

**NOTICE OF ANNUAL STOCKHOLDERS' MEETING**

Notice is hereby given that the Annual Stockholders Meeting of D&L INDUSTRIES, INC. will be held virtually, on Friday, 18 September 2020 at 9:00 o'clock in the morning. The meeting link and log-in credentials will be sent to the stockholders via email upon registration (guidelines in Annex "A"). The Agenda is as follows:

1. Call to Order
2. Certification of Notice and determination of Quorum
3. Approval of Minutes of Previous Meeting
4. Approval of Annual Report for the year ended December 31, 2019
5. Approval of Amendment to By-Laws – Conduct of Meetings and Voting
6. Ratification of All Acts of the Board of Directors and Officers Beginning June 11, 2019 to Date
7. Election of Auditors
8. Election of Directors
9. Consideration of such other business as may properly come before the meeting
10. Adjournment

Only stockholders of record as at the close of business on 24 August 2020 are entitled to notice, and to vote at the meeting. The Stock and Transfer Books of the Corporation will be closed from 24 August 2020 to 18 September 2020.

In view of the current COVID-19 crisis, stockholders may only attend by remote communication. Stockholders who wish to participate in the virtual meeting must register online at this link - <https://shareholder.dnl.com.ph/> on or before 11 September 2020. Guidelines for the registration, participation and voting are in Annex "A". Stockholders may attend the virtual meeting in person or through an authorized representative with the execution of a proxy. Please note that the Corporation is not soliciting proxies. However, if the stockholder would be unable to attend the meeting but would like to be represented thereat, the stockholder may accomplish the enclosed proxy form and submit the same on or before 11 September 2020 by uploading the same during the online registration at the above link.

Further, a stockholder may vote in *absentia* in case the stockholder is unable to join or send a representative. Stockholders voting in *absentia* shall be considered present for purposes of determining quorum. Stockholders who wish to vote in *absentia* shall likewise register online at this link - <https://shareholder.dnl.com.ph/> on or before 11 September 2020. Subject to registration and validation procedures, stockholders who registered to vote in *absentia* may cast their votes by completing the form included in this notice and uploading the same during the online registration at the above link.

A video and audio recording of the meeting will be taken in accordance with the requirements of the Securities and Exchange Commission.

A stockholder may submit written nominations for directors to the Office of the Corporate Secretary by mail or email at the addresses above-mentioned. All nominations must be received by the Corporate Secretary on or before 21 August 2020. All nominations shall be in writing duly signed by the nominating stockholders or their duly authorized (in writing) representatives, with the written acceptance of the nominee. The nomination form is attached herewith. A copy of a valid government-issued identification card with photo of the nominee shall likewise be enclosed. All nominees for Directors and Independent Directors shall possess the qualifications and none of the disqualifications prescribed by law and the Corporation's policies. If a nominee for Independent Director, the nominee shall likewise submit a duly accomplished Certificate of Qualification in the form prescribed by the Securities and Exchange Commission in its Memorandum Circular No. 5, Series of 2017 dated March 7, 2017.

Thank you.

  
**KRISTINE ANN C. CATINDIG-ONG**  
Corporate Secretary

## EXPLANATION OF AGENDA ITEMS FOR STOCKHOLDERS' APPROVAL

### Approval of minutes of previous meeting

The minutes of the meeting held on 11 June 2019 are available at the company website, [www.dnl.com.ph](http://www.dnl.com.ph).

Remarks: A resolution on this agenda item must be approved with the majority of the votes of the stockholders present and eligible to vote.

### Annual report

The financial statements as of 31 December 2019 (FS) will be presented for approval by the stockholders. Prior thereto, CEO & President, Mr. Alvin D. Lao, will deliver a report to the stockholders on the performance of the company in 2019 and the outlook for 2020. The FS is included in the Information Statement posted on the company's website, [www.dnl.com.ph](http://www.dnl.com.ph).

Remarks: A resolution on this agenda item must be approved with the majority of the votes of the stockholders present and eligible to vote.

### Amendment to By-Laws

Approval by the stockholders will be sought to amend Article 3, Section 5 and 6 of the Corporation's By-Laws to expressly allow the conduct of meetings of the stockholders through videoconferencing or other electronic means or remote communication, in accordance with rules and procedures, prescribed by the Corporation. For the details please refer to the Information Statement posted on the company's website, [www.dnl.com.ph](http://www.dnl.com.ph).

Remarks: A resolution on this agenda item must be approved by stockholders representing a majority of the outstanding capital stock of the Corporation.

### Ratification of All Acts of the Board of Directors and Officers Beginning June 11, 2019 to Date

The matters acted upon or approved by the Board of Directors, its Committees, and Management include –

- (i) constitution of board committees and appointment of chairmen and members and lead independent director;
- (ii) appointment of officers;
- (iii) appointment of authorized representatives and signatories;
- (iv) ratification of the actions of the board committees;
- (v) approval of contracts, agreements transaction made in the ordinary course of business;
- (vi) treasury matters; and
- (vii) acts and resolutions covered by disclosures to the Securities and Exchange Commission and Philippine Stock Exchange.

Remarks: A resolution on this agenda item must be approved with the majority of the votes of the stockholders present and eligible to vote.

### Election of auditors

The appointment of the external auditor, Isla Lipana and Co., for the ensuing year will be endorsed to the stockholders. The profile of the external auditor is provided in the Information Statement posted on the company website for examination by the stockholders.

Remarks: A resolution on this agenda item must be approved with the majority of the votes of the stockholders present and eligible to vote.

### Election of directors

In accordance with the By-laws, the Corporate Governance Manual, and SEC rules, any stockholder, including minority stockholders, may submit to the Corporate Secretary nominations to the Board by 21 August 2020. 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 is or will be provided in the Information Statement posted on the company website for examination by the stockholders.

Remarks: The directors are elected by plurality of votes using the cumulative voting method. The tally of votes will be reflected in the minutes of the meeting.

### 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. Stockholders may also propose to consider such other relevant matters or issues.