



# **ARANETA PROPERTIES INCORPORATED**

## **INFORMATION STATEMENT (SEC FORM 20-IS)**

**November 10, 2021 the meeting  
At 2:00 p.m.**

Presiding Officer will be presiding the meeting at  
21<sup>st</sup> Floor Citibank Tower, Paseo de Roxas, Makati City.  
Information regarding the virtual meeting can be accessed at the  
link to be provided at <https://aranetaproperties.com>

**ARANETA PROPERTIES INCORPORATED**  
**21st Floor Citibank Tower, Paseo de Roxas, Makati City**  
**Phone: (02)-848-1501 to 04**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO OUR STOCKHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual Meeting of Stockholders of **Araneta Properties Incorporated** (the “Company”) will be conducted virtually at <https://aranetaproperties.com2096/webmaillogout.cgi> on **Friday, November 10, 2021 at 2:00 o’ clock in the afternoon**, information about said virtual meeting can be accessed at the link provided in ARA’s website at <https://aranetaproperties.com> with the following agenda:

1. Call to order;
2. Proof of notice and due calling of meeting; Determination of a quorum;
3. Approval of Minutes of the Annual Stockholders’ Meeting held on November 27, 2020;
4. Report of the President;
5. Presentation and approval of the Financial Statements as of December 31, 2020;
6. Ratification of the acts of the Board of Directors and Officers;
7. Election of members of the Board of Directors;
8. Appointment of External Auditors;
9. Other Matters;
10. Adjournment.

Only stockholders of record at the close of business on 30 September 2021 are entitled to notice of, and to vote at this meeting.

Due to COVID-19 pandemic, the Corporation will dispense with the physical attendance of stockholders at the meeting. Thus, the stockholders may attend only by remote communication or appointing the Chairman as proxy.

ARA adopted measures to afford our stockholders’ the opportunity to attend, participate and vote in this meeting as effectively as a physical distancing by holding this year’s annual stockholders’ meeting via remote communication or in absentia pursuant to Sections 49 of the Revised Corporation Code of the Philippines and SEC Memorandum Circular No. 6-2020. Please refer to Annex A: Guidelines for Participating via Remote Communication and Voting in Absentia.

Proxies must be filed with and received by the Office of the Corporate Secretary at 8<sup>th</sup> Floor Chatham House Building, Valero corner Rufino Sts. Salcedo Village, Makati City, Philippines or sent to [corpsecara@aranetaproperties.com](mailto:corpsecara@aranetaproperties.com) not later than 03 November 2021 at 5:00 p.m. Validation of proxies shall be made on 05 November 2021 at 2:00 p.m. at 8<sup>th</sup> Floor Chatham House Building, Valero corner Rufino Sts. Salcedo Village, Makati City, Philippines

**Participation by Remote Communication**

The 2021 Annual Stockholders’ Meeting will be conducted by remote communication via Zoom. The stockholders may attend and participate at the meeting by following the instructions below:

1. Stockholders should notify the Corporation by sending an email to [corpsecara@aranetaproperties.com](mailto:corpsecara@aranetaproperties.com) on or before 18 October 2021.
2. All successfully registered stockholders will receive an invitation by email containing the link to the meeting and password and the meeting procedures.
3. Stockholders who have notified the Corporation and were registered will be included in the determination of the existence of a quorum.
4. The meeting shall be recorded in audio and video formats and copies thereof shall be retained by the Corporation.

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:  
 Preliminary Information Statement  
 Definitive Information Statement
2. Name of Registrant as specified in its charter: **ARANETA PROPERTIES, INC.**
3. **21st Floor, Citibank Tower, Paseo de Roxas, Makati City, Philippines**  
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number: **152249**
5. BIR Tax Identification Code: **050-000-840-355**
6. **21st Floor, Citibank Tower, Paseo de Roxas, Makati City, Philippines 1228**  
Address of principal office Postal Code
7. Registrant's telephone number, including area code **(02) 848-1501 to 04**
8. Date, time and place of the meeting of security holders  
**November 10, 2021; 2:00 p.m.** Presiding Officer will be presiding the meeting at 21<sup>st</sup> Floor Citibank Tower, Paseo de Roxas, Makati City. Information regarding the virtual meeting can be accessed at the link to be provided at <https://aranetaproperties.com>
9. Approximate date on which the Information Sheet is first to be sent or given to security holders on October 18, **2021**.
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Stock, Php1.00 par value	1,951,387,570 shares

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

Yes **X**            No

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

**Philippine Stock Exchange**    **Common shares**

**ARANETA PROPERTIES INCORPORATED  
INFORMATION STATEMENT**

**A. GENERAL INFORMATION**

**ITEM 1: DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS**

**Date:** November 10, 2021

**Time:** 2:00 p.m.

**Place:** virtually via link provided at <https://aranetaproperties.com>

**Principal Office:** 21st Floor, Citibank Tower, Paseo de Roxas, Makati City

**Approximate Date of Distribution to Security Holders: October 18, 2021**

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

There are no matters to be acted upon at the meeting involving instances set forth in the Revised Corporation Code of the Philippines for which a stockholder may exercise the right of appraisal.

Pursuant to *Section 80 Title X, Appraisal Right, Revised Corporation Code of the Philippines*, any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances: (a) in case of any amendment to the articles of incorporation that has the effect of changing or restricting the rights of any stockholder or class of shares, or authorizing preferences in any respect superior to those of outstanding shares of any class, or 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, and (c) in case of merger.

*Section 81 of the Revised Corporation Code* also provides that, this appraisal right may be exercised by any stockholder who shall have voted against the proposed action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made. No payment shall be made to the dissenting stockholder unless the bank has unrestricted retained earnings in its book to cover such payment. Upon payment by the Corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Corporation.

From the time of demand for payment of the fair value of a stockholder's shares until either the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend right, shall be suspended, except the right of such stockholder to receive payment of the fair value thereof: Provided, that if the dissenting stockholder is not paid the value of his shares within 30 days after the award, his voting right and dividend rights shall immediately be restored (*Section 82 of the Revised Corporation Code*).

Within ten (10) days after demanding payment of his shares, a dissenting stockholder shall submit the certificate(s) of stock representing his shares to the Corporation for notation thereon that such shares are dissenting shares. His failure to do so shall, at the option of the Corporation, terminate his appraisal right (*Section 85, Revised Corporation Code*). No demand for payment as aforesaid may be withdrawn by the dissenting stockholder unless the Corporation consents thereto (*Section 83, Revised Corporation Code*).

The appraisal right shall be exercised in accordance with Title X of the Revised Corporation Code.

**ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BEACTED UPON**

Other than the election to office, there is no matter to be acted upon during the Annual Stockholders’ Meeting to which a beneficial owner, director or officer has any substantial interest.

No director has informed the Company in writing of his intentions to oppose any action to be taken during the proposed Annual Stockholders’ Meeting.

**B. CONTROL AND COMPENSATION INFORMATION**

**ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

As of September 30, 2021, there are 1,951,387,570 subscribed, issued and outstanding common shares entitled to vote at the meeting, with each share entitled to one vote. Out of the said issued and outstanding common shares 82,597,581 common shares are owned by foreigners.

All stockholders of record at the close of business hours of September 30, 2021 shall be entitled to cumulative voting rights with respect to the election of directors. A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate 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 candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company as of September 30, 2021 multiplied by the whole number of directors to be elected.

**Security Ownership of Certain Record & Beneficial Owners and Management**

**(1) Security Ownership of Certain Record and Beneficial Owners**

There were no delinquent stocks, and the direct and indirect record and beneficial owners of more than five percent (5%) of the Company’s voting securities as of September 30, 2021 are as follows:

Title of Class	Name and Address of Record owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Share	Nature of Ownership	% Held
Common	PCD Nominee	Various clients and Philippine Depository & Trust Corp. (PDTC)	Filipino	687,836,986	Direct	35.25%
Common	Carmel Development, Inc. 21/F Citibank Tower Paseo de Roxas, Makati City	Nominee: Gregorio Ma. Araneta III	Filipino	499,999,997	Direct	25.62%

Common	Gregorio Araneta, Inc. 6/F Adamson Center Suite A, 121 LP Leviste St., Makati City	Nominee: Gregorio Ma. Araneta III	Filipino	390,277,500	Direct	20.00%
Common	Gamma Properties, Inc., 21/F Citibank Tower Paseo de Roxas, Makati City	Nominee: Gregorio Ma. Araneta III	Filipino	136,000,000	Direct	6.97%
Common	Olongapo Mabuhay Express Corporation, LBC Compound Aviation Center, Airport Road, Pasay City	Nominee: Gregorio Ma Araneta III	Filipino	124,855,422	Direct	6.40%

## (2) Security Ownership of Management

The following is a summary of the aggregate shareholdings of the Company's Directors and executive officers in the Company and the percentage of their shareholdings as of September 30, 2021:

Title of Class	Name and Address of Beneficial Owner	No. of shares & Nature of Beneficial Ownership	Citizenship	Nature of Ownership	Percent of Class (%)
Common	<b>Gregorio Ma. Araneta</b> 21/F Citibank Tower Paseo de Roxas, Makati City	120,060  390,277,500 Gregorio Araneta, Inc.  499,999,997 Carmel Development Inc. 264,472,892 Gamma Properties, Inc. 136,000,000	Filipino	Direct  Indirect  Indirect	0.0096
Common	<b>Cesar Zalamea</b> 21/F Citibank Tower Paseo de Roxas, Makati City	1	Filipino	R&B Direct	0.0000
Common	<b>Alfonso Araneta</b> 21/F Citibank Tower, Paseo de Roxas, Makati City	1	Filipino	R&B Direct	0.0000
Common	<b>Luis Araneta</b> 21/F Citibank Tower, Paseo de Roxas, Makati City	1	Filipino	R&B Direct	0.0000
Common	<b>Perry L. Pe</b> Romulo Mabanta Law Offices 30/F Citibank Tower, Paseo de Roxas, Makati City	1	Filipino	R&B Direct	0.0000
Common	<b>Alfredo de Borja</b> Unit 300, Mile long Bldg. Amorsolo St. Legaspi Village, Makati City	1	Filipino	R&B Direct	0.0000
Common	<b>Alfredo D. Roa III</b> 119 Avocado Dr., Ayala Alabang, Muntinlupa City	1	Filipino	R&B Direct	0.0000
Common	<b>Crisanto Roy B. Alcidi</b> 21/F Citibank Tower, Paseo de Roxas, Makati City	1	Filipino	R&B Direct	0.0000
Common	<b>Francisco Araneta Segovia</b> FIFASCI Grp Unit 104-105 Metrostar Bldg Barangay Sta. Cruz, Makati City	1,000	Filipino	R&B Direct	0.0000
<b>TOTAL FOR THE GROUP</b>					<b>0.0113</b>

*r – record ownership*

*b – beneficial ownership*

### (3) Voting Trust Holders of 5% or More

There is no voting trust or similar arrangement involving the shares of stocks of the Company.

### (4) Security ownership of certain beneficial owners and management:

Name of Company	Class	Number of shares	Nature	Percentage
<b>Gregorio Araneta, Inc.</b> (of which 12.24% held by Gregorio Ma. Araneta III)	Common	390,277,500	Direct	20.00%
<b>Carmel Development, Inc.</b> (of which 99% held by Gregorio Ma. Araneta III)	Common	499,999,997	Direct	25.62%
<b>Gamma Properties, Inc.</b> (of which 50% held by Gregorio Ma. Araneta III)	Common	136,000,000	Direct	6.97%
<b>Olongapo Mabuhay Express Corp.</b> (of which 80% held by Ma. Joy A. Cruz)	Common	124,855,422	Direct	6.40%

## ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

Except in cases where voting by ballot is applicable, voting and counting shall be viva voce. If by ballot, the counting shall be supervised by the external auditors and transfer agent of the Company.

All stockholders of record at the close of business hours of September 30, 2021 shall be entitled to cumulative voting rights with respect to the election of directors. A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate 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 candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company as of September 30, 2021 multiplied by the whole number of directors to be elected.

### (1) Board of Directors and Executive Officers

The incumbent directors, including independent directors and executive officers of the Company are as follows:

Office	Name	Citizenship	Age	Year of assumption of office	No. of years/ Months
Chairman/CEO/Director	Gregorio Ma. Araneta III	Filipino	72	1997	24years
Director/President	Crisanto Roy B. Alcid	Filipino	50	1997	24years
Director	Cesar Zalamea	Filipino	77	2015	6years
Director/Treasurer	Luis M. Araneta	Filipino	35	2012	9years
Director	Alfonso M. Araneta	Filipino	36	2013	8years

Director	Perry L. Pe	Filipino	59	2003	18years
Director	Alfredo de Borja	Filipino	77	2009	12years
Director	Alfredo D. Roa III	Filipino	73	2010	11years
Director	Francisco Araneta Segovia	Filipino	66	2017	4year
Corporate Secretary	Christine P. Base	Filipino	51	2007	14years
Chief Finance Officer	Jose O. Eustaquio III	Filipino	73	2012	9years

The above incumbent directors are all nominated for re-election in this year's Annual Stockholders' Meeting per SEC Memorandum Circular No. 2, Series of 2002.

Messers. Alfredo de Borja, Perry L. Pe, Alfredo Roa III are not representatives of the following substantial shareholders: Gregorio Araneta, Inc., Carmel Development, Inc., Gamma Properties, Inc. and Olongapo Mabuhay Express Corporation, and LBC Express, Inc.

For the term 2021-2022, Carmel Development, Inc. and Gamma Properties, Inc. through Mr. Gregorio Ma. Araneta III nominated Luis M. Araneta, Alfonso Araneta, Crisanto Alcid, and Alfredo De Borja; Olongapo Mabuhay Express Corp. through Mr. Carlos R. Araneta nominated Santiago Araneta, Perry L. Pe and Alfredo D. Roa, III.

The amended by-laws of the Company include the guidelines and procedures in the nomination and election of independent directors.

The following are the rules in the nomination and election of independent directors:

- a. The Nomination Committee shall have at least three members (3) members, one of whom is the independent director.
- b. Nomination of independent director/s shall be conducted by the committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and the conformity of the would-be-nominees.
- c. The Committee shall pre-screen the qualifications and prepare a final list of candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.
- d. After the nomination, the committee shall prepare a final list of candidates which shall contain all the information about the nominees for independent directors, as required under SRC Rule 12, which list shall be made available to the commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the company is required to submit to the Commission. The name of the person or group of person who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.

The nomination committee is composed of the following:

Chairman: Alfredo de Borja;  
Members: Gregorio Ma. Araneta III;and  
Crisanto Roy B. Alcid



## **DIRECTORS AND EXECUTIVE OFFICERS**

The following are the business experience and positions held by the Directors and Executive Officers for the past five (5) years:

**GREGORIO MA. ARANETA III**, 72 years old, Filipino, is the Chairman and Chief Executive Officer of Araneta Properties, Inc., He is President and Chairman of ARAZA Resources Corporation and Carmel Development Corporation, Chairman of Gregorio Araneta Inc., Gregorio Araneta Management Corporation, and Gamma Holdings Corporation., He is the President and Chairman of Energy Oil and Gas Holdings, Inc., He is the President and Chairman of Belisama Hydropower Corporation and Gregorio Araneta Energy Holdings, Inc. He is the Chairman of Philweb Corporation. He is also a director of ISM Telecommunications, Inc., Mr. Araneta studied at the University of San Francisco and Ateneo de Manila University where he earned his Bachelor of Arts Degree in Economics.

**CRISANTO ROY B. ALCID**, Filipino, 50 years old, is currently the President of Araneta Properties, Inc., He is a director of Philweb Corporation, He is also the President of Envirotest Inc. and Roycomm Holdings, Inc., He holds directorship in various companies namely: Carmel Development Corporation, Gregorio Araneta, Inc., ARAZA Resources, Inc., HE. Heacock Resources Corporation, Gamma Holdings, Midrac Realty, Inc., and Philippine Coastal Storage & Pipeline Corporation. Formerly, he was connected with Ayala Land, Asiatrust Development Bank and Citibank N.A. Mr. Alcid obtained his degree in Bachelor of Science in Management Engineering from Ateneo de Manila University and has completed the General Management Program at the Harvard Business School.

**LUIS M. ARANETA**, Filipino, 35 years old, is currently the Business Development Manager of Araneta Properties, Inc., He was elected Director of the Company in 2012. He is a director of Philweb Corporation. He is the President of Estancias Holdings, Inc. and Cerros Corp, Vice-President and Treasurer of ARAZA Resources Corporation, Director and Corporate Secretary of Carmel Development, Inc, Director of PAGREL, Inc., He is a Director of Belisama Hydropower Corporation and Gregorio Araneta Energy Holdings, Inc. and Corporate Secretary of Gamma Properties, Inc. Mr. Araneta studied at the Pace University in New York City where he earned his degree in Business Administration in Management.

**CESAR ZALAMEA**, 77 years old, is one of the TOYM Awardees of 1964. He is a former Senior Vice-President and AIG Global Investment Group-Asia President & CEO. Cesar Zalamea retired from AIG after more than 50 years of service.

Mr. Zalamea joined the American International organization in the Philippines as an investment analyst in 1954 and served from 1969-1981 as President of the Philippine American Life Insurance Company (Philamlife), AIG's life insurance in the Philippines. He held posts in the government of the Philippines on two occasions, serving first as Deputy Director General of the Presidential Economic Staff and later as Chairman and CEO of the Development Bank of the Philippines. Mr. Zalamea was elected AIG Vice President, Investments in 1997 and AIG Senior Vice President, Investments in 2002. He has headed the AIG investment units in Asia since 1986, first as Managing Director of AIG Investment Corporation (Asia) Ltd., and subsequently as President & CEO of AIGGIG Asia.

**ALFREDO DE BORJA**, 77years old, Filipino, is one of the Directors of the Company., He is the President of Makiling Ventures, Inc. and E. Murio, Inc. He also holds directorship in various corporations such as ICCP Ventures, Inc., ICCP Management Corp., Rustan's Supercenters, Inc., RFM-Science Park of the Phils., Regatta-Beacon Land Corp., Regatta Properties, Inc., Pueblo de Oro Development Corp., and Cebu Light Industrial Park, Inc. Mr. de Borja graduated in Ateneo de Manila University, where he obtained his degree in Bachelor of Science in Economics. He earned his Master's in Business Administration from Harvard University.

**PERRY L. PE**, 59 years old, Filipino, is one of the Directors of the Company. He is also a Director of Delphi Group, Inc., Oriental Petroleum & Minerals Corp., and Ace Saatchi & Saatchi Philippines, Inc., He is a Partner in Romulo, Mabanta, Buenaventura, Sayoc & De Los Angeles Law Firm.

**ALFONSO M. ARANETA**, 36 years old, Filipino, is currently the Executive Vice-President and Director of Envirotest, Inc., Vice President and Director of Carmel Development, Inc., Vice-President and Director of Gregorio Araneta, Inc. Concurrently, he is a Director of ARAZA Resources Corp., ATSI PETC, Inc. Pagrel, Inc., Gamma Properties, Inc., Securicor Security Investigation Services, Inc., and Alumma Foods, Inc., ., He is a Director of Belisama Hydropower Corporation and Gregorio Araneta Energy Holdings, Inc. Mr. Araneta graduated at De La Salle-College of St. Benilde, Manila where he earned his degree in Bachelor of Science in Business Administration.

**ALFREDO D. ROA III**, 73 years old, Filipino, is one of the Directors of the Company. He is presently the President of Inland Corporation and Chairman of JJB Inland Logistics, Inc.

**FRANCISCO ARANETA SEGOVIA**, 66 years old, Filipino, graduate from Ateneo de Manila University College - Business Management 1979, He holds directorship in Segovia& Co., Inc., S&A Industrial Corporation, RFM Corporation, He is a Director - Vice Chairman / CEO of FEATI University, He is also a Director / CEO of RPMC Resources Inc., and Swift Foods Inc.

**CHRISTINE P. BASE**, Filipino, 51 years old, is the Corporate Secretary of Araneta Properties, Inc. and is currently a Corporate and Tax Lawyer at Pacis and Reyes, Attorneys and the Managing Director of Legisforum, Inc. She is a Director and Corporate Secretary of Anchor Land Holdings, Inc. and the Corporate Secretary of Asiasec Equities, Inc. and AG Finance Inc. She is also director and corporate secretary of several private corporations. She was an Auditor and then Tax Lawyer at Sycip, Gorres, Velayo & Co. She is a graduate of Ateneo De Manila University School of Law with a degree of Juris Doctor. She passed the Bar Examination in 1997. Ms. Base is also a Certified Public Accountant. She graduated from De La Salle University with a Bachelor of Science Degree in Commerce Major in Accounting.

**JOSE O. EUSTAQUIO, III**, Filipino, 73 years old, is presently the Chief Financial Officer of Araneta Properties, Inc. He was a consultant of Honda Cars Makati and Honda Cars Cebu from 2007 to 2008. In 1987, he was the Financial Control Officer of Ayala Corporation (Control and Analysis Division). He was the Chief Finance Officer of Ayala Corporation for Ayala Theaters Management, Inc., Ayala Property Management Corporation, and Ayala Alabang Commercial Corporation from 1982 to 1987. He was a staff Auditor of Sycip, Gorres, Velayo & Co. Mr. Eustaquio is a Certified Public Accountant. He graduated from Philippine School of Business Administration with a Bachelor of Science Degree in Commerce Major in Accounting.

## **(2) Independent Directors**

Three (3) incumbent Directors, namely Messrs. Perry L. Pe, Alfredo de Borja, and Alfredo D. Roa, III were independent directors of the Company for the year 2020-2021. They are not employees of the Company and have no relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibility of an independent director.

The following are nominated for election to the Board of Directors during this year's Annual Stockholders' meeting:

- |                               |                      |
|-------------------------------|----------------------|
| 1. Gregorio Maria Araneta III | Director             |
| 2. Cesar Zalamea              | Director             |
| 3. Crisanto Roy B. Alcid      | Director             |
| 4. Luis M. Araneta            | Director             |
| 5. Alfonso M. Araneta         | Director             |
| 6. Perry L. Pe                | Independent Director |
| 7. Alfredo de Borja           | Independent Director |

- |                              |                      |
|------------------------------|----------------------|
| 8. Francisco Araneta Segovia | Director             |
| 9. Alfredo D. Roa, III       | Independent Director |

For the term 2021-2022, Carmel Development, Inc. and Gamma Properties, Inc. through Mr. Gregorio Ma. Araneta III nominated Alfredo De Borja. Olongapo Mabuhay Express Corp., through Mr. Carlos D. Araneta, nominated Perry L. Pe and Alfredo D. Roa, III. The independent directors are not related with the persons nominating them by consanguinity or affinity and have no professional or business dealings with any of them.

The term of office of all directors, including independent directors shall be one (1) year until their successors are duly elected and qualified.

### **(3) Family Relationships**

Mr. Luis M. Araneta and Mr. Alfonso M. Araneta are the sons of Mr. Gregorio Ma. Araneta III., while Francisco Araneta Segovia is first cousin of Mr. Gregorio Ma. Araneta III. There are no family relationships within the fourth degree among the rest of the members of the Board of Directors and Senior Officers of the Company.

### **(4) Involvement in Certain Legal Proceedings**

To the knowledge of the Company, there has been no occurrence of any of the following events during the past five (5) years up to the present which are material to an evaluation of the ability and integrity of any director, any person nominated to become director, executive officer or control person of the Company:

1. Any insolvency or bankruptcy petition filed by or against any business of which such person was a general partner or executive officer whether at the time of insolvency or within two (2) years prior to that time;
2. Any conviction by final judgment in a criminal proceeding, domestic or foreign, in any criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses.
3. Any final and executory order, judgment or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily, enjoining, barring, suspending or otherwise limiting involvement in any type of business, securities, commodities or banking activities; and
4. Any final and executory judgment by a domestic or foreign court or competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

There are no legal proceedings to which the Company or its subsidiary or any of their properties are involved in or subject to any legal proceedings which would have material effect or adverse effect on the business or financial position of the Company or its subsidiary.

### **(5) Significant Employees**

The Company currently has no significant employees.

### **(6) Certain Relationships and Related Transactions**

Mr. Luis M. Araneta and Alfonso M. Araneta are the sons of Mr. Gregorio Ma. Araneta III, while Mr. Francisco Araneta Segovia is first cousin of Mr. Gregorio Ma. Araneta III. There are no family relationships within the fourth degree among the rest of the members of the Board of Directors and Senior Officers of the Company.

As of September 30, 2021, there are no directors or officers who own ten percent (10%) or more of the outstanding shares of the parent company.

Aside from the liability of ARA in the amount of P40.456 million from GAINC as of December 31, 2020 which was used for land acquisition in 2018 and 2020, there were no business arrangement and related party transaction and/or ongoing contractual or other commitments as a result of the arrangement pursuant to disclosure requirement of SFAS/IAS 24.

## ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

### (1) Compensation Table

The following is a summary of the aggregate compensation paid or accrued during the year 2019 and 2020 and to be paid in the ensuing fiscal year 2021 to the Company's Chief Executive Officer and the next most highly compensated officers who is individually named below and to all other officers and directors of the Company as a group:

Name and Principal Function	Fiscal Year	Salary	Bonus	Other Compensation
Gregorio Ma. Araneta III * Chairman and CEO	2019			
	2020			
	2021			
Crisanto Roy Alcid* President	2019			
	2020			
	2021			
Luis M. Araneta Director	2019			
	2020			
	2021			
Jose O. Eustaquio III** Chief Finance Officer	2019			
	2020			
	2021			
TOTAL FOR THE GROUP	2019	10,126,800.00		
	2020	10,126,800.00		
	2021**	4,526,800.00		
Other Officers as a group unnamed	2019	4,552,000.00		
	2020	3,480,000.00		
	2021**	3,480,000.00		

\* Key officers, \*\* Figures in Year 2021 were based on estimates

### (2) Compensation of Directors and Officers

#### (a) Standard Arrangements

Compensation of the Chief Executive Officer and Managers of the Company are accrued and paid for the years 2021, 2020 and 2019. All other directors of the Company assumed their positions and served the Company without any compensation. The Company also does not provide any per diem to its directors.

#### (b) Other Arrangements

No compensatory arrangements were executed during the last three (3) years of operations other than the compensation arrangements mentioned above.

### **(3) Employment Contracts and Termination of Employment and Change-in-Control Arrangements**

Employment contracts of all supervisors and rank in file employees are standard.

The remuneration committee is composed of the following:

Chairman: Alfredo de Borja  
Members: Luis Araneta; and  
Gregorio Ma. Araneta III

### **ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS**

Sycip, Gorres, Velayo and Co. was the Independent Public Accountant for the year 2019-2020. The re-appointment of the said accounting firm as Independent Public Accountant for the incoming year will be submitted to the stockholders for their confirmation and approval. The Partner-in-charge, Narciso “Jun” T. Torres, Jr. has been appointed as the Partner-in charge for the audit year 2020-2021. The duly authorized representatives of Sycip, Gorres, Velayo and Co. are expected to be present at the Annual Meeting of Stockholders and they will have the opportunity to make statements if they desire to do so and are expected to be available to respond to appropriate questions.

Pursuant to the existing regulation of the Securities and Exchange Commission, the registrant shall change its external auditor or rotate the engagement partner every five years. This is in compliance with the rotation requirement of its external auditor’s certifying partner as required under SRC Rule 68(3) (b) (iv). Considering that the assigned partner of Sycip, Gorres, Velayo and Co. has been the Company’s independent public accountant since year 2015, rotation is not necessary for the years 2020-2021.

The audit committee is composed of the following:

Chairman: Alfredo de Borja  
Members: Gregorio Ma. Araneta III; and  
Crisanto Roy Alcid

### **COMPENSATION PLANS**

No action with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed for the year shall be discussed during the meeting.

## **C. ISSUANCE AND EXCHANGE OF SECURITIES**

### **ITEM 8. NO AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE**

There are no matters or actions to be taken up in the meeting with respect to authorization or issuance securities.

### **ITEM 9. MODIFICATION OR EXCHANGE OF SECURITIES**

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Company’s securities or the issuance of authorization for issuance of one class of the Company’s securities in exchange for outstanding securities of another class.

### **ITEM 10. 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 hereto as Annex "A".

**ITEM 11. MERGERS, CONSOLIDATIONS, ACQUISITIONS AND SIMILAR MATTERS**

There are no matters or actions to be taken up in the meeting with respect to merger, consolidation, acquisition by, sale or liquidation of the Company.

**ITEM 12. ACQUISITION OR DISPOSITION OF PROPERTY**

There are no matters or actions to be taken up in the meeting with respect to acquisition or disposition of any property by the Company.

**ITEM 13. RESTATEMENT OF ACCOUNTS**

The Company is not taking any action, which involves the restatement of any of its assets, capital, or surplus account.

**D. OTHER MATTERS**

**ITEM 14. ACTIONS WITH RESPECT TO REPORTS**

**(1) Approval of the Annual Stockholders Meeting held on November 27, 2020.**

The minutes of the previous Stockholders' Meeting held last November 27, 2020 shall be presented to the stockholders for approval. Items are as follows:

1. Approval of Minutes of the Annual Stockholders' Meeting held on December 06, 2019;
2. Report of the President;
3. Presentation and approval of the Financial Statements as of December 31, 2019
4. Ratification of the acts of the Board of Directors and Officers;
5. Election of members of the Board of Directors;
6. Appointment of External Auditors;
7. Amendment of the Company's By-Law;
8. Other Matters;
9. Adjournment.

**(2) Resolutions for Ratification by the stockholders**

Resolutions of the Board of Directors for ratification are the elections of new directors and officers, approval of financial statements. Approval and ratification of the minutes, reports, resolutions, and acts will constitute approval of the matters therein.

**ITEM 15. MATTERS NOT REQUIRED TO BE SUBMITTED**

Other than election to office, there is no matter to be acted upon during the Annual Stockholders' Meeting to which a beneficial owner, director or officer has any substantial interest.

No director has informed in writing of his intentions to oppose any action to be taken during the proposed Annual Stockholders' meeting.

**ITEM 16. AMENDMENT OF CHARTER, BY-LAWS OR OTHER DOCUMENTS**

There are no proposed amendment of the Company's charter, by-laws, and other documents.

## **ITEM 17. OTHER PROPOSED ACTIONS**

There are no other proposed actions to be taken up in the meeting.

## **ITEM 18. VOTING PROCEDURES**

Except in cases where a higher vote is required under the Corporation Code, the approval of any corporate action shall require the majority vote of all the stockholders present in the meeting, if constituting a quorum.

Except in cases where voting by ballot is applicable, voting and counting shall be viva voce. If by ballot, the counting shall be supervised by the external auditors and transfer agent of the Company.

All stockholders of record at the close of business hours on September 30, 2021 shall be entitled to cumulative voting rights with respect to the election of directors. A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate 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 candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company as of September 30, 2021 multiplied by the whole number of directors to be elected.

All proxies must be in the hands of the Secretary at least ten (10) days before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary prior to a scheduled meeting or their personal attendance at the meeting. (*Par. 2 Section 7, By-Laws*).

A forum for validation of proxies chaired by the Corporate Secretary or Assistant Corporate Secretary and attended by the Stock and Transfer Agent shall be convened seven (7) days before any meeting. Any questions and issues relating to the validity and sufficiency, both as to form and substance, of proxies shall only be raised during said forum and resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding upon the shareholders. Any such question or issue decided upon by the Corporate Secretary shall be deemed settled and those not brought before said forum shall be deemed waived and may no longer be raised during the stockholder's meeting. (*Par. 3 section 7, By-Laws*)

Except in cases where a higher vote is required under the Corporation Code, the approval of any corporate action shall require the majority vote of all the stockholders present in the meeting, if constituting a quorum.

Except in cases where voting by ballot is applicable, voting and counting shall be viva voce. If by ballot, the counting shall be supervised by the external auditors and transfer agent of the Company.

## **EXHIBIT**

Exhibit I – The Management Report which includes, among others, A Statement of Management's Responsibility for the Financial Statements, the Audited Financial Statements ending December 31, 2020 and Interim Financial Statements ending June 30, 2021 are hereby attached and incorporated as Exhibit A.

**A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A WILL BE PROVIDED WITHOUT CHARGE TO EACH PERSON UPON WRITTEN REQUEST OF ANY SUCH PERSON ADDRESSED TO:**

**THE OFFICE OF THE CHIEF FINANCE OFFICER  
ARANETA PROPERTIES  
21<sup>st</sup> Floor, Citibank Tower, Paseo de Roxas, Makati City**

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on September 6, 2021.

**ARANETA PROPERTIES INCORPORATED**

**By:**

  
**CHRISTINE P. BASE**  
Corporate Secretary