiquiera
29.	Enrico S. Cruz	1	
30.	Jose Emmanuel H. Jalandoni	1	
31.	Omar T. Cruz	1	
32.	Mariana Zobel de Ayala	1	
33.	Augusto D. Bengzon	1	
34.	Carol T. Mills	1	
35.	Bernard Vincent O. Dy	1	
	<b>Sub-Total (Remote Communication)</b>	<b>207</b>	
	<b>TOTAL</b>	<b>1,269,508,182</b>	

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