



BOARD FINANCE COMMITTEE CHARTER

1. PURPOSE

The Board of Directors of Aboitiz Power Corporation (the “Company”) believes that it can supplement its ability to make treasury decisions effectively and in a timely manner if it can delegate to a Finance Committee (the “Committee”) the tasks of (1) reviewing strategic treasury matters for the Company and (2) providing oversight over the Company’s Treasury Policies. The Committee is intended to assist the Board and not to pre-empt any Company responsibilities in making final treasury-related decisions.

The primary purpose of the Committee is to assist the Board in overseeing the Company’s capital structure, financing strategy, liquidity position, and financial risk exposures, ensuring that decisions are aligned with shareholder value creation, prudent risk management, and regulatory requirements.

2. STRUCTURE

Membership

The Committee shall be composed of three (3) Directors, or their designated representatives, each member preferably with accounting, banking, or related financial management expertise or experience.

Non-Voting Observers

- AP President and CEO
- AEV CFO

Ex-Officio Members

- Chief Finance Officer
- Deputy Chief Finance Officer and Treasurer

The members of the Committee may be removed by a majority vote of the directors. Any vacancies in the Committee shall be filled by majority vote of the Board.

The Committee may form and delegate authority to subcommittees as may be appropriate and in accordance with applicable laws or regulations.

Chairman

The Chairman of the Committee will be appointed by the Board and must each be a Non-Executive Director of the Board.

3. DUTIES AND RESPONSIBILITIES

1. Oversight over Treasury Matters and Policies

The Committee shall review the approval of and provide guidance on the following strategic Treasury Matters

Debt Management and Funding

- Large and long-term corporate borrowing and project finance facilities
- Bond issuances
- Credit facilities that require board approval
- Letters of Parental Guarantee and/or softer forms of credit enhancement such as but not limited to Letters of Comfort, Letter of Awareness, between the Company and its subsidiaries except for those issued in the ordinary course of business¹ or in compliance with law and court orders²
- Liability Management Programs including evaluation of maturing loan obligations, annual funding plans, prepayment of loans, redemption of bond issuances and similar transactions
- Review all open guarantee positions

Financial Risk Management

- Review and assessment of all outstanding financial risk exposures
- Utilization of non-vanilla³ hedging instruments
- Exceptions to hedging strategies outside limits of FINLOA

Review and approve changes in Treasury Policies, including:

- Policies with respect to cash flow management;
- Policies with respect to debt management;
- Policies with respect to investment of the Company's cash, including management of related counterparty credit limits;
- Policies with respect to financial risk management, including the use of derivatives; and
- Delegation of authority for treasury matters.

2. Items for Approval

The Committee shall have delegation of authority to approve softer forms of credit enhancement such as letter of awareness, letter of comfort or similar forms with amounts up to Php 2 Billion or its foreign currency equivalent.

¹ Letter of awareness or comfort issued by a parent company on behalf of a subsidiary to assure a supplier of the latter's financial ability and commitment to a purchase in view of centralized procurement arrangement of the group

² Bail bonds or appeal bonds that may be required from the guarantor in case of legal proceedings

³ Non-vanilla hedging products are exotic or structured derivatives with complex or unconventional features, designed for specialized hedging needs that are typically tailored to meet the specific business or market expectations and risk profiles. Examples include but are not limited to Barrier Options, Structured derivatives that blend multiple instruments and other similar instruments linked to market correlation Plain vanilla hedging instruments are the simplest and most standard versions of financial products, such as forwards, options and swaps, that have no unusual features.

3. Exclusion from review and endorsement

Intercompany loans or advances administered to efficiently manage cash shall be excluded from the scope of the Committee.

4. MEETINGS

1. Frequency of Meetings

The Committee shall formally meet quarterly or as often as may be required to perform its duties and responsibilities as outlined herein. In addition to regular meetings, special meetings can be called by the Chairman of the Committee or any two members as necessary.

2. Notice of Meetings

The notice of the Committee meetings shall be two (2) weeks prior to the scheduled meeting. Notices for special meetings may be sent at least two (2) business days before the date of the special meeting. Notices may be sent in writing, through electronic mail, or by telefacsimile, among others.

3. Agenda

The Chairman, in consultation with the other members of the Committee, shall propose a list of items to be addressed by the Committee during the year. The Chairman shall ensure that the agenda for each Committee meeting is circulated to each member of the Committee two (2) weeks prior to the meeting and the presentation materials shall be circulated three calendar (3) days prior to the date of actual meeting in accordance with the existing Board Charter of the Company.

4. Quorum and Voting

A majority of all the members of the Committee present in person or by means of a video-conference, teleconference, or other modes of communication in which all persons participating in the meeting can completely and clearly hear each other shall constitute a quorum. The members participating in the meeting shall have received the agenda and all the materials for the meeting in accordance with the Board Charter of the Company.

The majority vote of the voting Members shall be required for the Committee to approve, authorize, or take any action. The Committee may refer to the full Board for consideration of any matter which fails to be approved by a majority vote of all voting Committee Members.

5. Secretary

The incumbent Corporate Secretary of the Company shall act as the secretary of the Committee.

6. Minutes

All Committee meetings must be duly documented and filed, and shall be maintained with the books and records of the Company. The minutes of the Committee meetings must be available for review and approval not more than five (5) business days after the meeting and for signature at the next committee meeting.

7. Per Diems

Each Committee member is entitled to a per diem based on attendance at each committee meeting.

5. Reports of the Board Finance Committee

The Chairman of the Committee shall submit to the Board, either in writing or electronically, a copy of the reports of the Committee meeting five (5) business days prior to the date of actual AP Board meeting, in accordance with the existing Board Charter of the Company. The Chairman shall provide the Board the highlights of the matters discussed during the Committee meetings.

6. Resources of the Board Finance Committee

The Committee may request that any Director, Corporate Officer, or employee of the Company, or other persons whose advice and counsel are sought by the Committee, to attend any of its meetings to provide such pertinent information as the Committee may require.

The Committee has the sole authority to appoint, retain and terminate, as it deems necessary or appropriate, any legal advisor or other consultants, including search firms or other professionals to advise and assist the Committee in fulfilling its duties and responsibilities. The Committee shall approve the fees to be paid as well as the terms of the engagement.

7. Assessment of the Performance of the Committee

The Board shall provide the standards for evaluating the performance and effectiveness of the Committee in fulfilling its duties and responsibilities as set out in this Charter and in the Company's Manual on Corporate Governance.

8. Review of the Charter

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval, together with such amendments as it deems necessary and appropriate in order to comply with the legal needs of the Aboitiz Group and any regulatory developments affecting thereto.