

**MREIT, INC.**  
Minutes of the Annual Meeting of the Stockholders  
2 June 2023 / 9:00 a.m.  
by livestream access via <https://mreit.com.ph/asm2023>

Stockholders Present:

Please see the attached Annex "A".

Also Present:

Maria Carla T. Uykim	-	Corporate Secretary
Giovanni C. Ng	-	Treasurer
Englebert G. Teh	-	Chief Financial Officer
Karren C. de Chavez-Reodica	-	Compliance Officer, CRO and DPO
Andy Dela Cruz, Jr.	-	Investor Relations Officer
Renan A. Piamonte	-	External Auditor

## **I. CALL TO ORDER**

The Chairman, Mr. Francisco C. Canuto, called the meeting to order at 9:00 a.m. and presided over the same. The Corporate Secretary, Atty. Maria Carla T. Uykim, recorded the proceedings thereof.

The meeting was conducted virtually to conform to the Government's regulation on physical distancing to help manage and prevent the spread of the COVID-19 virus.

## **II. PROOF OF NOTICE AND DETERMINATION OF QUORUM**

The Presiding Officer stated that the Corporation decided to hold this year's Annual Stockholders' Meeting (the "Meeting") via remote communication pursuant to the Corporation's Amended By-Laws and the Revised Corporation Code, and to conform to the government's regulations on physical distancing and restrictions on mass gatherings. He added that the Corporation adopted measures to afford the stockholders the opportunity to participate in the Meeting as effectively as a physical meeting.

The Corporate Secretary certified that all stockholders of record as of 5 May 2023 have been duly notified of the Meeting pursuant to the Corporation's By-Laws and applicable Securities and Exchange Commission ("SEC") Circulars, with copies of the Notice of the Annual Meeting, the Agenda, and the Definitive Information Statement were made available through:

1. The Corporation's website;
2. The Philippine Stock Exchange ("PSE") Electronic Disclosure Generation Technology or PSE EDGE;

The Corporate Secretary also certified that Notice of the Annual Meeting was also published in the Philippine Star and Business World on April 11 and 12, 2023.

The Corporate Secretary certified that there existed a quorum to transact the business in the agenda for the Meeting, there being present in person or represented by proxy

1

stockholders holding 67.87% of the entire subscribed and outstanding capital stock of the Corporation.

The Corporate Secretary certified that only stockholders who have successfully registered may participate in the Meeting. Moreover, the Corporate Secretary explained the Procedures for Registration, Voting and Participation in the Meeting contained in the Definitive Information Statement which were implemented as follows:

- i. Stockholder signifying their intention to participate by remote communication have registered by submitting the requirements by email to the Corporate Secretary at [compliance@mreit.com.ph](mailto:compliance@mreit.com.ph);
- ii. Stockholders who have registered have sent their questions and/or comments prior to the meeting through email at [compliance@mreit.com.ph](mailto:compliance@mreit.com.ph) until 5:00pm of 23 May 2023;
- iii. The resolutions proposed to be adopted at the meeting will be shown on the screen;
- iv. Stockholders who have duly registered to participate by remote communication have casted their votes by proxy or in absentia by sending their accomplished ballots by email to the Corporate Secretary until 5:00pm of 23 May 2023; and
- v. The Office of the Corporate Secretary has tabulated all valid and confirmed votes cast through electronic voting, together with the votes through proxies, and the voting results will be announced during the meeting and reflected in the minutes of the meeting.

### **III. APPROVAL OF MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING**

The Presiding Officer then proceeded with the approval of the minutes of the Annual Stockholders' Meeting held on 27 May 2022, and informed the stockholders that copies of the minutes of the meetings have been made available through the Corporation's website.

The Corporate Secretary then announced that 100% of the voting shares represented in the Meeting have voted in favor of the approval of the minutes of the Annual Stockholders' Meeting held on 27 May 2022. Therefore, the Presiding Officer declared that the following resolution has been approved:

"RESOLVED, that the Corporation approve the Minutes of the Annual Stockholders' Meeting held on 27 May 2022."

### **IV. REPORT OF MANAGEMENT FOR 2022 AND OPEN FORUM**

The Corporation's President and Chief Executive Officer, Mr. Kevin Andrew L. Tan, presented his report on the Corporation's performance in 2022, outlook and strategy moving forward.

After Mr. Tan's report, the Presiding Officer requested Mr. Andy Dela Cruz, Jr. from the Investor Relations Office to read the questions that were sent through [compliance@mreit.com.ph](mailto:compliance@mreit.com.ph). Below is a summary of the questions and the answers that were given:

2

Question : What were the challenges MREIT faced in the current situation of the office market? How does MREIT separate itself from peers to remain competitive in such a market?

Answer : Net take-up for 2022 turned positive for the first time since the pandemic and we believe demand will continue to pick up in the coming years and allow the market to fully recover.

We'd like to note as well that even during the pandemic, MREIT's assets remained resilient and maintained high levels of occupancy and retention rate.

We separate ourselves from peers as MREIT is focused on high-quality properties that are situated in prime locations and high growth areas. For instance, we continue to have a significant exposure to the Taguig market especially with our acquisition of McKinley West properties where occupancy rates remain elevated vis-à-vis the rest of Metro Manila.

In addition, being part of our sponsor's township ecosystem and wider portfolio allows us to maintain a high tenant retention rate with the reputation that our sponsor brings, the scale of operations, availability of amenities and infrastructure, etc.

Question : What are MREIT's plans to ensure its dividend growth long term and deliver the target 10% total annual shareholder return?

Answer : We aim to deliver growth and our return targets through active property management and acquisitions.

MPMI, our property manager, is working closely with us to ensure high quality and consistent service. For instance, following the pandemic, MREIT properties are the first in Asia to secure IMMUNE certifications from the Brussels-based Healthy by Design Building Institute (HDBI).

As we maintain and improve the performance of our portfolio, we are also constantly on the lookout for acquisition opportunities that align with our investment strategy. Only Grade A office buildings or high-quality assets located in prime locations in Metro Manila or key provinces are being considered. At the same time, the quality of tenant is also a key criteria to ensure yield stability and long term growth. On this note, we are pleased to share that we have secured SEC's confirmation of valuation in Q1 of 2023 for the property for share swap transaction that we have announced last year.

Question : In what areas is MREIT looking to expand its office portfolio?

Answer : In terms of location, MREIT will only expand in areas that have an attractive long-term growth potential and are situated in prime areas.

These will include Megaworld's prime township properties in and outside Metro Manila.

Tenant-wise, we see the IT BPM industry to remain a strong source of growth for our office portfolio. The BPO industry remains stable and we think remaining challenges are only temporary based on our conversations with big BPO companies. We expect that market occupancies will likely stabilize and improve in the long term.

Question : Does MREIT have any plans to diversify its current portfolio from only being an office REIT?

Answer : While the focus of MREIT is office assets, we are open to look at other classes as the opportunity arises. In line with the removal of mobility restrictions and improving economic activity, Megaworld's mall portfolio is looking to be an attractive diversification opportunity for MREIT. This will add roughly 484k sqm of GLA for potential pipeline. Tenant sales of Megaworld Lifestyle Malls have already recovered and grown past pre-pandemic levels. In line with this, Megaworld Lifestyle Malls has also removed all rent concessions beginning January 1, 2023. This should also give MREIT and its shareholders exposure to the continued growth of the mall segment and further upside from rents that are collected as percent of tenant sales.

Question : How will MREIT approach financing for its acquisitions given the current high interest rate environment?

Answer : The high interest environment affects not only debt financing, but also required returns for equity. In spite of this, we believe there are still opportunities for accretive acquisition. We remain open to either mode of financing acquisitions. MREIT does have plenty of headroom for debt financing, but, at the same time, we also recognize the advantages of expanding our market capitalization.

## V. APPOINTMENT OF EXTERNAL AUDITORS

The Presiding Officer informed the stockholders that the Audit Committee of the Board of Directors has recommended to the Board the engagement of Punongbayan & Araullo as independent auditors of the Corporation for the audit of the Corporation's financial statements for the year ending 31 December 2023, and that the Board has approved such engagement.

The Corporate Secretary then announced that 100% of the voting shares represented in the Meeting have voted in favor of the engagement of Punongbayan & Araullo as independent auditors for the fiscal year ending December 31, 2023. Therefore, the Presiding Officer declared that the following resolution has been approved:

"RESOLVED, that the Corporation approve the engagement of Punongbayan & Araullo for the audit of the Corporation's financial statements for the year ending December 31, 2023."

## **VI. RATIFICATION OF ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND MANAGEMENT**

The Presiding Officer informed the stockholders that the next item on the agenda is the ratification of all acts and resolutions of the Board of Directors, Board Committees and Officers of the Corporation since the date of last year's annual stockholders' meeting held on 27 May 2022 until 1 June 2023. He informed the stockholders that a list of such acts was provided in the Definitive Information Statement, which was made available through the Corporation's website and PSE EDGE.

The Corporate Secretary certified that 100% of the voting shares represented in the Meeting have voted in favor of the ratification all acts and resolutions of the Board of Directors, Board Committees and Officers of the Corporation which were duly adopted in the ordinary course of business since the date of last year's annual stockholders' meeting held on 27 May 2022 until 1 June 2023. Therefore, the Presiding Officer declared that the following resolution has been approved:

"RESOLVED, that the stockholders of the Corporation ratify all acts and resolutions of the Board of Directors, Board Committees and Officers of the Corporation since the annual stockholders' meeting on 27 May 2022 until 1 June 2023."

## **VII. ELECTION OF DIRECTORS**

The Presiding Officer informed the stockholders that, for the current year 2023, the Corporation shall be electing seven (7) Directors, at least one-third (1/3) of whom shall be Independent Directors pursuant to the REIT Act, and the Corporation's Revised Manual of Corporate Governance. He requested Atty. Karren Reodica, on behalf of the Corporate Governance Committee, to present the Final List of Nominees for members of the Board of Directors.

Atty. Reodica presented the final list of nominees to the Board of Directors, as follows: Mr. Francisco C. Canuto, Mr. Kevin Andrew L. Tan, Mrs. Katherine L. Tan, and Ms. Lourdes T. Gutierrez-Alfonso as Regular Directors; and Mr. Jesus B. Varela, Mr. Sergio R. Ortiz-Luis, Jr., and Mr. Antonio E. Llantada, Jr. as Independent Directors.

Atty. Reodica likewise reported that the Final List of Nominees for election as directors of the Corporation possess all the qualifications and none of the disqualifications to hold office as directors of the Corporation.

The Corporate Secretary then informed the Presiding Officer that no further nominations shall be allowed pursuant to the Corporation's By-Laws, as amended.

The Corporate Secretary certified that each of the nominees have obtained the required number of votes to be elected as members of the Board. Therefore, the Presiding Officer declared that the following resolution electing the members of the Board has been approved:

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

1. Mr. Francisco C. Canuto

2. Mr. Kevin Andrew L. Tan
3. Mrs. Katherine L. Tan
4. Ms. Lourdes T. Gutierrez-Alfonso
5. Mr. Jesus B. Varela
6. Mr. Sergio R. Ortiz-Luis, Jr. and
7. Mr. Antonio E. Llantada, Jr.

#### VIII. ADJOURNMENT

The Presiding Officer inquired if there are other matters in the agenda. The Corporate Secretary replied there were none. There being no other matters to be discussed, the Meeting was adjourned at 9:37 a.m.

CERTIFIED CORRECT:

  
**MARIA CARLA T. UYKIM**  
Corporate Secretary

ATTESTED BY:

  
**FRANCISCO C. CANUTO**  
Chairman and Presiding Officer

**Annex A**  
**Tabulation of Attendance**

Name	Number of Shares
Francisco C. Canuto	
As stockholder	1,000
As proxy for Citibank N.A.	48,900
As proxy for Citibank N.A.	19,992,600
As proxy for Standard Chartered	6,108,800
As proxy for Standard Chartered	23,553,778
As proxy for The HSBC	1,726,000
Kevin Andrew L. Tan	
As stockholder	9,995,000
As proxy for Megaworld Corporation	1,835,982,881
Katherine L. Tan	1,000
Lourdes T. Gutierrez-Alfonso	1,000
Jesus B. Varela	1,000
Sergio R. Ortiz-Luis, Jr.	1,000
Antonio E. Llantada, Jr.	1,000
Edward C. Yao	800
Anthony Gilbert Antiquiera	100
Anna Rhea Fegalquin	1,600
Adrian Bondoc	400
Carlo I. Libiran	62,300
Julius Victor Emmanuel Sanvictores	200
<b>TOTAL NUMBER OF SHARES</b>	<b>1,897,479,359</b>
Outstanding Capital Stock with Voting Rights	2,795,821,381
% Present or Represented	<b>67.87%</b>