NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of MANILA WATER COMPANY, INC., will be held at the Ballroom 2, Fairmont Makati, 1 Raffles Drive, Makati Avenue, Makati City, on Monday, April 22, 2019, at 9:00 A.M., with the following:

AGENDA

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Meeting of Stockholders on April 16, 2018
4. Annual Report and Approval of the Audited Financial Statements as of December 31, 2018
5. Ratification of the Acts of the Board of Directors and Officers
6. Amendment of the Second Article of the Articles of Incorporation to Include as Part of the Primary Purpose the Authority to Enter into Contracts of Guarantee and/or Suretyship
7. Election of Directors, including Independent Directors
8. Appointment of External Auditor and Fixing of its Remuneration
9. Consideration of Such Other Business as May Properly Come Before the Meeting
10. Adjournment

Explanation and rationale of agenda items for the meeting are set forth in the next page.

Only stockholders of record as of March 8, 2019 are entitled to notice of, and vote at, this meeting.

Stockholders may attend in person or by proxy. Duly accomplished proxies shall be submitted on or before April 8, 2019 to the Office of the Corporate Secretary at the 2nd Floor MWSS Administration Building, No. 489 Katipunan Road, Balara, Quezon City, Philippines. Validation of proxies is set for April 11, 2019, 12:00 P.M., at the Office of the Corporate Secretary.

Stockholders may vote through remote communication or in absentia in accordance with the procedure set forth in the Information Statement sent to the stockholders.

Balara, Quezon City, March 14, 2019.

Solomon M. Hermosura
Corporate Secretary
EXPLANATION AND RATIONALE OF AGENDA ITEMS

1. Call to Order

Our Chairman will formally open the meeting at approximately 9:00 a.m.

2. Certification of Notice and Quorum (and Rules of conduct and procedures)

The Corporate Secretary will certify that written notice for the meeting was duly sent to stockholders and that a quorum exists for the transaction of business.

Pursuant to Sections 57 and 23 of the Revised Corporation Code which allow voting through remote communication or in absentia by the stockholders, the Company has set up an online web address (URL) which may be accessed by the stockholders to register and vote on the matters at the meeting through remote communication or in absentia. \(^1\) A stockholder who votes through remote communication or in absentia shall be deemed present for purposes of quorum.

The following are the rules of conduct and procedures for the meeting:

a. Anyone who wishes to make a remark shall identify himself after being acknowledged by the Chairman and shall limit his remarks to the item in the Agenda under consideration.

b. On voting procedures, stockholders present at the meeting may opt for manual or electronic voting. For manual voting, each stockholder will be given, upon registration, a ballot where he can write his vote on every item in the Agenda or proposed resolution. For electronic voting, there will be computer stations outside the Ballroom where stockholders may cast their votes electronically, using a digital version of the ballot. Stockholders voting in absentia, who have previously registered through the online web address (URL) provided, may cast their votes electronically at any time using such online web address prior to or during the meeting. Each of the proposed resolutions will be shown on the screen as the same is taken up at the meeting.

c. Item 6 of the Agenda, namely the Amendment of the Second Article of the Articles of Incorporation to Include as Part of the Primary Purpose the Authority to Enter into Contracts of Guarantee and/or Suretyships, requires the affirmative vote of shareholders representing at least two-thirds (2/3) of the outstanding capital stock. All the other items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock.

d. Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.

e. The Office of the Corporate Secretary will tabulate all votes received and an independent third party will validate the results. The Corporate Secretary shall report the results of voting during the meeting.

\(^1\) The detailed instructions pertaining to the URL and the use thereof will be provided in the Information Statement.
3. Approval of the Minutes of the Meeting of Stockholders on April 16, 2018


Copies of the minutes will also be distributed to the stockholders upon their registration for the meeting.

4. Annual Report and Approval of the Audited Financial Statements as of December 31, 2018

Our Chairman will deliver the “Chairman’s Overview”, which provides the highlights of the performance of the Company for the year 2018 and the outlook of the Company for the year 2019 and beyond.

Our President and Chief Executive Officer will deliver the “Report of the President and Chief Executive Officer” which provides the significant operational and financial performance as well as the milestones and achievements of the Company for the year 2018. The report will also include significant events affecting the Company’s performance for the year 2018.

A printed version of the Company’s Annual Report will contain the Chairman’s Overview and the Report of the President and Chief Executive Officer. Copies of the Annual Report will be distributed to the stockholders and posted on the Company’s website, www.manilawater.com.

The Audited Financial Statements (AFS) for the year ended December 31, 2018 will be presented to the stockholders for their approval. The AFS will be embodied in the Information Statement to be sent to the stockholders at least fifteen (15) business days prior to the meeting and will also be set forth in the Annual Report. The Audit Committee has recommended to the Board the approval of the AFS, and the Board has approved the AFS.

5. Ratification of the Acts of the Board of Directors and Officers

The acts of the Board and its Committees are those adopted since the annual stockholders’ meeting on April 16, 2018 until April 21, 2019. They include the approval of contracts and agreements, projects and investments, treasury matters and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange. The acts of Management were those adopted to implement the resolutions of the Board or its Committees or in the general conduct of business.

6. Amendment of the Second Article of the Articles of Incorporation to Include as Part of the Primary Purpose the Authority to Enter into Contracts of Guarantee and/or Suretyship

The proposed amendment to the Second Article of the Articles of Incorporation will enable the Company to enter into contracts of guarantee and/or suretyships in favor of the Company’s subsidiaries, affiliates, or any entity in which the Company has lawful interest to undertake the Primary Purpose of the Company. The amendment will allow the Company greater flexibility in the conduct of its business and transactions under its Primary Purpose.
7. **Election of Directors, including Independent Directors**

The Nomination Committee of our Board evaluated and determined that the eleven (11) nominees to the Board, including the nominees for independent directors, have all the necessary qualifications to serve as directors and the expertise and competence, individually and collectively, to enable the Board to fulfill its roles and responsibilities and manage the Company to achieve its objectives.

The profiles of the candidates to the Board of Directors will be provided in the Information Statement.

8. **Appointment of External Auditor and Fixing of its Remuneration**

The Audit Committee of our Board will endorse to the stockholders the appointment of SGV & Co. as the external auditor for the ensuing year as well as its proposed remuneration. The external auditor conducts an independent verification of our financial statements and provides an objective assurance on the accuracy of our financial statements.

The profile of SGV & Co. will be provided in the Information Statement and posted on the Company’s website.

9. **Consideration of Such Other Business as may Properly Come Before the Meeting**

The Chairman will open the floor for comments and questions by the stockholders. The stockholders may raise other matters or issues that may be properly taken up at the meeting.