

PrimeOrion Philippines, Inc.

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the annual meeting of the stockholders of **PRIME ORION PHILIPPINES, INC.** will be held on:

Date : 13 January 2017 (Friday)
Time : 9:00 a.m.
Venue : Legaspi and Urdaneta Function Rooms, Makati Sports Club, L.P. Leviste St. corner Gallardo St., Makati City

The agenda for the meeting will be as follows:

1. Call to Order
2. Proof of Notice, Determination of Quorum and Rules of Conduct and Procedures
3. Approval of Minutes of the Special Stockholders' Meeting on 20 October 2015
4. Annual Report for Fiscal Year 2014-2015 (including the Consolidated Audited Financial Statements (FS) for the Fiscal Year ended 30 June 2015)
5. Annual Report for Fiscal year 2015-2016 (including the Consolidated Audited FS for the Fiscal Year ended 30 June 2016)
6. Election of Directors (including the Independent Directors)
7. Appointment of External Auditor and Fixing of its Remuneration
8. Amendment of the By-laws:
 - i. Change of the place of the annual stockholders' meeting from "municipality" to "city" where the principal office of the company is located, and the date of the annual stockholders' meeting from "second Monday of November" to "second Friday of April" (Section 1, Article II)
 - ii. Inclusion of Chief Operating Officer as officer of the Corporation (Sections 1 and 5, Article IV)
 - iii. Inclusion of Chief Finance Officer as officer of the Corporation (Sections 1 and 10, Article IV)
 - iv. Change of financial year from fiscal year to calendar year (Section 1, Article V)
 - v. Delegation of authority to the Board of Directors to amend the By-laws (Section 1, Article VII)
9. Fixing of the Fiscal Year 2016 Compensation and Bonus of the Members of the Board of Directors and Fixing of the Per Diem of Directors per Committee Meeting Attended for Fiscal Year 2016
10. Fixing of the Per Diem of Directors per Board of Directors' Meeting and Committee Meeting Attended starting Fiscal Year 2017
11. Consideration of Other Business as May Properly Come Before the Meeting.
12. Adjournment

For the purpose of the meeting, only stockholders of record at the close of business on **29 November 2016** shall be entitled to notice of, and to vote at, this meeting.

Stockholders who cannot attend the meeting in person are requested to accomplish the attached proxy and return the same to the office of the Corporation not later than 4 January 2017. If the stockholder is a corporation, a Secretary's Certificate quoting the board resolution authorizing the corporate officer to execute the proxy should also be submitted.

Validation of the proxies will be held on 6 January 2017 at 2:00 p.m. at 27/F Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City.

Makati City, 24 November 2016.

By Resolution of the Board of Directors:


ATTY. JUNE VEE D. MONTECLARO-NAVARRO
Corporate Secretary 

EXPLANATION OF AGENDA ITEMS FOR STOCKHOLDERS' APPROVAL

Proof of Notice, Determination of Quorum and Rules of Conduct and Procedures

The Corporate Secretary will certify the date the notice of the meeting was sent to all stockholders of record and the date of publication of the notice in newspapers of general circulation.

The Corporate Secretary will further certify the existence of a quorum. The stockholders of record, present in person or by proxy, representing a majority of the outstanding capital stock shall constitute a quorum for the transaction of business.

The following are the rules of conduct and procedures:

- (i) The polls are open for the stockholders to cast their votes manually.
- (ii) A stockholder may vote manually using the ballot provided to him upon registration (except the ballot for the election of directors) and placing the voted ballot in the ballot boxes located inside the Ballroom.
- (iii) The paper ballot sets forth the proposed resolutions for consideration by the stockholders and each proposed resolution would be shown on the screen in front of the Ballroom as it is taken up at the meeting.
- (iv) In general, the stockholders act by the affirmative vote of stockholders representing at least a majority of the outstanding capital stock present at the meeting including the amendment of Articles II, IV and V of the By-Laws.
- (v) The approval of the amendment of Section 1, Article VII of the By-laws on the delegation of authority to the Board of Directors to amend the By-laws requires the affirmative vote of two thirds (2/3) vote of the outstanding capital stock.
- (vi) Each outstanding share of stock entitles the registered holder to one (1) vote.
- (vii) The election of the directors shall be by plurality of votes. Every stockholder shall be entitled to cumulate his votes. The stockholders may cast their votes for the election of directors at the time allotted during the meeting.
- (viii) All votes received shall be tabulated by the Office of the Corporate Secretary, and the results of the tabulation shall be validated by SyCip Gorres Velayo and Co. (SGV) except the votes for the election of directors which will tabulated and validated by SGV.
- (ix) During the meeting, as the stockholders take up an item on the Agenda, the Corporate Secretary will report the votes already received and tabulated on that item.

Approval of Minutes of Previous Meeting

The minutes of the special stockholders' meeting held on 20 October 2015 are available at the Company website, www.primeorion.com. Copies of the minutes will also be distributed to the stockholders before the meeting.

Remarks: A resolution approving the minutes will be presented to the stockholders and approved by the vote of the stockholders representing at least a majority of the outstanding capital stock present at the meeting.

Annual Reports for the Fiscal Years (FY) 2014-2015 and 2015-2016 (including the Consolidated Audited Financial Statements (FS) for the FYs ended 30 June 2015 and 30 June 2016)

The Company did not hold an annual stockholders' meeting in 2015 but held a special stockholders' meeting (SSM) on 20 October 2015. A Management Report was distributed to the stockholders during the SSM in October 2015 without the audited FS which, nevertheless, were posted in the Company website five (5) days before the SSM. Hence, the need to present the audited FS for the FYs ended 30 June 2015 and 30 June 2016 to the stockholders for approval.

The Chairman, Mr. Bernard Vincent O. Dy, and the President and Chief Executive Officer, Mr. Jose Emmanuel H. Jalandoni, will deliver a report to the stockholders on the performance of the Company in 2015 and the outlook for 2016. The FS for FYs 2015 and 2016 are included in the Information Statement to be sent to the stockholders at least fifteen (15) business days before the meeting.

Remarks: A resolution noting the report and approving the consolidated audited financial statements will be presented to the stockholders for approval by the affirmative vote of the stockholders representing at least a majority of the outstanding capital stock.

Election of Directors (Including the Independent Directors)

Any stockholder may submit to the Nomination Committee nominations to the Board of Directors not later than October 5, 2016. In view of the resignation of Atty. Ricardo J. Romulo as independent director and the withdrawal of the acceptance of his nomination as such, the nomination was re-opened and the Board of Directors set the deadline on November 23, 2016. The Nomination Committee will determine whether the nominees for directors, including the nominees for independent directors, have all the qualifications and none of the disqualifications to serve as members of the Board before submitting the nominees for election by the stockholders. The profiles of the nominees to the Board will be provided in the Information Statement and in the Company website for examination by the stockholders.

Each stockholder entitled to vote may cast the votes to which the number of shares he owns entitles him, for as many persons as are to be elected as directors, or he may give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may 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 whole number of Directors to be elected. The nine (9) nominees receiving the highest number of votes will be declared elected as directors of the Company.

Remarks: A resolution on the election of directors will be presented to and approved by the stockholders representing at least a majority of the outstanding capital stock present at the meeting.

Appointment of External Auditor and Fixing of its Remuneration

The Audit and Risk Management Committee will endorse to the stockholders the appointment of an external auditor for the current fiscal year. The profile of the external auditor will be provided in the Information Statement and in the Company website for examination by the stockholders.

Remarks: A resolution for the appointment of the external auditor and for the approval of its remuneration will be presented to the stockholders for adoption by the affirmative vote of stockholders representing a majority of the outstanding capital stock present at the meeting.

Amendments to the By-laws

The Company will present for stockholders' approval the following amendments to the By-laws to address the operational requirements of the Company:

- i. Change of the place of the annual stockholders' meeting from "municipality" to "city" where the principal office of the company is located, and date of the annual stockholders' meeting from "second Monday of November" to "second Friday of April" (Section 1, Article II)
 - The change in the place of the stockholders' meeting is to reflect the location of the office of the Company which is in Makati City. The change in the stockholders' meeting date is due to the shift of the Company from fiscal year to calendar year.
- ii. Inclusion of Chief Operating Officer as officer of the Corporation (Sections 1 and 5, Article IV)
 - The Company will appoint an officer to handle the day-to-day operations of the Company.
- iii. Inclusion of Chief Finance Officer as officer of the Corporation (Sections 1 and 10, Article IV)
 - The Company will appoint an officer for effective management of the Company's funds and assets.
- iv. Change of financial year from fiscal year to calendar year (Section 1, Article V)
 - The Company has to be aligned with the operating period of its parent company, Ayala Land, Inc., to facilitate consolidation of accounts.
- v. Delegation of authority to the Board of Directors to amend the By-laws (Section 1, Article VII)
 - The delegation of authority will facilitate the amendment of the By-laws in the future.

Remarks: A resolution on the approval of the amendments will be presented to and approved by the stockholders. Items (i) to (iv) must be approved by the affirmative vote of stockholders representing at least a majority of the outstanding capital stock present at the meeting. Item (v) requires the affirmative vote of the stockholders representing at least two thirds (2/3) of the outstanding capital stock present at the meeting.

Fixing of the fiscal year 2016 compensation and bonus and fixing of the per diem per committee meeting attended

The Compensation and Remuneration Committee will endorse for approval of the stockholders the fixing of the fiscal year 2016 compensation and bonus of the members of the Board at PhP500,000.00 and PhP500,000.00, respectively; and fixing of the per diem of PhP30,000.00 per committee meeting attended.

Remarks: A resolution on the approval of the fiscal year 2016 compensation and bonus and fixing of the per diem per committee meeting attended will be presented to and approved by the affirmative vote of the stockholders representing at least a majority of the outstanding capital stock present at the meeting.

Fixing of the per diem of directors for Board of Directors' meetings and committee meetings attended starting fiscal year 2017

The Compensation and Remuneration Committee will endorse for approval of the stockholders the fixing of the per diem of PhP40,000.00 and PhP30,000.00 per Board and committee meeting attended, respectively, starting fiscal year 2017.

Under the Company's By-laws, the Board of Directors, subject to the approval of the stockholders, shall be authorized to fix the per diems of the directors attending board meetings, executive committee meetings, and other committee meetings. The amount of per diem shall however be guided by reasonableness and industry practice. Moreover, the amount equivalent to five percent (5%) of the net income before tax in each year shall be paid and distributed at the Board's discretion, to the members of the Board of Directors and the Executive Committee and officers of the Corporation.

Remarks: A resolution on the approval of the per diem of Directors for Board of Directors' meetings and committee meetings attended starting fiscal year 2017 will be presented to and approved by the affirmative vote of the stockholders representing at least a majority of the outstanding capital stock present at the meeting.

Consideration of Other Business which May Properly Come before the Meeting

The Chairman will open the floor for questions and comments of the stockholders.