

May 30, 2018

SECURITIES AND EXCHANGE COMMISSION  
Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City, 1307

ATTENTION : **DIR. JUSTINA F. CALLANGAN**  
Corporate Governance and Finance Department

*via PSE EDGE*  
PHILIPPINE STOCK EXCHANGE, INC.  
3rd Floor, Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue, Makati City

ATTENTION : **MR. JOSE VALERIANO B. ZUÑO III**  
OIC – Head, Disclosures Department

*via electronic mail*  
PHILIPPINE DEALING & EXCHANGE CORP.  
Market Regulatory Services Group  
37/F, Tower 1, The Enterprise Center  
6766 Ayala Avenue corner Paseo de Roxas, Makati City

ATTENTION : **MS. KATHLENE ANNE F. FAMADICO**  
OIC – Issuer Compliance and Disclosures Department

Gentlemen:

In compliance with the SEC Memorandum Circular No. 15, Series of 2017, we submit herewith Aboitiz Power Corporation's Integrated Annual Corporate Governance Report for the year 2017.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

**ABOITIZ POWER CORPORATION**

By:



**MANUEL ALBERTO R. COLAYCO**  
Corporate Secretary

COVER SHEET

C 1 9 9 8 0 0 1 3 4

S.E.C. Registration Number

A B O I T I Z P O W E R C O R P O R A T I O N

( Company's Full Name )

3 2 N D S T R E E T , B O N I F A C I O G L O B A L

C I T Y , T A G U I G C I T Y , M E T R O M A N I L A

P H I L I P P I N E S

(Business Address: No. Street City / Town / Province )

MANUEL ALBERTO R. COLAYCO

Contact Person

(02) 886-2338

Company Telephone Number

Contact Person

1 2 3 1

Month Day

Fiscal Year

I A C G R

FORM TYPE

3rd Monday of

0 5 2 1

Month Day

Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

\_\_\_\_\_

LCU

Document I.D.

\_\_\_\_\_

Cashier

STAMPS

Remarks = Pls. use black ink for scanning purposes



SECURITIES & EXCHANGE COMMISSION

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

- 1. For the fiscal year ended 2017
  
- 2. SEC Identification Number C199800134 3. BIR Tax Identification No. 200-652-460-000
  
- 4. ABOITIZ POWER CORPORATION  
Exact name of registrant as specified in its charter
  
- 5. Philippines Province, country or other jurisdiction  
of incorporation
- 6.  Industry Classification Code
  
- 7. 32<sup>nd</sup> Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines Address of principal office  
1634 Postal Code
  
- 8. (02) 886-2800  
Issuer's telephone number, including area code
  
- 9. N.A.  
Former name or former address, if changed since last report

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board’s Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company’s industry/sector.	Compliant	The Company’s directors are nominated and elected based on their professional experience, expertise and relevant trainings to the industry or sector where the Company’s businesses operate.	
2. Board has an appropriate mix of competence and expertise.	Compliant	As a result, the Company’s Board of Directors is composed of directors with collective working knowledge, experience and expertise in the industries that is relevant to the company and its subsidiaries.	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	<p>See Company policies on the Composition, Qualifications and Disqualifications of the Board of Directors</p> <p>i. <b>Amended By Laws</b>, p. 2 Article II (The Board of Directors) at: <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf</a></p> <p>ii. <b>2017 Amended Manual on Corporate Governance</b>, p. 14-19, Sections B.7-B.11, available at:</p>	

		<p><a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>See write-up of the Directors' profiles in the Company's Reports:</p> <p>i. <b>2017 Definitive Information Statement</b>, p. 10, Item 5. Directors and Executive Officers available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>ii. <b>2017 Annual Report</b>, p. 100, Part III – Directors and Officers of the Issuer, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p>	
<b>Recommendation 1.2</b>			
<p>1. Board is composed of a majority of non-executive directors.</p>	<p>Compliant</p>	<p>The Company's Board of Directors is composed of nine (9) directors. Three (3) are independent, three (3) are Non-executive Directors, or are not engaged in the day to day functions of the Company.</p> <p>See Company policies on the Composition, of the Board of Directors:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, p. 14-19, Sections B.7-B.11 available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>See write-up of the Directors' profiles in the Company's Reports:</p>	

		<p>i. <b>2017 Definitive Information Statement</b>, p. 10, Item 5. Directors and Executive Officers available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>ii. <b>Annual Report (SEC Form 17-A)</b>, .100, Part III – Directors and Officers of the Issuer, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p>iii. <b>2017 General Information Sheet</b>, available at: <a href="https://aboitizpower.com/wp-content/uploads/GIS-2017-ABOITIZ-POWER-CORPORATION-Amended-11.24.2017.pdf">https://aboitizpower.com/wp-content/uploads/GIS-2017-ABOITIZ-POWER-CORPORATION-Amended-11.24.2017.pdf</a></p> <p>iv. <b>Company Website</b> at <a href="http://www.aboitizpower.com">www.aboitizpower.com</a> – Our AboitizPower Board under Our Leaders at: <a href="https://aboitizpower.com/corporate-governance/governance-reports-and-scorecards/#board-of-directors">https://aboitizpower.com/corporate-governance/governance-reports-and-scorecards/#board-of-directors</a></p>	
<b>Recommendation 1.3</b>			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>Compliant</p>	<p>Directors undergo a regular training programs to deepen their understanding of the industries where the Company operates. All new directors are provided an on boarding kit that contains relevant information on the Company.</p> <p>See:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, p.10, Part 6. Duties and Responsibilities of Directors available at:</p>	

		<p><a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>AboitizPower Board Charter</b>, available at: <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter .pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter .pdf</a></p>	
2. Company has an orientation program for first time directors.	Compliant	All new directors to the Company undergo an on-boarding program on the Company's business, corporate charters, and applicable laws among others. In addition to regular briefings on new laws or updates, for 2017, the Board of Directors also attended the annual training program on Risk Management, Trends on Global Risks, Cyber Security, Reputation and Crisis Management, Political Risk and Regulations, Millennial Risk and Opportunity, and Sustainability hosted by Pan-Asia Risk and Insurance Management Association (PARIMA). The directors attended at least eight (8) hours of training for 2017.	
3. Company has relevant annual continuing training for all directors.	Compliant	<p>See:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, p. 10, Part 6. Duties and Responsibilities of Directors available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Board Charter</b>, available at: <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter .pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter .pdf</a></p>	

		<p>iii. <b>2017 Certificates of Attendance of the Directors and Officers for the Annual Corporate Governance Seminar</b>, copies of certificates available at:  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=1a470c1c4f84ecfe3318251c9257320d">http://edge.pse.com.ph/openDiscViewer.do?edge_no=1a470c1c4f84ecfe3318251c9257320d</a></p>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	<p>It is the Corporate Governance Committee’s policy to undertake a careful selection process in order to ensure that the Board of Directors is composed of Executive, Non-Executive, and Independent Directors with diverse professional and personal backgrounds (namely: age, ethnicity, culture, skills, competence, gender and knowledge). This is to ensure that no Director or small group of Directors can dominate the decision-making process and that the Board can benefit from the professional expertise of each Director. Currently, the Board of Directors is composed of professionals with expertise in power, finance, law, banking, economics, and risk management among others, with ages ranging from 58 years old to 83 years old.</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, pp. 5: Part B.2 Composition of the Board, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Latest General Information Sheet</b>, page 3: available at  <a href="https://aboitizpower.com/wp-content/uploads/GIS-2017-ABOITIZ-POWER-CORPORATION-Amended-11.24.2017.pdf">https://aboitizpower.com/wp-content/uploads/GIS-2017-ABOITIZ-POWER-CORPORATION-Amended-11.24.2017.pdf</a></p> <p>iii. <b>Company Website</b> at <a href="http://www.aboitizpower.com">www.aboitizpower.com</a> – Our AboitizPower Board under Our Leaders at:</p>	



		<a href="https://aboitizpower.com/corporate-governance/governance-reports-and-scorecards/#board-of-directors">https://aboitizpower.com/corporate-governance/governance-reports-and-scorecards/#board-of-directors</a>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	<p>The Company's Manual on Corporate Governance, the Board Charter, and the Corporate Governance Committee Charter provide for measurable objectives for implementing its board diversity.</p> <p>The Corporate Governance Committee undertakes a careful selection process to ensure that the Board of Directors has a combination of Executive and Non-executive Directors with diverse professional and personal backgrounds (namely: age, ethnicity, culture, skills, competence, gender and knowledge).</p> <p>The Board's diversity is disclosed in the Company's Annual Report and the Information Statements distributed to the shareholders.</p> <p>See:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, p. 5, Part B.2 Composition of the Board, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Board Charter</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter .pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter .pdf</a></p> <p>iii. <b>Board Corporate Governance Committee Charter</b> available at:</p>	

		<a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter .pdf</a>  iv. <b>Company Website</b> at <a href="http://www.aboitizpower.com">www.aboitizpower.com</a> – Our AboitizPower Board under Our Leaders at: <a href="https://aboitizpower.com/corporate-governance/governance-reports-and-scorecards/#board-of-directors">https://aboitizpower.com/corporate-governance/governance-reports-and-scorecards/#board-of-directors</a>	
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	The Board of Directors is ably assisted by the Company Secretary, Atty. M. Jasmine S. Oporto, who is not a member of the Board of Directors. The functions and duties of the Corporate Secretary are found in the 2017 Amended Manual on Corporate Governance, pp. 43: Part D. The Corporate Secretary, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Non-Compliant	See the profile of the Company’s Corporate Secretary at:  i. <b>2017 Definitive Information Statement</b> , page 10, Officers for 2017-2018, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a>  ii. <b>2017 Integrated Annual Report</b> , page 156, available at: <a href="https://aboitiz.com/community/ar2017_web/">https://aboitiz.com/community/ar2017_web/</a>  iii. <b>Latest General Information Sheet</b> , available at:	In 2017, the functions of the Corporate Secretary and Chief Compliance Officer were vested in a single individual – M. Jasmine S. Oporto. However, the Company ensures that the functions of the Corporate Secretary are distinct and clearly delineated from the functions of the Compliance Officer. This distinction is set out in the Company’s 2017 Amended Manual on Corporate Governance, Board Charter, and its 2014 Amended By Laws.  In 2018, the functions of the Corporate Secretary and Compliance Officer are performed by separate individuals. On January 30, 2018, the Company’s Board of Directors appointed Mr. Manuel Alberto R. Colayco as Corporate Secretary and Mr. Joseph Trillana T. Gonzales as Compliance Officer.  See the Functions of the Corporate Secretary and Compliance Officer at:  i. <b>Amended Manual on Corporate Governance</b> , p 46-47: Item D. The Corporate Secretary, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-</a>

		<a href="https://aboitizpower.com/wp-content/uploads/GIS-2017-ABOITIZ-POWER-CORPORATION-Amended-11.24.2017.pdf">https://aboitizpower.com/wp-content/uploads/GIS-2017-ABOITIZ-POWER-CORPORATION-Amended-11.24.2017.pdf</a>	<p>Corporate-Governance-05.31.17-SEC-received-1.pdf</p> <p>ii. <b>Amended By Laws</b>, p. 5, Article III Section 7: Corporate Secretary:  <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf</a></p> <p>iii. <b>Amended Manual on Corporate Governance</b>, p 4-5: Item A. The Compliance Officer, available at:  <a href="http://aboitiz.com/uploads/default/files/391c86cd5c5c3f6d38ba09464a5a00f.pdf">http://aboitiz.com/uploads/default/files/391c86cd5c5c3f6d38ba09464a5a00f.pdf</a></p> <p>See AboitizPower’s Disclosure on Change in Officers (January 30, 2018):</p> <p>i. Appointment of Mr. Manuel Alberto R. Colayco as Corporate Secretary, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-01.30.18-Resignation-of-MJO-as-Corporate-Secretary.pdf">https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-01.30.18-Resignation-of-MJO-as-Corporate-Secretary.pdf</a></p> <p>ii. Appointment of Mr. Joseph Trillana T. Gonzales as Compliance Officer, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-01.30.18-Resignation-of-MJO-as-Compliance-Officer.pdf">https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-01.30.18-Resignation-of-MJO-as-Compliance-Officer.pdf</a></p>
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Ms. Oporto, the Company’s Corporate Secretary in 2017, is a teaching fellow with the Institute of Corporate Directors (ICD), and has also completed the mandatory accreditation course of the Bangko Sentral ng Pilipinas (BSP) on Corporate Governance and Risk Management for Board of Trustees/	

		<p>Directors and an associate member of the GRC Institute of Australia. In 2017, she attended a total of 185 hours of training on Information Security Management System, Competition Law, Corporate Governance, Project Management, Competition, Anti-Bribery, Corruption and Fraud Workshop, and GRI Standard Training, among others.</p> <p>See her full profile at:</p> <p>i. <b>2017 Definitive Information Statement</b>, p. 10, Item 5 Item 5. Directors and Executive Officers available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>ii. <b>Annual Report (SEC Form 17-A)</b>, p. 100, Part III – Directors and Officers of the Issuer, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p>	
--	--	--	--

**Optional: Recommendation 1.5**

<p>1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.</p>	<p><b>Compliant</b></p>	<p>The materials for the Board Meeting are uploaded at the Diligent BoardBooks at least 5 business days before the board meeting. The Diligent Board Book is a secure portal where the Corporate Secretary uploads the materials for the board meeting for easy access by the Board of Directors, wherever they might be.</p> <p>References:</p> <p>i. <b>AbotizPower Board Charter</b>, p. 7, Board Meetings, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AbotizPower-Board-Charter .pdf">https://aboitizpower.com/wp-content/uploads/AbotizPower-Board-Charter .pdf</a></p>	
--	-------------------------	---	--

		ii. See sample e-mail to the Board of Directors notifying them that the materials for the 2017 Regular Board Meeting have been uploaded to the Boardbooks. (Annex "A")	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	Ms. Oporto, the Company's Chief Compliance Officer in 2017, was one of the most senior officers in the Company, with a rank of Senior Vice President. She was not a member of the Board of Directors. The functions and duties of the Compliance Officer are found in the 2017 Amended Manual on Corporate Governance, pp. 4: Part D. The Compliance Officer, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>  For the profile of the Compliance Officer, see references in Recommendation 1.5.4.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant		
4. Compliance Officer attends training/s on corporate governance.	Compliant	Ms. Oporto, the Company's Compliance Officer in 2017, is a teaching fellow with the ICD, and has also completed the mandatory accreditation course of the BSP on Corporate Governance and Risk Management for Board of Trustees/ Directors and an associate member of the GRC Institute of Australia. In 2017, she attended a total of 185 hours of training on Information Security Management System, Competition Law, Corporate Governance, Project Management, Competition, Anti-Bribery, Corruption and Fraud Workshop, and GRI Standard Training, among others.  For the profile of the Compliance Officer, see references in Recommendation 1.5.4.	

**Principle 2:** The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company’s articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

**Recommendation 2.1**

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p>The Board of Directors receive regular reports from Management and Heads of Strategic Business Units on the operations of the Company and its Subsidiaries. Any matter requiring the Board’s attention is promptly elevated to the members of the Board, and deliberated upon in the Board meetings. Materials for the board meetings are distributed to the Board of Directors at least five (5) days before the board meeting through the Diligent Boardbooks. Decisions by the Board of Directors on appointment of officers and material transactions, among others, are immediately disclosed to the public. Regular board meetings usually last a minimum of four (4) hours.</p> <p>See:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, p. 20, Item 13. Adequate and Timely Information, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>AboitizPower Board Charter</b>, p. 3, Item 7, Board Leadership and the Role of the Chairman, available at: <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf</a></p> <p>iii. <b>List of 2017 Disclosures</b> uploaded in the Company website at: <a href="http://www.aboitizpower.com">www.aboitizpower.com</a></p>	
---	------------------	--	--

		<p>iv. <b>Annual Report (SEC Form 17-A)</b>, page 122: on Reports on SEC Form 17-C (Part V – Exhibits and Schedules) at  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p>v. <b>2017 Definitive Information Statement (20-IS)</b>, page 33, Items 16: Matters not Required to be Submitted, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
--	--	--	--

**Recommendation 2.2**

1. Board oversees the development, review and approval of the company’s business objectives and strategy.	Compliant	<p>The Board regularly reviews the Company’s business objectives and strategy to ensure that the activities and key management decisions are still aligned with the Company’s vision and mission. The Board also conducts Annual Board Retreat and Strategy Refresh to discuss both the strategic roadmap and policies of the Company, and a review of the Company’s vision and mission. In 2017, the Company’s had their yearly Board retreat/strategy workshop November 23, 2017 at NAC Tower, Bonifacio Global City, Taguig City.</p> <p>The Company’s purpose statement is found in the Company’s <b>2017 Amended Manual on Corporate Governance</b>, pp. 45: Part IV. Sustainability Policy available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>In 2017, the Company launched a refreshed Group Purpose, to fulfill its mission to create long-term value for all its stakeholders. See the Aboitiz</p>	
2. Board oversees and monitors the implementation of the company’s business objectives and strategy.	Compliant		

		<p>Group's Press Release on: '<b>Advancing Business &amp; Communities</b>': Aboitiz introduces group purpose and brand positioning, June 2, 2017, available at: <a href="http://aboitiz.com/press-releases/view/advancing-business-and-communities-aboitiz-introduces-refreshed-group-purpose-and-brand-positioning">http://aboitiz.com/press-releases/view/advancing-business-and-communities-aboitiz-introduces-refreshed-group-purpose-and-brand-positioning</a></p> <p>See also:</p> <p>i. <b>Board Charter</b>, page 2, Section 3.0: Duties and Responsibilities of the Board, available at: <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf</a></p>	
--	--	---	--

**Supplement to Recommendation 2.2**

<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>Compliant</p>	<p>The Company's mission and vision is stated in its Purpose Statement: "Guided by our core values, we the Aboitiz Group, drive change for a better world by advancing business and communities and creating long term value for our stakeholders." This purpose statement has been deliberated and approved by the Board of Directors in 2017, and embodied in the Company's <b>2017 Amended Manual on Corporate Governance</b>, pp. 2: Section 3.0. Duties and Functions of the Board available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>See also:</p> <p>i. the Aboitiz Group's Press Release on: 'Advancing Business &amp; Communities': Aboitiz introduces group purpose and brand positioning, June 2, 2017, available at: <a href="http://aboitiz.com/press-releases/view/advancing-business-and-communities-aboitiz-introduces-refreshed-group-purpose-and-brand-positioning">http://aboitiz.com/press-releases/view/advancing-business-and-communities-aboitiz-introduces-refreshed-group-purpose-and-brand-positioning</a></p>	
--	------------------	--	--



		<p>ii. <b>AboitizPower Board Charter</b>, page 2, Section 3.0: Duties and Responsibilities of the Board, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf</a></p>	
<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>Compliant</p>	<p>The Board of Directors is supported in the performance of its functions by the four (4) board committees – Corporate Governance Committee, Audit Committee, Risk and Reputation Management Committee, and Related Party Transactions Committee. The committees assist the Board in ensuring that the Company's business objectives and strategies are cascaded, implemented, and properly monitored within their specific spheres of functions. See the Reports of the Chairman of the Board and Management in the <b>2017 Integrated Annual Report</b> available at:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p> <p>See:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, pp. 5: Part II. Plan of Compliance available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Aboitiz Press Release: 'Advancing Business &amp; Communities':</b> Aboitiz introduces group purpose and brand positioning, June 2, 2017 at:  <a href="http://aboitiz.com/press-releases/view/advancing-business-and-communities-aboitiz-introduces-refreshed-group-purpose-and-brand-positioning">http://aboitiz.com/press-releases/view/advancing-business-and-communities-aboitiz-introduces-refreshed-group-purpose-and-brand-positioning</a></p>	

**Recommendation 2.3**

<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>The Company's Chairman, Enrique M. Aboitiz, is highly competent, qualified, and hardworking. He is knowledgeable about the Company's core businesses and has a deep commitment to corporate governance and corporate social responsibility. See profile of the Chairman at:</p> <p>i. <b>2017 Definitive Information Statement</b>, pp. 10, Item 5. Directors and Executive Officers available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>ii. <b>Annual Report (SEC Form 17-A)</b>, pp. 100: Part III – Directors and Executive Officers of the Issuer, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p>iii. <b>Company Website</b> at <a href="http://www.aboitizpower.com">www.aboitizpower.com</a> – Our AboitizPower Board under Our Leaders at: <a href="https://aboitizpower.com/corporate-governance/governance-reports-and-scorecards/#board-of-directors">https://aboitizpower.com/corporate-governance/governance-reports-and-scorecards/#board-of-directors</a></p>	
<b>Recommendation 2.4</b>			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>Compliant</p>	<p>The Board of Directors, with the assistance of the Corporate Governance Committee, approved a succession policy in place for directors, corporate officers and senior management. The Company retirement age for corporate offices is 60 years old, unless the Board of Directors, for meritorious and</p>	

2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p>exceptional reasons, decides to extend the years of service of the officer. See:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, pp. 5 Part 2. Plan of Compliance available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	The Company rewards its individual Directors and corporate officers based on ability to execute his duties and responsibilities. Performance is evaluated and compensation is reviewed on an annual basis.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	Changes in Board compensation, if any, should come at the suggestion of the Board Corporate Governance Committee but with full discussion and concurrence by the Board.	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>While the Corporate Governance Committee recommends the remuneration levels of the Directors, these recommendations are presented to the shareholders for the final approval.</p> <p>The Chief Human Resources Officer, who is an ex-officio member, presents to the Committee presents on an annual basis the recommendations for compensation levels for all team members, including officers.</p> <p>See:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, Part C. Policy on Executive Remuneration, available at:</p>	

		<p><a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Board Corporate Governance Committee Charter</b>, pp. 2: Responsibilities of the Board Corporate Governance Committee, available at: <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter .pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter .pdf</a></p> <p>iii. <b>2017 Definitive Information Statement</b>, pp. 29: Item 6. Compensation of Directors and Executive Officers, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>iv. <b>Annual Report (SEC Form 17-A)</b>, pp. 116: Item 10. Executive Compensation, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p>v. <b>Minutes of 2015 ASM</b> at page 8, Item X: Approval of Increase of Directors' Monthly Allowance, available at: <a href="https://aboitizpower.com/wp-content/uploads/2015/06/2015ASM-Minutes-of-the-Meeting.pdf">https://aboitizpower.com/wp-content/uploads/2015/06/2015ASM-Minutes-of-the-Meeting.pdf</a></p>	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.	Compliant	The Corporate Governance Committee assists the Board of Directors in performing its functions relating to compensation of directors and corporate officers.	

		<p>The Board Corporate Committee, which includes the Chief Human Resources Officer as its ex-officio member, deliberates and proposes to the Board of Directors compensation levels for all team members, including officers.</p> <p>See:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, pp. 29: Part C.Policy on Executive Remuneration, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Board Corporate Governance Committee Charter</b>, pp. 2: Item D. Responsibilities of the Board Corporate Governance Committee, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter_.pdf</a></p> <p>iii. <b>2017 Definitive Information Statement</b>, pp. 29: Item 6. Compensation of Directors and Executive Officers, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<p>2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p>	<p>Compliant</p>	<p>The Company rewards its individual Directors and corporate officers based on the individual’s ability to execute his duties and responsibilities. Performance is evaluated and compensation is reviewed on an annual basis.</p> <p>See:</p>	

		<p>i. <b>2017 Amended Manual on Corporate Governance</b>, pp. 29: Part C.Policy on Executive Remuneration, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Board Corporate Governance Committee Charter</b>, pp. 2: Item D. Responsibilities of the Board Corporate Governance Committee, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter_.pdf</a></p> <p>iii. <b>2017 Definitive Information Statement</b>, pp. 29: Item 6. Compensation of Directors and Executive Officers, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>iv. <b>Annual Report (SEC Form 17-A)</b>, Item 10. Executive Compensation, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p>	
<b>Recommendation 2.6</b>			
<p>1. Board has a formal and transparent board nomination and election policy.</p>	<p>Compliant</p>	<p>The Company’s Board of Directors has a formal and transparent board nomination and election policy. All shareholders have the right to nominate individually the members of the Board. Nominations</p>	

2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	for the position of a director are received by the Corporate Secretary in accordance with the Company's By- Laws and the recently amended Guidelines for the Nomination and Election of Independent Directors was approved on March 23, 2017.	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	After proper screening, the Corporate Governance Committee approves a shortlist of candidates that are qualified to be nominated and elected as directors and Independent Directors of the Company.	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	The overall procedure is in compliance with the Amended Implementing Rules and Regulations of the Securities Regulation Code.	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	The Company's policies on the nomination and election of Directors are disclosed in the Company's website and are found in the following:  i. <b>Amended By Laws</b> , Article II (The Board of Directors) at: <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf</a>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	ii. <b>2017 Amended Manual on Corporate Governance</b> , pp. 27: Part C. Nomination of Board of Directors, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>  iii. <b>Guidelines for the Nomination and Election of Independent Directors</b> at <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Guidelines-for-the-Nomination-and-Election-of-Independent-Directors_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Guidelines-for-the-Nomination-and-Election-of-Independent-Directors_.pdf</a>	

		<p>iv. <b>Board Corporate Governance Committee Charter</b>, page 2: Item D. Responsibilities of Board Corporate Governance Committee, available at <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter .pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter .pdf</a></p> <p>iv. <b>2017 Definitive Information Statement</b>, pp. 6 and 15: Item 4. Voting Securities and Principal Holders Thereof; Nomination for Independent Directors and Procedure for Nomination available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>vi. <b>Annual Report (SEC Form 17-A)</b>, pp. 100 Item 9. Directors and Executive Officers of the Issuer, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p>	
<b>Optional: Recommendation to 2.6</b>			
<p>1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.</p>	<p><b>Non-Compliant</b></p>		<p>The Company has not, in the past, used the services of professional search firms or headhunters to identify potential candidates for directors in the Company. Instead, the Company seeks out recommendations from its current directors, with particular emphasis on the recommendations of its Independent Directors. Based on the recommendations gathered, the Corporate Governance Committee evaluates the qualifications of the proposed candidates, and prepares a shortlist based on the list of qualifications and disqualifications for directors.</p>



			<p>Preference is given to candidates who have expertise in the businesses the Company operates.</p> <p>See:  <b>2017 Amended Manual on Corporate Governance</b>, pp. 18-19, Selection of the Board of Directors and Officers, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	The Board of Directors has the duty to ensure that there is a group-wide policy and system governing related parties and RPTs, particularly those which pass a certain threshold of materiality.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	In 2017 the Board of Directors approved the Company's RPT Policy, and created the RPT Committee to ensure that all RPTs are (i) at arm's length and pass the test of transfer pricing rules; (ii) fair, or are based on market practices, and (iii) inure to the best interests of the Company and its shareholders.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	<p>The RPT Committee, composed of all Independent Directors, deliberate on material and significant RPTs across the Group.</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, Part C. Board Committees: Board Related Party Transactions Committee available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	

		<p>ii. <b>Policy on Related Party Transaction Policy</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf</a></p> <p>iii. <b>Board Related Party Transactions Committee Charter</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf</a></p> <p>iv. <b>2017 Definitive Information Statement</b>, pp. 28: Item 5. Certain Relationships and Related Transactions; and pp. 77: Item 8. Transactions With and/or Dependence on Related Parties, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
--	--	--	--

**Supplement to Recommendations 2.7**

<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p>The Company's RPT Policy defines who are related parties, and pegs the materiality threshold of related-party transactions at Php50M. Significant RPTs (Php50M-Php100M) require review and approval by the RPT Committee while Material RPTs (over Php100M) require review by the RPT and approval by the Board of Directors. Any RPT involving Directors or Corporate Officers, regardless of amount, require the review and approval by the Board of Directors.</p> <p>See:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, page 43-44, Part C. Board Committees: Board Related Party Transactions Committee, available at:</p>	
--	------------------	--	--

		<p><a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Policy on Related Party Transaction Policy</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf</a></p> <p>iii. <b>Board Related Party Transactions Committee Charter</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf</a></p> <p>iv. <b>2017 Definitive Information Statement</b>, pp. 28: Item 5. Certain Relationships and Related Transactions; and pp. 77: Item 8. Transactions With and/or Dependence on Related Parties, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p><b>Non-Compliant</b></p>		<p>The Company has adopted the statutory shareholder voter protection requirements under both the Corporation Code and the rules of the Philippine Stock Exchange. These require either supermajority vote or majority of minority vote on certain transactions. In addition, all shareholders of the Company are entitled to the exact same voting rights.</p> <p>In addition, the Board has created a RPT Committee comprised solely of its three (3) Independent Directors. Thus, the RPT Committee members are not encumbered with any management responsibility and are free from any business or other relationship with the Company,</p>

			<p>which would interfere with the exercise of independent judgment. The Company's RPT Policy also sets out clear guidelines as to the manner in which related-party transactions are presented to the RPT Committee and the transactions that require action on the part of the RPT Committee. Finally, the Company also presents all Board and Company actions (including all related-party transactions) for ratification at each annual shareholders meeting.</p> <p>The Company believes that these measures, combined, provide sufficient protection to the interests of minority shareholders insofar as related-party transactions are concerned.</p> <p>See:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, page 43-44, Part C. Board Committees: Board Related Party Transactions Committee, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Related Party Transaction Policy</b>, available at: <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf</a></p> <p>iii. <b>Related Party Transactions Committee Charter</b>, available at: <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf</a></p>
--	--	--	---

			<p>The Rights of Shareholders are found and disclosed in the following documents:</p> <p>iv. <b>Amended Manual on Corporate Governance</b>, pp. 47-50, Shareholders' Benefit, available at <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>v. <b>2017 Integrated Annual Report (17-A)</b>, p. 137: Rights of Shareholders, available at: <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p>
--	--	--	---

**Recommendation 2.8**

<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>The Board of Directors appoints the Company's CEO, CRO, CCO, CFO, and other senior officers at every organizational meeting following the annual stockholders meeting. The results of the 2017 Organizational Meeting is available at</p> <p>For the list of officers, see the Company's <b>Latest General Information Sheet</b> available at <a href="https://aboitizpower.com/wp-content/uploads/GIS-2017-ABOITIZ-POWER-CORPORATION-Amended-04.25.2018.pdf">https://aboitizpower.com/wp-content/uploads/GIS-2017-ABOITIZ-POWER-CORPORATION-Amended-04.25.2018.pdf</a></p> <p>The power of the Board of Directors to appoint key corporate officers is found on:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, pp. 18: Item 9. Selection of the Board Directors and Officers; page 27: Item 9. Nomination of the Board of Directors, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	
--	------------------	--	--

		<p>iii. <b>2017 Definitive Information Statement (20-IS)</b>, page 10 Item 5. Directors and Executive Officers available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>iv. <b>Annual Report (SEC Form 17-A)</b>, pages 100-105, Item 9. Directors and Executive Officers of the Issuer: Nominations for Independent Directors and Procedure for Nomination, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p>vi. <b>2017 Minutes of the Meeting</b>, available at:  <a href="http://aboitizpower.com/wp-content/uploads/AP-Minutes-2016-05.15.17-Annual-Stockholders-Meeting-FINAL-1.pdf">http://aboitizpower.com/wp-content/uploads/AP-Minutes-2016-05.15.17-Annual-Stockholders-Meeting-FINAL-1.pdf</a></p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>The Board of Directors conducts an annual assessment of the performance of the Board of Directors, the Chairman, Directors, and the corporate officers such as the Chief Risk Officer, Chief Compliance Officer and the Group Internal Audit Head.</p> <p>See:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, page 50: Part 9. Monitoring and Assessment, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. Board and Officer Performance Assessment, available at:</p>	

		<a href="https://aboitizpower.com/corporate-governance/policies-and-protocols/#!board-performance-assessment">https://aboitizpower.com/corporate-governance/policies-and-protocols/#!board-performance-assessment</a>	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	The Board of Directors is responsible in ensuring that management's performance is within the standards set by the Board.  See:	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	i. <b>2017 Amended Manual on Corporate Governance</b> , page 50: Part 9. Monitoring and Assessment, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>  ii. <b>Board and Officer Performance Assessment</b> , available at: <a href="https://aboitizpower.com/corporate-governance/policies-and-protocols/#!board-performance-assessment">https://aboitizpower.com/corporate-governance/policies-and-protocols/#!board-performance-assessment</a>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Under the Company's Amended Manual on Corporate Governance, the Board of Directors is responsible in ensuring that there is an effective system of internal control, which includes a mechanism for monitoring and managing potential conflict of interest among directors, management, team members and shareholders.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	The Company's Code of Ethics and Business Conduct clearly outline the company's policies on the conflicts of interest situations. The Board also approved a Conflict of Interest Policy and a Related Party Transaction to ensure that material RPTs involving management, directors, officers, and	

		<p>shareholders within a certain threshold undergo the proper review and approvals.</p> <p>See:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b> – Page 21: Part 14. Accountability and Audit, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Code of Ethics and Business Conduct</b>, available at  <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a></p> <p>iii. <b>Policy on Conflict of Interest Situations</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/2015/07/Board-Policy-Conflict-of-Interest-Situations.pdf">https://aboitizpower.com/wp-content/uploads/2015/07/Board-Policy-Conflict-of-Interest-Situations.pdf</a></p> <p>iv. <b>Policy on Related Party Transactions</b> available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf</a></p>	
<p>3. Board approves the Internal Audit Charter.</p>	<p>Compliant</p>	<p>The Board of Directors approved the Board Audit Committee Charter and the Manual on Corporate Governance (which includes guidelines on Internal Audit) in 2012 and 2017, respectively.</p> <p>See the Company's Internal Audit Charter approved by the Board of Directors</p> <p>Reference:</p>	



		<p>i. <b>2017 Amended Manual on Corporate Governance</b> – Page 21: Part 14. Accountability and Audit, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Board Audit Committee Charter</b> available at:  <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p>	
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	<p>The Board of Directors, through the Board Risk and Reputation Management Committee, ensures that a sound Enterprise Risk Management (ERM) framework is in place to effectively identify, monitor, and manage key business risks. The committee assists the Board in defining the Company’s risk appetite and overseeing the risk profile and performance against the defined risk appetite. The committee is also responsible for overseeing the identification, measurement, monitoring and controlling the Company’s principal business risks.</p> <p>The Company’s report on its risk management is found in the Group’s 2017 Integrated Annual Report.</p> <p>Reference:  i. <b>2017 Amended Manual on Corporate Governance</b>, page 8. Item B: Duties and Functions of the Board, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant		

		<p>ii. <b>2017 Integrated Annual Report</b>, pp.126-127: Strengthening our organizational resilience; pp.128-129: The combined assurance and three lines of defense, available at:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p> <p>iii. <b>Board Risk &amp; Reputation Committee Charter</b> available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf</a></p> <p>iv. <b>AboitizPower Website: Composition of the Board Risk and Reputation Management Committee</b> available at  <a href="https://aboitizpower.com/corporate-governance/governance-team/#!board-committees">https://aboitizpower.com/corporate-governance/governance-team/#!board-committees</a></p>	
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	The Company has a Board Charter that articulates the duties of the Board, the processes and protocols that must be followed in the conduct of the board meetings.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	The Company's Board Charter is available at the Company's website at: <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf</a>	
3. Board Charter is publicly available and posted on the company's website.	Compliant		
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	Compliant	<p>The Company has a clear insider trading policy that is regularly communicated to all Directors, officers and Team members.</p> <p>References:</p> <p>i. <b>General trading policy</b> available at-</p>	

		<p><a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-General-Trading-Policy_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-General-Trading-Policy_.pdf</a></p> <p>ii. <b>2017 Amended Manual on Corporate Governance</b>, page 22 Item 15: Policy on Trading of Company Securities available at <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>iii. <b>Code of Ethics and Business Conduct</b>, page 3: Item 9. Commitment to the Group: Advance and Protect the Company's Interest, available at: <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a></p>	
<b>Optional: Principle 2</b>			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	<p>The Company's Code of Ethics considers receiving a personal loan or guarantee of an obligation other than those enjoyed as Company benefit as a conflict of Interest situation, and therefore, must be avoided.</p> <p>See: <b>Code of Ethics and Business Conduct</b>, page 5: E. Conflicts of Interest, available at: <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a></p>	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	<p>The Company's By-Laws, Manual on Corporate Governance, Board Charters, and various committee charters identify actions requiring the Board's approval.</p> <p>The resolutions approved by the Board of Directors in every board meeting are reported in the</p>	

		<p>Company's Definitive Information Statement. The Company's Compliance Team is also very diligent in ensuring that all material transactions approved by the Board of Directors are disclosed within the periods required and in compliance with the Securities Regulation Code, PSE Disclosure Rules, and other applicable rules.</p> <p>References:</p> <p>i. <b>List of 2017 Disclosures</b> uploaded in the Company website at:  <a href="https://aboitizpower.com/investor-relations/disclosures/">https://aboitizpower.com/investor-relations/disclosures/</a></p> <p>ii. <b>2017 Definitive Information Statement</b>, page 33: Item 16. Matters Not Required to be Submitted available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>iii. <b>Annual Report (SEC Form 17-A)</b> on Reports on SEC Form 17-C (Part V – Exhibits and Schedules) available at  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p>	
--	--	---	--

**Principle 3:** Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

**Recommendation 3.1**

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>In 2017, the Company's Board Committees consist of the following: Board Audit Committee, Board Risk and Reputation Management Committee, Board Corporate Governance Committee and Board Related Party Transactions Committee.</p>	
--	------------------	--	--

		<p>The composition, functions, and powers of the board committees are found in the Company’s Amended Manual on Corporate Governance and the various committee charters duly approved by the Company’s Board of Directors. The current composition, including the charters of the various committees, are available in the Company’s website.</p> <p>References:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, page 23 to 45, Item C. Board Committees, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Company Website: Board &amp; Committee Charters</b> available for download at  <a href="https://aboitizpower.com/corporate-governance/policies-and-protocols/#other-company-policies">https://aboitizpower.com/corporate-governance/policies-and-protocols/#other-company-policies</a></p> <p>iii. <b>Company Website: Names and Profiles of Committee Members</b> available at:  <a href="https://aboitizpower.com/corporate-governance/governance-team/#board-committees">https://aboitizpower.com/corporate-governance/governance-team/#board-committees</a></p> <p>iv. <b>2017 Definitive Information Statement</b>, page 10: Item 5. Directors and Executive Officers, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
--	--	--	--

**Recommendation 3.2**

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company’s financial</p>	<p>Compliant</p>	<p>The Company’s Board Audit Committee assists the Board in the tasks of (1) preparing a strategic audit agenda; and (2) providing oversight over the</p>	
---	------------------	---	--

<p>reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>		<p>Company's financial reporting policies, practices and control, and internal and external audit functions. The Audit Committee has the responsibility to select, evaluate, review of the performance, scope of work and fees of the external auditor, and where appropriate, recommend the re-appointment or replacement of the current external auditor.</p> <p>References:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, page 30: Item C. Board Committees: Board Audit Committee, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Company Website: Board &amp; Committee Charters</b> available for download at <a href="https://aboitizpower.com/corporate-governance/policies-and-protocols/#other-company-policies">https://aboitizpower.com/corporate-governance/policies-and-protocols/#other-company-policies</a></p> <p>iii. <b>2017 Definitive Information Statement</b>, page 140: Part III. Corporate Governance Report; and pp. 156: The Board Audit Committee Report to the Board of Directors. <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEX.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEX.pdf</a></p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p>The Audit Committee is composed of three (3) Independent Directors and two (2) Non-executive Directors. The Chairman of the Audit Committee is an Independent Director.</p> <p>References:</p>	

		<p>i. <b>2017 Amended Manual on Corporate Governance</b>, page 30: Item C. Board Committees: Board Audit Committee, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Company Website: Board &amp; Committee Charters</b> available for download at:  <a href="https://aboitizpower.com/corporate-governance/policies-and-protocols/#other-company-policies">https://aboitizpower.com/corporate-governance/policies-and-protocols/#other-company-policies</a></p> <p>iii. <b>2017 Definitive Information Statement</b>, page 140: Part III. Corporate Governance Report; and pp. 156: The Board Audit Committee Report to the Board of Directors  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>The members of the Audit Committee – Messrs. Carlos C. Ejercito, Romeo L. Bernardo, Alfonso A. Uy, Antonio R. Moraza, and Mikel A. Aboitiz- are well experienced in the areas of accounting, audit and finance. Their full profiles are available in the Definitive Information Statement and in the Company’s website.</p> <p>References:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b>, page 30: Item C. Board Committees: Board Audit Committee, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	

		<p>ii. <b>Company Website: Board &amp; Committee Charters</b> available for download at <a href="https://aboitizpower.com/corporate-governance/policies-and-protocols/#other-company-policies">https://aboitizpower.com/corporate-governance/policies-and-protocols/#other-company-policies</a></p> <p>iii. <b>2017 Definitive Information Statement</b>, page 140: Part III. Corporate Governance Report; and pp. 156: The Board Audit Committee Report to the Board of Directors. <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p>Mr. Carlos C. Ejercito, the Chairman of the Audit Committee, is an Independent Director, and is not the Chairman of the Board of Directors, or any other committee. See his profile at:</p> <p>References:</p> <p>i. <b>2017 Definitive Information Statement</b>, page 13: Item 5. Directors and Officers available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>ii. <b>Company website</b> – <a href="https://aboitizpower.com/corporate-governance/governance-team/board-committees/">https://aboitizpower.com/corporate-governance/governance-team/board-committees/</a></p>	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	The Audit Committee elects, monitors and reviews the independence, performance and effectiveness, scope of work, fees and remuneration of external auditors. In addition, the Board Audit Committee reviews periodically the non-audit fees paid to the external auditor visa-vis its total annual income and the Company's total consultancy expenses.	



		<p>References:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b> – Board Audit Committee, page 34: Item 2. Board Audit Committee: External Controls available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>2017 Definitive Information Statement</b>, page 139: Item 8. A. External Audit Fees and Services  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p>	Compliant	<p>The Board Audit Committee which is composed of Independent Directors and Non-executive Directors regularly conduct dialogues with the External Auditors without anyone from management attending the meeting.</p> <p>References:</p> <p>i. <b>2017 Definitive Information Statement</b>, page 156: Item The Board Audit Committee Report to the Board of Directors, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<b>Optional: Recommendation 3.2</b>			
<p>1. Audit Committee meet at least four times during the year.</p> <p><i>Indicate the number of Audit Committee meetings during the year and provide proof</i></p>	Compliant	<p>The Board Audit Committee met five (5) times in 2017 – March 3, May 2, July 24, and November 7, and 21.</p> <p>References:</p>	

		<p>i. <b>2017 Definitive Information Statement (20-IS)</b>, page 156. The Board Audit Committee Report to the Board of Directors.  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>ii. <b>Board Audit Committee Charter</b>, p.2: Frequency of Meetings, available at:  <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p>	
<p>2. Audit Committee approves the appointment and removal of the internal auditor.</p> <p><i>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</i></p>	Compliant	<p>The Audit Committee evaluates, assesses and recommends the re-appointment or replacement of external auditor to the Board of Directors for endorsement and approval by the stockholders.</p> <p>i. <b>Board Audit Committee Charter</b> available at  <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p> <p>ii. <b>2017 Amended Manual on Corporate Governance</b> pp. 30: Item 2. Board Audit Committee  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	
<b>Recommendation 3.3</b>			
<p>1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>	Compliant	<p>The Corporate Governance Committee is tasked to develop and recommend to the Board a set of corporate governance principles, including independence standards, governance guidelines applicable to the selection, contribution and conduct of Board members, ensuring that appropriate senior leadership succession planning is in place throughout the Group. The Committee ensures that the directors nominated and elected</p>	

		<p>have the necessary skill set to steer the Company in the right direction.</p> <p>References:</p> <p><b>i. 2017 Amended Manual on Corporate Governance</b> – pp. 23: Part C. Item 1. Board Corporate Governance Committee available at <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii. Board Corporate Governance Committee Charter</b> available at <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter_.pdf</a></p> <p><b>iii. Company Website</b> – <a href="https://aboitizpower.com/corporate-governance/governance-team/#board-committees">https://aboitizpower.com/corporate-governance/governance-team/#board-committees</a></p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Compliant</p>	<p>The Corporate Governance Committee is composed of two (2) Non-executive Directors and three (3) Independent Directors as the voting members, which comprises the majority.</p> <p>The Chief Compliance Officer, as well as the Chief Human Resource Officer, are ex-officio non-voting members.</p> <p>References:</p> <p><b>i. 2017 Definitive Information Statement</b>, pp. 10, Item 5. Directors and Executive Officers available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	

		ii. <b>Company website</b> - <a href="https://aboitizpower.com/corporate-governance/governance-team/#board-committees">https://aboitizpower.com/corporate-governance/governance-team/#board-committees</a>	
3. Chairman of the Corporate Governance Committee is an independent director.	<b>Non-Compliant</b>		<p>The Chairman of the Corporate Governance Committee is an independently-minded Non-executive Director who is fully committed to the principles of good governance and ensures that the Company adopts and implements best governance practices.</p> <p>In addition, the Company's three (3) Independent Directors, are members of the Committee and comprise a majority thereof.</p> <p>References:</p> <p><b>i. 2017 Amended Manual on Corporate Governance</b> – <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii. Company Website</b> – <a href="https://aboitizpower.com/corporate-governance/governance-team/#board-committees">https://aboitizpower.com/corporate-governance/governance-team/#board-committees</a></p>
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	<p>For 2017, the Corporate Governance Committee met three (3) times – February 21, July 25, and November 21.</p> <p>References:</p> <p><b>i. Board Corporate Governance Committee Charter</b>, pp. 2-3, Meetings of the Corporate Governance Committee, available at:</p>	

		<a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter .pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter .pdf</a>	
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p>The Risk and Reputation Management Committee is responsible for overseeing the identification, measurement, monitoring and controlling of the Company's principal business and reputation risks.</p> <p>References:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b> – page 40: C.3 Board Risk and Reputation Management Committee available at <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>ii. <b>Board Risk and Reputation Committee Charter</b>, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf</a></p> <p>iii. <b>Company Website</b> - <a href="https://aboitizpower.com/corporate-governance/governance-team/#board-committees">https://aboitizpower.com/corporate-governance/governance-team/#board-committees</a></p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	<b>Non-Compliant</b>		<p>The Risk and Reputation Management Committee is composed of three (3) Independent Directors, three (3) Non-executive Directors and one (1) Executive Director. The Chairman of the committee is a Non-executive Director.</p> <p>The Company believes that including the Non-executive Directors and an Executive Director to the Committee, allows it to have a more wholistic view of the Company's risk profile, as well as of the risks facing the businesses in which it operates.</p>

			<p>The composition of the Committee also enables it to take into consideration the perspective of senior management as it oversees the identification, measurement, monitoring and controlling of the Company's principal business risks.</p> <p>References:</p> <p><b>i. 2017 Definitive Information Statement</b>, pp. 10: Item 5. Directors and Officers available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>ii. 2017 Amended Manual on Corporate Governance</b>, pp. 40: Part C. Item 3. Board Risk and Reputation Management Committee available at <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>iii. Board Risk &amp; Reputation Committee Charter</b> - <a href="https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf</a></p> <p><b>iv. Company website – Board Committees</b> available at: <a href="https://aboitizpower.com/corporate-governance/governance-team/#!/board-committees">https://aboitizpower.com/corporate-governance/governance-team/#!/board-committees</a></p>
3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.	<b>Non-Compliant</b>		Although the Chairman of the Risk and Reputation Management Committee also acts as the Chairman of the Board, he nevertheless is a Non-

<p>Provide information or link/reference to a document containing information on the Chairman of the BROC</p>			<p>executive Director who is well versed in risk and reputation management.</p> <p>In 2018, the Chairman of the Board of Directors and the Chairman of the Risk and Reputation Management Committee are separate individuals.</p> <p>See:</p> <p><b>i. Company Website -</b>  <a href="https://aboitizpower.com/corporate-governance/governance-team/#board-committees">https://aboitizpower.com/corporate-governance/governance-team/#board-committees</a></p> <p><b>ii. Amended Manual on Corporate Governance -</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>iii. Board Risk &amp; Reputation Committee Charter –</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf</a></p> <p><b>iv. AboitizPower SEC Form 17-C:</b> Disclosure on the Results of the 2018 Organizational Meeting (May 21, 2018), available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-05.21.18-Results-of-Organizational-Meeting-AMENDED.pdf">https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-05.21.18-Results-of-Organizational-Meeting-AMENDED.pdf</a></p>
<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p> <p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</p>	<p>Compliant</p>	<p>All the members of the Board Risk and Reputation Management Committee has relevant experience on risk &amp; risk management. Ms. Susan V. Valdez, the Company’s Chief Reputation and Risk Management Officer, is a board member of Pan-Asia Risk and Insurance Management Association (PARIMA) Philippines.</p>	

		<p>The profiles of the members of the committee are available at:</p> <p><b>i. 2017 Definitive Information Statement</b>, pp. 16: Item 5. Officers for 2017-2018 available at <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>ii. Company Website</b> - <a href="https://aboitizpower.com/corporate-governance/governance-team/#board-committees">https://aboitizpower.com/corporate-governance/governance-team/#board-committees</a></p> <p><b>iii. 2017 Amended Manual on Corporate Governance</b>, pp. 40: Part C. Item 3. Board Risk and Reputation Management Committee available at <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>v. Board Risk &amp; Reputation Committee Charter</b> - <a href="https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf</a></p>	
--	--	--	--

**Recommendation 3.5**

<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p> <p><i>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</i></p>	<p>Compliant</p>	<p>The Company has an existing Board Related Party Transactions Committee tasked to monitor and review all material related party transactions of the Company.</p> <p>References:</p> <p><b>i. Board Related Party Transactions Committee Charter</b> available at: <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf</a></p> <p><b>ii. Company Website</b> -</p>	
---	------------------	---	--



		<p><a href="https://aboitizpower.com/corporate-governance/governance-team/#board-committees">https://aboitizpower.com/corporate-governance/governance-team/#board-committees</a></p> <p><b>iii. 2017 Amended Manual on Corporate Governance</b>, page 43: Part C. Item 4. Board Related Party Transactions available at <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p> <p><i>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</i></p>	<p>Compliant</p>	<p>The Board Related Party Transactions Committee is composed of three (3) Independent Directors, including the Chairman of the Committee.</p> <p>References:</p> <p><b>i. Company Website -</b>  <a href="https://aboitizpower.com/corporate-governance/governance-team/#board-committees">https://aboitizpower.com/corporate-governance/governance-team/#board-committees</a></p> <p><b>ii. 2017 Definitive Information Statement</b>, pp. 28: Item 5. Directors and Executive Officers  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>iii. 2017 Amended Manual on Corporate Governance</b>, page 43: Part C. Item 4. Board Related Party Transactions available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>iv. Board Related Party Transactions Committee Charter</b> available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf</a></p>	

Recommendation 3.6			
<p>1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.</p> <p><i>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</i></p>	Compliant	<p>The Company has four (4) Committee Charters for each of its Committees duly approved by the Board, namely: Board Corporate Governance Committee, Board Audit Committee, Board Risk &amp; Reputation Committee, and Board Related Party Transaction Committee.</p> <p><b>References:</b></p> <p><b>i. Board Corporate Governance Committee Charter</b>  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter .pdf</a></p>	
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	Compliant	<p><b>ii. Board Audit Committee Charter -</b>  <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p> <p><b>iii. Board Risk &amp; Reputation Committee Charter -</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf</a></p> <p><b>iv. Board Related Party Transaction Committee Charter</b>  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf</a></p> <p><b>v. Board Assessment Form – Item 5. Board Committees</b>  <a href="https://aboitizpower.com/corporate-governance/policies-and-protocols/#board-performance-assessment">https://aboitizpower.com/corporate-governance/policies-and-protocols/#board-performance-assessment</a></p>	
<p>3. Committee Charters were fully disclosed on the company's website.</p>	Compliant	<p>The Company's Committee Charters were made available in the Company's website at <a href="http://www.aboitizpower.com">www.aboitizpower.com</a></p>	

<p>Provide link to company's website where the Committee Charters are disclosed.</p>		<p><b>Board Corporate Governance Committee Charter -</b>  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter .pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter .pdf</a></p> <p><b>Board Audit Committee Charter -</b>  <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p> <p><b>Board Risk &amp; Reputation Charter -</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf</a></p> <p><b>Board Related Party Transaction Committee Charter -</b> <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf</a></p>	
--	--	---	--

**Principle 4:** To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

**Recommendation 4.1**

<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p> <p><i>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</i></p> <p><i>Provide information or link/reference to a document containing information on the attendance and</i></p>	<p><b>Compliant</b></p>	<p>The directors actively participate in the board meetings of the Company, whether the meeting is via tele-video conference, or the directors are physically present during the meeting.</p> <p>References:</p> <p><b>i. 2017 Integrated Annual Corporate Governance Report (Colored)</b>, p.142-143: Attendance at Board and Committee Meetings, available at:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p>	
---	-------------------------	---	--

<p><i>participation of directors to Board, Committee and shareholders' meetings.</i></p> <p><i>Indicate attendance, process for tele-video conference, any proof of active participation</i></p>	<p><b>ii. 2017 Definitive Information Statement</b>, page 140: Part III. Corporate Governance Report available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>iii. Board Charter</b>, page 7: Board Meetings, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter .pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter .pdf</a></p> <p><b>iv. Board Corporate Governance Committee Charter</b>, page 2: Meetings of the Corporate Governance Committee; and page 3: Quorum available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter .pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Corporate-Governance-Committee-Charter .pdf</a></p> <p><b>v. Audit Committee Charter</b>, p. 3: Conduct of Meetings, available at:  <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p> <p><b>vi. Board Risk and Reputation Committee Charter</b>, p. 1: Conduct of Meetings, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf</a></p> <p><b>vii. Related Party Transactions Committee Charter</b>, p. 1: Conduct of Meetings, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-RPT-Committee-Charter-finalREV.pdf</a></p>	
--	--	--

<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>	<p>Materials for the board meeting are uploaded to the Diligent Boardbooks at least five (5) days before the meeting. See response in Recommendation 1.5:</p> <p><b>References:</b></p> <p><b>i. 2017 Amended Manual on Corporate Governance</b>, page 10: Item 6. Duties and Responsibilities of a Director available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii.</b> See sample e-mail to the Board of Directors notifying them that the materials for the 2017 Regular Board Meeting have been uploaded to the Boardbooks. (Annex "A")</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p> <p><i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.</i></p>	<p>Compliant</p>	<p>The Company's Directors are expected to be constantly aware of and knowledgeable with the Company's operations to enable him to meaningfully contribute to the Board's work. He is likewise expected to attend and actively participate in Board and Committee meetings, review meeting materials and, if called for, ask questions or seek explanation.</p> <p><b>i. 2017 Amended Manual on Corporate Governance</b> page 10: Item 6. Duties and Responsibilities of a Director, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii.</b> Sample Matter arising from a Board Meeting showing the questions and clarifications raised by directors: ANNEX "B"</p>	

Recommendation 4.2			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management’s proposals/views, and oversee the long-term strategy of the company.</p> <p><i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i></p> <p><i>Provide information or reference to a document containing information on the directorships of the company’s directors in both listed and non-listed companies</i></p>	Compliant	<p>The Company’s Manual on Corporate Governance limits the directorships of its members, taking into account the ability of the Directors to diligently and effectively perform their duties and responsibilities and the nature and kind of corporations they may be Directors of, regardless of the number of directorships they may be holding.</p> <p>References:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b> page 19: Item 10. Guidelines on the Number of Directorships, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>The profiles of the directors indicate all their directorship positions within and outside the Group.</p> <p>See:</p> <p>i. <b>2017 Definitive Information Statement</b>, pp. 10-12: Item 5. Directors and Officers available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
Recommendation 4.3			
<p>1. The directors notify the company’s board before accepting a directorship in another company.</p> <p><i>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</i></p>	Non-Compliant		<p>The Company’s Manual on Corporate Governance, particularly on the Guidelines on the Number of Directorships, requires every Board member to disclose his directorships in other companies.</p> <p>References:</p> <p>i. <b>2017 Amended Manual on Corporate Governance</b> page 19: Item 10. Guidelines on the Number of Directorships, available at:</p>

			<a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	<p>Executive Directors of the Company do not serve in more than two (2) boards of listed companies outside the Aboitiz Group. The profiles of the directors indicates all their directorship positions within and outside the Group are found in the Definitive Information Statement.</p> <p>i. <b>2017 Definitive Information Statement</b>, pp. 10: Item 5. Directors and Officers available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>ii. <b>AboitizPower Disclosure re Nominees to the Board for the year 2017-2018 (February 21, 2017)</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-02.21.18-Nominees-to-the-Board-of-Directors-for-2018-2019-FINAL.pdf">https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-02.21.18-Nominees-to-the-Board-of-Directors-for-2018-2019-FINAL.pdf</a></p>	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	The Company's schedule for the succeeding year is usually prepared before the end of the year, presented during the last board meeting, and once confirmed, disseminated to the Board of Directors.	
3. Board of directors meet at least six times during the year.	Compliant	<p>The board of directors met for six (6) regular board meetings; two (2) special board meetings; one (1) organizational and annual stockholders' meeting.</p> <p>The Company's Definitive Information Statement shows the resolutions approved by the Board of Directors at every board meeting.</p>	

		References:  <b>i. 2017 Definitive Information Statement</b> – page 185: Part III. Corporate Governance available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.  <i>Indicate the required minimum quorum for board decisions</i>	<b>Non-Compliant</b>		In accordance with Section 4 Article 1 of the Company's By-laws, a majority of the members of the Board shall constitute a quorum and majority vote of the directors is required to approve board decisions unless a higher voting percentage is required by law. As practiced however, decisions of the Company's Board are always made with the consensus or vote all of the Company's Independent Directors and such number of other Directors that result in at least a 2/3 or a unanimous vote of all Directors.  <b>See:</b> <b>i. Amended By Laws</b> , p.1: Section 1: Quorum, available at: <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf</a>  <b>ii. Board Charter - Board Meetings</b> <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter .pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter .pdf</a>
<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
<b>Recommendation 5.1</b>			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	The Company has three (3) Independent Directors, namely: Romeo L. Bernardo, Carlos C. Ejercito, and Alfonso A. Uy.	



<p><i>Provide information or link/reference to a document containing information on the number of independent directors in the board</i></p>		<p><b>i. 2017 Amended Manual on Corporate Governance</b> pp. 5: Item B. Composition of the Board, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii. Board Charter</b> – page 5: Item I. The Independent Director available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf</a></p>	
<b>Recommendation 5.2</b>			
<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p> <p><i>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</i></p>	<p>Compliant</p>	<p>An Independent Director, as a general rule, possess a general understanding of the business of the Company. He should possess, as much as practicable, the qualifications and stature that would enable him to effectively and objectively participate in the deliberations of the Board.</p> <p>Pursuant to this, the Governance and Compliance Team maintains and applies a checklist of all the qualifications required by the Company’s Manual of Corporate Governance. All the three (3) Independent Directors have met the requirements.</p> <p><b>i. 2017 Amended Manual on Corporate Governance</b> pp. 14: Item 7. Qualifications of the Board, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii. Board Charter</b> – page 5: Item I. The Independent Director available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf</a></p>	

		<p>iii. <b>2017 Definitive Information Statement</b>, pp. 148-153: Certification of Independent Directors available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<b>Supplement to Recommendation 5.2</b>			
<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p> <p><i>Provide link/reference to a document containing information that directors are not constrained to vote independently.</i></p>	Compliant	<p>The Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p> <p>See:</p> <p>i. <b>Top 100 Shareholders as of December 31, 2017</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Top-100-Stockholders-12.31.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Top-100-Stockholders-12.31.17.pdf</a></p> <p>ii. <b>Amended By-Laws</b>, p. 3, Article II Section 6: Powers of the Board, available at:  <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf</a></p>	
<b>Recommendation 5.3</b>			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p> <p><i>Provide information or link/reference to a document showing the years IDs have served as such.</i></p>	Compliant	<p>The Company complies with the requirements of SEC Memorandum Circular No. 19, Series of 2016 prescribing term limits for Independent Directors. As a rule, Independent Directors may serve for a maximum of nine (9) consecutive years, starting from 2012.</p> <p>i. <b>Amended Manual on Corporate Governance - Selection of the Board Directors and Officers</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	

		<p>ii. <b>Amended By Laws</b>, p. 19: Part B Section 9. <b>Independent Directors, available at:</b>  <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf</a></p> <p>iii. <b>2017 Definitive Information Statement</b>, pp. 10: Item 5. Directors and Executive Officers available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p> <p>Provide information or link/reference to a document containing information on the company’s policy on term limits for its independent director</p>	<p>Compliant</p>	<p>The Company does not believe it should establish term limits, except for Independent Directors where the Company complies with the requirements of SEC Memorandum Circular No. 19, Series of 2016 prescribing term limits for Independent Directors. As a rule, Independent Directors may serve for a maximum of nine (9) consecutive years, starting from 2012, making sure however that the shareholders’ legal right to vote and be voted as Directors remains inviolable. If the Company wants to retain an Independent Director who has served for nine consecutive years, the Board shall provide meritorious justifications and advise the shareholders of such justifications during the Annual Shareholders’ Meeting.</p> <p>See:</p> <p>i. <b>2017 Definitive Information Statement</b>, pp. 10-12: Item 5. Directors and Executive Officers available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>ii. <b>2017 Amended Manual on Corporate Governance - Selection of the Board Directors and Officers</b></p>	

		<a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p> <p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p>	Compliant	<p>None of the Company's Independent Directors has exceeded the nine-year term, however, if the Company wants to retain an Independent Director who has served for nine(9) consecutive years, the Board shall provide meritorious justifications and advise the shareholders of such justifications during the Annual Shareholders' Meeting.</p> <p>Reference:</p> <p>See:</p> <p><b>i. 2017 Definitive Information Statement</b>, pp. 10: Item 5. Directors and Executive Officers available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>ii. 2017 Amended Manual on Corporate Governance</b>, p. 18: Item 9. Selection of the Board Directors and Officers, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	
<b>Recommendation 5.4</b>			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p> <p><i>Identify the company's Chairman of the Board and Chief Executive Officer.</i></p>	Compliant	<p>The Chairman of the Board of Directors and the Chief Executive Officer of the Company are held by separate individuals.</p> <p>Mr. Enrique M. Aboitiz is the Company's Chairman of the Board of Directors, while Mr. Erramon I. Aboitiz is the Company's Chief Executive Officer.</p> <p><b>i. Latest General Information Sheet -</b> <a href="https://aboitizpower.com/wp-content/uploads/GIS-">https://aboitizpower.com/wp-content/uploads/GIS-</a></p>	

		<a href="#">2017-ABOITIZ-POWER-CORPORATION-Amended-11.24.2017.pdf</a>  <b>ii. Amended Manual on Corporate Governance - The Chairman and Chief Executive Officer (CEO)</b> <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p> <p><i>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</i></p>	Compliant	<p>The duties and responsibilities of the Chairman of the Board of Directors and the Chief Executive Officer are clearly defined in the following documents:</p> <p><b>i. Amended Manual on Corporate Governance - The Chairman and Chief Executive Officer (CEO)</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	
<b>Recommendation 5.5</b>			
<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p> <p><i>Indicate if Chairman is independent.</i></p>	Compliant	<p>Mr. Enrique M. Aboitiz, the Chairman of the Board, is not an Independent Director. In 2017, The Company's Lead Independent Director is Mr. Romeo L. Bernardo.</p> <p><b>i. Disclosure on Results of 2017 Organizational Meeting</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-05.21.18-Results-of-Organizational-Meeting-AMENDED.pdf">https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-05.21.18-Results-of-Organizational-Meeting-AMENDED.pdf</a></p> <p><b>ii. 2017 General Information Sheet</b>  <a href="https://aboitizpower.com/wp-content/uploads/GIS-2017-ABOITIZ-POWER-CORPORATION-Amended-11.24.2017.pdf">https://aboitizpower.com/wp-content/uploads/GIS-2017-ABOITIZ-POWER-CORPORATION-Amended-11.24.2017.pdf</a></p>	

		<p>iii. <b>Amended Manual on Corporate Governance - The Chairman and Chief Executive Officer (CEO)</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p>iv. <b>Board Charter - Board Leadership and the Role of the Chairman</b>  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter .pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter .pdf</a></p>	
<b>Recommendation 5.6</b>			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p> <p>Provide proof of abstention, if this was the case</p>	Compliant	<p>In a situation of a conflict of interest, the conflicted board member is required to promptly notify the Board, through the Company's Corporate Secretary, of any actual or potential conflict of interest as soon as they become aware of it. The conflicted board member shall not participate in discussions on transactions in which he/she is a conflicted party and shall also abstain from voting on such issues.</p> <p>There was no transaction in 2017 where a director has a material interest in the transaction and abstained from taking part in the deliberations.</p> <p>Reference:</p> <p><b>Policy on Conflict of Interest -</b>  <a href="https://aboitizpower.com/wp-content/uploads/2015/07/Board-Policy-Conflict-of-Interest-Situations.pdf">https://aboitizpower.com/wp-content/uploads/2015/07/Board-Policy-Conflict-of-Interest-Situations.pdf</a></p>	
<b>Recommendation 5.7</b>			
<p>1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.</p>	Compliant	<p>The Audit Committee annually holds a private session with the Group Internal Auditor, the external auditors, management and corporate officers such as the CEO, the Chief Operating</p>	

<p><i>Provide proof and details of said meeting, if any.</i></p> <p><i>Provide information on the frequency and attendees of meetings.</i></p>		<p>Officer, the CFO, the Chief Legal Officer, the Compliance Officer, and the Chief Risk Management Officer. These meetings will provide an opportunity to discuss audit, management and Committee performance. All Non-executive Directors shall attend the executive session.</p>	
<p>2. The meetings are chaired by the lead independent director.</p>	<p><b>Non-Compliant</b></p>	<p>The Chairman of the Audit Committee, Mr. Carlos C. Ejercito is an Independent Director. He is an expert on tax and audit issues, and can competently lead the Committee on the performance of its functions.</p> <p>Reference:</p> <p><b>i. Amended Manual on Corporate Governance</b>, pp. 31-32: Board Audit Committee on Executive Sessions, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii. Board Audit Committee Charter</b>, page 4: Private Sessions, available at:  <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p> <p><b>iii. 2017 Definitive Information Statement</b>, pp. 156: Report of Audit Committee, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	<p>Mr. Carlos C. Ejercito, an Independent Director, serves as the Chairman of the Audit Committee. Although he is not the Company's Lead Independent Director, he is a Certified Public Accountant with extensive experience in dealing with tax and audit-related issues, and competently leads the Committee on the performance of its functions.</p> <p>See Mr. Ejercito's profile on the following documents:</p> <p><b>i. 2017 Definitive Information Statement (20-IS)</b>, p. 13-14: Item 5. Directors and Executive Officers, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>ii. Annual Report (SEC Form 17-A)</b>, p. 103: Item 9. Directors and Executive Officers, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p>See also:  <b>Board Audit Committee Charter</b>, p. 2: 7 – Private Sessions, available at: <a href="http://aboitiz.com/wp-content/uploads/2015/06/AEV-Board-Audit-Charter_amended_Sep2012_v5-2-Signed.pdf">http://aboitiz.com/wp-content/uploads/2015/06/AEV-Board-Audit-Charter_amended_Sep2012_v5-2-Signed.pdf</a></p>

**Optional: Principle 5**

<p>1. None of the directors is a former CEO of the company in the past 2 years.</p> <p>Provide name/s of company CEO for the past 2 years</p>	<p>Compliant</p>	<p>None of the Company's Directors was a former CEO of the Company in the past two (2) years. The Company's CEO is. Mr. Erramon I. Aboitiz, who is also a director of the Company.</p> <p>See:</p> <p><b>i. 2017 Definitive Information Statement</b>, pp. 10: Item 5. Directors and Executive Officers available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>ii. 2017 Amended Manual on Corporate Governance</b>, p. 6: Item 3. The Chairman and Chief Executive Officer, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>iii. Latest Amended 2017 GIS</b>, available at: <a href="https://aboitizpower.com/wp-content/uploads/GIS-2017-ABOITIZ-POWER-CORPORATION-Amended-11.24.2017.pdf">https://aboitizpower.com/wp-content/uploads/GIS-2017-ABOITIZ-POWER-CORPORATION-Amended-11.24.2017.pdf</a></p>	
---	------------------	--	--

**Principle 6:** The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

**Recommendation 6.1**

<p>1. Board conducts an annual self-assessment of its performance as a whole.</p> <p><i>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees</i></p>	<p>Compliant</p>	<p>As a matter of policy, the Company conducts an annual assessment of the performance of the Board as a body, of the Chairman, of each of the individual Directors, the Committees, and corporate officers such as the Chief Risk Officer, Compliance Officer, and Group Internal Audit Head.</p>	
--	------------------	--	--



2. The Chairman conducts a self-assessment of his performance.	Compliant	The Chairman of the Board ensures that the performance of the Board is evaluated at least once a year and discussed/followed up on.	
3. The individual members conduct a self-assessment of their performance.	Compliant	The Chairman likewise conducts a self-assessment of his performance. In the event the Chairman of the Board is not independent, the Lead Independent Director shall contribute to the performance evaluation of the Chairman.	
4. Each committee conducts a self-assessment of its performance.	Compliant	<p>The self-assessment forms to be answered by the Directors are available in the Company's website.</p> <p>Reference</p> <p><b>i. Amended Manual on Corporate Governance</b>, page 19: Selection of Board Directors and Corporate Officers, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii. AboitizPower Board Charter</b>, pp 3-4: Board Leadership and the Role of the Chairman; page 8: Annual Self-Assessment of the Board, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Board-Charter_.pdf</a></p> <p><b>iii. Board Assessment Forms -</b>  <a href="https://aboitizpower.com/corporate-governance/policies-and-protocols/#board-performance-assessment">https://aboitizpower.com/corporate-governance/policies-and-protocols/#board-performance-assessment</a></p>	
5. Every three years, the assessments are supported by an external facilitator.	Compliant	<p>As of 2017, this recommendation is not yet required.</p> <p>The Company intends to adapt this recommendation in 2020.</p>	

Recommendation 6.2			
<p>1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.</p> <p><i>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders</i></p>	Compliant	<p>Every year, the members of the Board answer a Self-Assessment Questionnaire that is composed of varying statements based on the roles, functions, and responsibilities of the Board, individual Board Members, and committees found under the Company's Manual on Corporate Governance.</p> <p>The Chairman of the Board is responsible that the self-assessment is done at least once a year and discussed/followed up on.</p> <p>See response in Recommendations 6.1.1 to 6.1.4.</p> <p>References:  <b>Board Assessment Forms -</b>  <a href="https://aboitizpower.com/corporate-governance/policies-and-protocols/#board-performance-assessment">https://aboitizpower.com/corporate-governance/policies-and-protocols/#board-performance-assessment</a></p>	
<p>2. The system allows for a feedback mechanism from the shareholders.</p>	Non-Compliant		<p>While there is no direct mechanism for feedback from shareholders, the Company's website contains the names of all Directors and a "contact us" portion, where shareholders can reach out to the Directors. A specific portal for whistleblowing is also provided, with the report going directly to the inboxes of the intended person.</p> <p>During the 2017 ASM, representatives from the Company's Investor Relations Office and Shareholder Relations Office were present to receive comments, feedbacks, and suggestions from shareholders.</p> <p><b>See:</b>  <b>i. Company website, at</b></p>

			<a href="https://aboitizpower.com/contact-us/shareholders-online-request/">https://aboitizpower.com/contact-us/shareholders-online-request/</a>  <b>ii. Minutes of 2017 ASM, p.9: List of Officers Present available at:</b> <a href="http://aboitizpower.com/wp-content/uploads/AP-Minutes-2016-05.15.17-Annual-Stockholders-Meeting-FINAL-1.pdf">http://aboitizpower.com/wp-content/uploads/AP-Minutes-2016-05.15.17-Annual-Stockholders-Meeting-FINAL-1.pdf</a>
--	--	--	---

**Principle 7:** Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

**Recommendation 7.1**

<p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.</p> <p><i>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</i></p>	Compliant	<p>In 2002, the Company adopted the Code of Ethics and Business Conduct (the Code). This Code was later on amended in 2016. The Code sets out how the Executive Management, team leaders, and team members can achieve and maintain ethical standards in the Company's day to day operations and summarize the Company's fundamental policies and directives.</p> <p>All directors, officers and employees have an individual responsibility to ensure that business practices adhere to the rules of the Code of Ethics and Business Conduct.</p> <p>See:</p> <p><b>Aboitiz Code of Ethics -</b>  <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a></p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	Compliant	<p>In March 2017, the Board of Directors approved the amendments to the Company's Code of Ethics and Business Ethics as endorsed by the Board Corporate Governance Committee. The Company's Governance and Compliance team made an initial</p>	

<p><i>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</i></p>		<p>cascade of the Code to all the team leaders of the Company and thereafter to the other subsidiaries of the Company. The Company's HR team also made several roll- outs of the Code to the employees and officers of the different business units.</p> <p>To ensure that the principles of the amended Code are cascaded down to every Team Members, the Company launched its e-learning modules on the Amended Code of Ethics and Business Conduct.</p> <p>The code is also introduced to new team members through the new hire orientation seminars as part of the onboarding process.</p> <p>References</p> <p><b>i. AboitizPower Code of Ethics -</b>  <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a></p> <p><b>ii. 2017 Integrated Annual Report, p. 143, Corporate Governance,</b> available at:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p> <p><i>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</i></p>	Compliant	<p>The Company's Code of Ethics and Business Conduct is available to download at the AboitizPower website: <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a></p>	
<b>Supplement to Recommendation 7.1</b>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	Compliant	<p>As a matter of policy, the Aboitiz Group conducts its business in an ethical manner at all times in compliance with applicable laws and regulations,</p>	

<p><i>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery.</i></p>		<p>including laws on bribery and corruption of jurisdictions where it conducts its businesses.</p> <p>All Team Leaders and Team Members are expected to act professionally, fairly, and with integrity in all their respective business dealings.</p> <p><b>i. Aboitiz Code of Ethics -</b>  <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct AP.pdf</a></p>	
<b>Recommendation 7.2</b>			
<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p> <p><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</i></p> <p><i>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</i></p>	Compliant	<p>The Code applies to everyone equally. The Human Resources Department is responsible for disseminating the contents of the Code to existing and new directors, officers, and employees through the new hires' orientation and trainings, and by making the Code available in the Company's website. The Human Resources Department annually require all directors, officers, and employees to declare that they have complied with this code.</p> <p>In 2017, the Board of Directors approved the Company's Whistleblowing Policy. This implements the commitment of the Company to its core values under the Code by ensuring the observance of ethical conduct and practice to promote openness, integrity, and accountability within the organization.</p> <p>Reference:</p> <p><b>i. Whistleblowing Policy</b> available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Whistleblowing-Policy_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Whistleblowing-Policy_.pdf</a></p>	
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p> <p><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</i></p> <p><i>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</i></p>	Compliant	<p>The Code applies to everyone equally. The Human Resources Department is responsible for disseminating the contents of the Code to existing and new directors, officers, and employees through the new hires' orientation and trainings, and by making the Code available in the Company's website. The Human Resources Department annually require all directors, officers, and employees to declare that they have complied with this code.</p> <p>In 2017, the Board of Directors approved the Company's Whistleblowing Policy. This implements the commitment of the Company to its core values under the Code by ensuring the observance of ethical conduct and practice to promote openness, integrity, and accountability within the organization.</p> <p>Reference:</p> <p><b>i. Whistleblowing Policy</b> available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Whistleblowing-Policy_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Whistleblowing-Policy_.pdf</a></p>	

		<p><b>ii. Aboitiz Code of Ethics -</b>  <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a></p>	
<b>Disclosure and Transparency</b>			
<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			
<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p> <p><i>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</i></p>	Compliant	<p>The Board of Directors approved the Company's Disclosure Policy to ensure the principles of accuracy, accessibility, timeliness, completeness, and regularity in the Company's disclosures.</p> <p>While the Company's disclosure policy seeks to maintain a reasonable balance between the transparency of the Company and the protection of its commercial interests, it aims to provide information to shareholders and interested parties to assist them in making sound investment decisions.</p> <p>i. <b>Disclosure Policy</b> available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Information-Disclosure-Policy.07.27.12-v2.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Information-Disclosure-Policy.07.27.12-v2.pdf</a></p> <p>ii. <b>2017 Definitive Information Statement</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>iii. <b>2017 Integrated Annual Report,</b>  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p>	
<b>Supplement to Recommendations 8.1</b>			
<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial</p>	Compliant	<p>The Company's Audited Financial Statements are released in accordance with the BIR requirement to file on or before April 15 yearly or 105 calendar days</p>	

<p>statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p> <p><i>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</i></p>		<p>from the end of the previous fiscal year. The Company filed its 2017 AFS last April 6, 2018 (66 business days), and distributed copies of the 2017 Definitive Information statements starting April 20, 2018, or at least 15 business days before the date of the 2017 Annual Stockholders Meeting in accordance with the requirements of the Securities Regulation Code.</p> <p>The Company's Interim financial reports are filed within 45 days from the end of the reporting period.</p> <p>Copies of these reports are immediately uploaded in the Company's website after filing with the PSE and SEC.</p> <p><b>i. AboitizPower Consolidated Audited Financial Statements -</b>  <a href="https://aboitizpower.com/wp-content/uploads/2018/05/6-AP-Conso-AFS-2017-Supplementary-Schedules.pdf">https://aboitizpower.com/wp-content/uploads/2018/05/6-AP-Conso-AFS-2017-Supplementary-Schedules.pdf</a></p> <ol style="list-style-type: none"> <li><b>AboitizPower 17-Q - First Quarter Results</b>, Filed May 12, 2017 (27 Business Days or 42 Calendar Days) available at:  <a href="http://aboitizpower.com/wp-content/uploads/03.31.17-AP-SEC-FORM-17-Q-re-First-Quarter-Report-FINAL-Full-Report.pdf">http://aboitizpower.com/wp-content/uploads/03.31.17-AP-SEC-FORM-17-Q-re-First-Quarter-Report-FINAL-Full-Report.pdf</a></li> <li><b>AboitizPower 17-Q – Second Quarter Results</b>, Filed August 14, 2017(31 Business Days or 45 Calendar Days) available at:  <a href="https://aboitizpower.com/wp-content/uploads/06.30.17-AP-SEC-FORM-17-Q-re-Second-Quarter-Report-FINAL-Full-Report.pdf">https://aboitizpower.com/wp-content/uploads/06.30.17-AP-SEC-FORM-17-Q-re-Second-Quarter-Report-FINAL-Full-Report.pdf</a></li> </ol>	
---	--	---	--

		<p><b>3. AboitizPower – Third Quarter Results</b>, Filed November 7, 2017 (23 Business Days or 37 Calendar Days) available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-11.07.17-Third-Quarter-2017-Financial-and-Operating-Results.pdf">https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-11.07.17-Third-Quarter-2017-Financial-and-Operating-Results.pdf</a></p>	
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company’s controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders’ voting power and overall equity position in the company.</p> <p><i>Provide link or reference to the company’s annual report where the following are disclosed:</i></p> <ol style="list-style-type: none"> <li>1. <i>principal risks to minority shareholders associated with the identity of the company’s controlling shareholders;</i></li> <li>2. <i>cross-holdings among company affiliates; and</i></li> <li>3. <i>any imbalances between the controlling shareholders’ voting power and overall equity position in the company.</i></li> </ol>	<p><b>Non-Compliant</b></p>		<p>The Company provides sufficient disclosure regarding the ownership interest of its controlling shareholders and periodically submits to the PSE a public ownership report detailing the extent of such ownership, including the shareholdings of their subsidiaries and affiliates, as well as the ownership interest of its Directors and Management.</p> <p>See:</p> <p><b>i. Public Ownership Report as December 31, 2017</b> (filed on January 10, 2018) available at  <a href="https://aboitizpower.com/wp-content/uploads/AP-Public-Ownership-Report-as-of-12.31.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Public-Ownership-Report-as-of-12.31.17.pdf</a></p> <p><b>ii. Company Website showing the Conglomerate Map of the Aboitiz Group</b>, available at  <a href="http://aboitiz.com/about-us/conglomerate-map">http://aboitiz.com/about-us/conglomerate-map</a></p> <p><b>iii. 2017 Definitive Information Statement</b>, pp.7: Security Ownership of Certain Record and Beneficial Ownership and Management, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>iv. Related Party Transactions Policy</b>, available at:</p>



			<a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf</a>
<b>Recommendation 8.2</b>			
<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p> <p><i>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</i></p> <p><i>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</i></p>	Compliant	<p>The Company has an existing policy requiring the Board of Directors and officers to report to the Office of the Corporate Secretary any transaction related to the purchase and disposal of Company shares within one (1) business day from the date of the transaction. The Company discloses the direct and indirect (deemed) ownership or shareholdings of major and/or substantial shareholders and the details of the subsidiaries, associates, joint ventures and special purpose enterprises/vehicles. The Company's Definitive Information Statement and Public Ownership Report regularly filed by the Company likewise show the direct and indirect ownership of the Company's shareholders, which include its Board, the Management Team, and employees. Regular disclosures to the PSE, PDEX and SEC are made in the event of any dealings in Company shares.</p>	
<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	Compliant	<p>See:</p> <p><b>i. General Trading Policy</b>, page 3: Item F. Reportorial Requirements of the Directors and Corporate Officers, available at: <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-General-Trading-Policy.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-General-Trading-Policy .pdf</a></p> <p><b>ii. Policy on Information Disclosure</b> available at: <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Information-Disclosure-Policy.07.27.12-v2.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Information-Disclosure-Policy.07.27.12-v2.pdf</a></p>	
<b>Supplement to Recommendation 8.2</b>			

<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p> <p><i>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</i></p> <p><i>Provide link or reference to the company's Conglomerate Map.</i></p>	<p>Compliant</p>	<p>The Company complies with the requirements of the Securities Regulation Code to disclose the trading of the Company's share done by its directors and corporate officers within five (5) trading days from the close of the transaction.</p> <p>The Company's Governance and Compliance Team monitors the share ownership of directors, executives, officers, and management team through the regular SEC disclosures of beneficial ownership (SEC Form 23-B), and further monitor compliance through the implementation of the Company's Insider Trading Policy and Trading Black-out dates.</p> <p>Transactions of the Company's directors and corporate officers are available at:  <a href="https://aboitizpower.com/investor-relations/disclosures/">https://aboitizpower.com/investor-relations/disclosures/</a></p> <p><b>i. Top 100 list of Shareholders as of December 31, 2017</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-Top-100-Stockholders-12.31.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Top-100-Stockholders-12.31.17.pdf</a></p> <p><b>ii. 2017 Definitive Information Statement, pp.7:</b> Security Ownership of Certain Record and Beneficial Ownership and Management, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>Conglomerate Mapping, p314.</b>available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
--	------------------	--	--

		<p>iii. <b>Annual Report (SEC Form 17-A), Item 11. Security Ownership of Certain Beneficial Owners and Management, pp. 117</b> available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p>	
<b>Recommendation 8.3</b>			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p> <p><i>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p>	Compliant	<p>The Company discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest.</p> <p>Profiles, relevant experiences, committee memberships, and shareholdings of the individual board members and key officers including are disclosed by the Company through its Information Statements and Integrated Annual Report.</p> <p>See:</p> <p>i. <b>2017 Definitive Information Statement</b>, p. 10: Profiles of the BODs and Executive Directors, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>ii. <b>Annual Report (SEC Form 17-A)</b>, p.100, Item 9. Directors and Executive Officers of the Issuer, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any</p>	Compliant	<p>The Company discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest.</p>	

<p>potential conflicts of interest that might affect their judgment.</p> <p><i>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</i></p>		<p>The Company's policy on compensation for its Directors and key executives can be found in the Company's Manual on Corporate Governance.</p> <p><b>i. 2017 Definitive Information Statement</b>, pp. 10: Item 6. Directors and Executive Officers available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>ii. Annual Report (SEC Form 17-A)</b>, p.100, Item 9. Directors and Executive Officers of the Issuer, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p>	
<b>Recommendation 8.4</b>			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p> <p><i>Disclose or provide link/reference to the company policy and practice for setting board remuneration.</i></p>	<p>Compliant</p>	<p>The Company rewards its individual directors and corporate officers based on their ability to execute his duties and responsibilities. Performance is evaluated and compensation is reviewed on an annual basis.</p> <p>Changes in Board compensation, if any, should come at the suggestion of the Board Corporate Governance Committee but with full discussion and concurrence by the Board and the Company's shareholders.</p> <p>The Company's policy on on compensation for its Directors and key executives can be found in the Company's Manual on Corporate Governance.</p> <p><b>i. Amended Manual of Corporate Governance</b>, pp. 29-30: Policy on Executive Remuneration, available at:</p>	

		<p><a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii. 2017 Definitive Information Statement</b>, p. 29: Executive Compensation, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>iii. ii. Annual Report (SEC Form 17-A)</b>, p.100, Item 10. Executive Compensation, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p> <p><i>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</i></p>	<p>Compliant</p>	<p>The Company rewards its individual directors and key officers are based on their ability to execute his duties and responsibilities. Performance is evaluated and compensation is reviewed on an annual basis.</p> <p><b>i. Amended Manual of Corporate Governance</b>, pp. 29-30: Policy on Executive Remuneration, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii. 2017 Definitive Information Statement</b>, p. 29: Executive Compensation, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	

<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p> <p><i>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</i></p>	<p><b>Non-Compliant</b></p>		<p>The Company discloses the individual remuneration package of its directors and aggregate figures for its key officers. The Company has identified and disclosed the names of its five (5) highest paid corporate officers. The Company believes that by doing so, it has provided a balance of sufficient information on directors and executive remuneration to shareholders while maintaining the privacy of the individuals concerned in compliance with the Data Privacy Act.</p> <p>See:</p> <p><b>i. 2017 Definitive Information Statement</b>, pp. 28-29: Item 6. Compensation of Directors and Executive Officers available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>ii. Annual Report (SEC Form 17-A)</b>, pp.116 Item 10. Compensation of Directors and Executive Officers, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p>
<p><b>Recommendation 8.5</b></p>			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p> <p><i>Disclose or provide reference/link to company's RPT policies</i></p>	<p>Compliant</p>	<p>In 2017, the Board of Directors approved AboitizPower's policy on related party transactions. The Board clearly defined the proper review, approval, and reporting of covered transactions which may be entered into between or among the Company or any of its subsidiaries, affiliates, directors and officers.</p>	

<p><i>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</i></p>		<p>It is the policy of Company that covered transactions are conducted at an arm's length basis with consideration paid or received and on terms no less favorable than any such terms available to unrelated third parties under the same or similar circumstances.</p> <p>See:  <b>Related Policy Transactions Policy</b> available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf</a></p>	
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p> <p><i>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</i></p> <ol style="list-style-type: none"> <li>1. <i>name of the related counterparty;</i></li> <li>2. <i>relationship with the party;</i></li> <li>3. <i>transaction date;</i></li> <li>4. <i>type/nature of transaction;</i></li> <li>5. <i>amount or contract price;</i></li> <li>6. <i>terms of the transaction;</i></li> <li>7. <i>rationale for entering into the transaction;</i></li> <li>8. <i>the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and</i></li> <li>9. <i>other terms and conditions</i></li> </ol>	<p>Compliant</p>	<p>The Company discloses material or significant RPTs through the Aboitiz Integrated Annual Report, the Company's website, the Company's Definitive Information Statement, and all disclosures to the PSE, PDEX and SEC, the Company publishes timely material information involving related party transactions.</p> <p>References:</p> <p><b>i. 2017 Definitive Information Statement</b> p. 28: Item 5. Certain Relationships and Related Transactions available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEX.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEX.pdf</a></p> <p><b>ii. Related Party Transaction Policy</b>, pp 7-8: Reporting of Related Party Transactions, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf</a></p>	

Supplement to Recommendation 8.5			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p> <p><i>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</i></p>	Compliant	<p>If an actual or potential conflict of interest arises on the part of a Director, Corporate Officer, Team Member, or Team Leader, he is mandated to fully and immediately disclose the same and should not participate in the decision-making process relating to the RPT.</p> <p>Any member of the Board of Directors who has an interest in the transaction under discussion shall not participate in the discussions and shall abstain from voting on the approval of the transaction.</p> <p>Please see response in Recommendation 5.6.1</p> <p><b>i. Board Policy on Conflict of Interest Situations</b> available at:  <a href="https://aboitizpower.com/wp-content/uploads/2015/07/Board-Policy-Conflict-of-Interest-Situations.pdf">https://aboitizpower.com/wp-content/uploads/2015/07/Board-Policy-Conflict-of-Interest-Situations.pdf</a></p> <p><b>ii. Related Party Transaction Policy</b>, pp 7-8: Reporting of Related Party Transactions, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf</a></p>	
Optional : Recommendation 8.5			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p> <p><i>Provide link or reference where this is disclosed, if any.</i></p>	Compliant	<p>The Company discloses its policy covering the review and approval of material/significant RPTs to ensure that (1) they are at arm's length and pass the test of transfer pricing rules; (2) the terms are fair, or are based on market practices; and (3) they will inure to the best interests of the Company and its shareholders. Significant or Material Related Party Transactions, other than the routinary shared services transactions, are presented to, discussed,</p>	



		<p>reviewed and approved by the Board Audit Committee, where the majority of the members are the Independent Directors.</p> <p>References:</p> <p><b>i. Related Party Transaction Policy</b>, page 3: Guidelines in Ensuring Arm’s-Length Terms of a Related Party Transaction, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf</a></p>	
<b>Recommendation 8.6</b>			
<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>	<p>Compliant</p>	<p>The Company’s Manual on Corporate Governance mandates that all material information shall be publicly and timely disclosed. Such information shall include earnings results, acquisition or disposal of assets, Board changes, related party transactions, shareholdings of Directors and changes to ownership.</p> <p>References:</p> <p><b>i. Amended Manual on Corporate Governance</b>, p. 47, VII. Reportorial or Disclosure System Of The Company’s Corporate Governance Policies, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii. 2017 Definitive Information Statement</b> p. 77, item viii. Transactions with and/or Dependence on Related Parties available at:</p>	

		<p><a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>iii. <b>Annual Report (SEC Form 17-A)</b> available at <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p>iv. <b>Related Party Transaction Policy</b>, pp 7: Reporting of Related Party Transactions, available at: <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Related-Party-Transaction-Policy-final.pdf</a></p>	
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p> <p><i>Identify independent party appointed to evaluate the fairness of the transaction price</i></p> <p><i>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</i></p>	<p><b>Non-Compliant</b></p>		<p>The Board delegates to Management the power and discretion to engage independent parties to evaluate the fairness of the transaction price for the acquisition or disposal of assets, which will depend on the size of the transaction, the jurisdiction(s) involved, and the availability and capacity of expertise inhouse. Depending on the factors mentioned, Management then decides whether to engage an independent party to evaluate the fairness of the transaction price.</p> <p>The Company has a deep bench of competent investment and finance experts who are capable of evaluating the fairness of the transaction price. The head of the Company's head for investments team has a wealth of experience in management, investment banking, and private equity investing, including almost 38 years of experience in energy markets.</p> <p>Taking into account the size and value of the assets being acquired or disposed, as well as the</p>

			<p>acquisition's or disposition's overall effect on the Company's businesses and financial condition, the relevant transaction (including the transaction price - whether determined internally or through an independent advisor) will be presented to the Board of Directors for final approval.</p> <p>In addition, the Company typically discloses the manner in which the transaction price for a particular acquisition or disposal was arrived at.</p> <p>See sample disclosure:  <b>i. AboitizPower SEC Form 17-C:</b> Completion of the Acquisition of SunE Solar B.V. (December 29, 2017), available at:  <a href="https://abotizpower.com/wp-content/uploads/AP-17C-Disclosure-12.30.17-Completion-of-the-Acquisition-of-SunEdison-Philippines-Helios-BV.pdf">https://abotizpower.com/wp-content/uploads/AP-17C-Disclosure-12.30.17-Completion-of-the-Acquisition-of-SunEdison-Philippines-Helios-BV.pdf</a></p>
--	--	--	---

**Supplement to Recommendation 8.6**

<p>1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.</p>	<p>Compliant</p>	<p>The Company's ownership structure is clearly indicated in the Company's website.</p> <p>There are no shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that impacts the ownership, control and management of the Company.</p> <p>See:  i. Company website, Conglomerate Map at:  <a href="http://abotiz.com/about-us/conglomerate-map">http://abotiz.com/about-us/conglomerate-map</a></p>	
---	------------------	--	--

**Recommendation 8.7**

<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	<p>Compliant</p>	<p>The Company's corporate governance policies, programs and procedures are contained in its</p>	
---	------------------	--	--

Provide link to the company's website where the Manual on Corporate Governance is posted.		Company's <b>Amended Manual on Corporate Governance</b> available at:	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	<a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>	
3. Company's MCG is posted on its company website.	Compliant	See also:  <b>SEC Disclosure</b> - <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>	
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.  <i>Provide proof of submission.</i>	Compliant	The Company submitted the Amended Manual on Corporate to SEC and PSE on May 31, 2017.  i. SEC Stamped received available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>  ii. PSE disclosure available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:	Compliant	The Company's Annual Report disclose the following information:	In addition to the SEC Form 17-A (Annual Report), the Aboitiz Group distributed an Integrated Annual Report to consolidate and highlight the Group's performance for the year.
a. Corporate Objectives	Compliant	<b>a. Corporate Objectives</b>  <b>i. 2017 Integrated Annual Report</b> , pp. 3: Advancing Business and Communities available at: <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a>	
b. Financial performance indicators	Compliant		

c. Non-financial performance indicators	Compliant		ii. 2017 Integrated Annual Report, pp. 118-119: Our Purpose, mission, and core values, available at <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a>
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		<b>b. Financial performance indicators</b>  <b>i. Annual Report (SEC Form 17-A)</b> , p. 78: Item 6. Management’s Discussion and Analysis of Plan of Action, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a>
f. Attendance details of each director in all directors meetings held during the year	Compliant		<b>ii. Annual Report (SEC Form 17-A)</b> , p. 98: Item 7. Financial Statements, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a>
g. Total remuneration of each member of the board of directors	Compliant		<b>c. Non-financial performance indicators</b> <b>i.</b> 2017 Integrated Annual Report, pp.96: Corporate Social Responsibility, available at: <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a>  <b>d. Dividend Policy</b> <b>i. Annual Report (SEC Form 17-A)</b> , p. 82: Item 5. Market for Issuer’s Common Equity and Related Stockholder Matters - Dividends, available at:

		<p><a href="https://abotizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://abotizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p>e. <b>Biographical details</b> (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors</p> <p><b>i. Annual Report (SEC Form 17-A)</b>, p. 100: Item 9. Directors and Executive Officers of the Issuer, available at: <a href="https://abotizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://abotizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p>f. Attendance details of each director in all directors meetings held during the year</p> <p><b>i. 2017 Definitive Information Statement</b>, page 141: Board Responsibility available at: <a href="https://abotizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://abotizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>g. Total remuneration of each member of the board of directors</p> <p><b>i. Annual Report (SEC Form 17-A)</b>, p. 116: Item 10. Compensation of Executive Officers, available at: <a href="https://abotizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://abotizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p>	
--	--	---	--

<p>2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.</p> <p><i>Provide link or reference to where this is contained in the Annual Report.</i></p>	Compliant	<p>The Company has fully complied with the Manual on Corporate Governance and the other company policies. There has been no registered non-compliance for 2017 with the Manual and the Company policies.</p> <p>See: i. <b>2017 Integrated Annual Report</b>, p. 136: Corporate Governance, available at: <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p>	
<p>3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</p> <p><i>Provide link or reference to where this is contained in the Annual Report.</i></p>	Compliant	<p>The Company's Annual Report discloses that the Board of Directors reviewed and approved the Company's material controls and risk management systems.</p> <p>See: i. <b>2017 Integrated Annual Report</b>, pp. 118, Management Approach, available at: <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p>	
<p>4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.</p> <p><i>Provide link or reference to where this is contained in the Annual Report</i></p>	Compliant	<p>The Company's Annual Report, through the Board Audit Committee Report to the Board of Directors, contains a statement on the adequacy of the company's internal controls/risk management systems.</p> <p>See the Board Audit Committee Report to the Board of Directors, pp. 164, 2017 Integrated Annual Report, available at <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p> <p><b>See also:</b> <b>Board Audit Committee Report to the Board of Directors</b>, pp. 156, Definitive Information Statement, available at</p>	

		<a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a>	
<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p> <p><i>Provide link or reference to where this is contained in the Annual Report</i></p>	Compliant	<p>The Company's Annual Report contains the risks that the Company may encounter in the businesses that it is involved in, or it intends to enter into.</p> <p><b>See:</b></p> <p><b>i. Annual Report (SEC Form 17-A), pp. 60: Risks available at:</b></p> <p><a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p><b>iii. 2017 Integrated Annual Report</b>, pp. 118, Management Approach, available at: <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p> <p><b>ii. 2017 Definitive Information Statement</b>, page 102: item (xv) Major Risk/s Involved in the Business of AEV and its Subsidiaries available at <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	

**Principle 9:** The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

**Recommendation 9.1**

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	Compliant	<p>The Board Audit Committee annually evaluates the independent auditors' professional qualifications, performance, independence and compensation. The evaluation includes a review of the qualifications, performance and independence of the lead partner of the independent auditors.</p>	
---	-----------	--	--



<p><i>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</i></p>		<p>References:</p> <p><b>i. Board Audit Charter</b>, pp 7-8: Independent External Auditors - <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p> <p><b>ii. 2017 Definitive Information Statement</b>, page 33: Item 18: Proposed Actions, (B) Appointment of External Auditors; page 139: item 8. Information on Independent Accountant and other Related Matters, (A) External Audit Fees, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p> <p><i>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</i></p>	<p>Compliant</p>	<p>In the Company's 2017 Annual Stockholders' Meeting held on May 15, 2017, the shareholders present during the meeting (92.88% of the Company's outstanding capital stock) unanimously approved the appointment of Sycip Gorres Velayo &amp; Co. (SGV) as the Company's External Auditor for 2017.</p> <p>See:</p> <p><b>i. Minutes of the 2017 ASM</b> available at: <a href="http://aboitizpower.com/wp-content/uploads/AP-Minutes-2016-05.15.17-Annual-Stockholders-Meeting-FINAL-1.pdf">http://aboitizpower.com/wp-content/uploads/AP-Minutes-2016-05.15.17-Annual-Stockholders-Meeting-FINAL-1.pdf</a></p> <p><b>ii. Board Audit Charter – pp. 7: Item B. Independent External Auditors;</b> <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p>	

		<p>iii. <b>2017 Definitive Information Statement, page 35: Item 18: Proposed Actions, (B) Appointment of External Auditors;</b> <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p> <p><i>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</i></p>	Compliant	<p>The Company has had no reason to change its external auditor for the past several years.</p> <p>The Company will make the required disclosures in the event the Company were to remove or change its external auditor.</p> <p><b>See:</b>  <b>Board Audit Charter</b> - <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p>	
<b>Supplement to Recommendation 9.1</b>			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p> <p><i>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</i></p>	Compliant	<p>The Company requires the regular rotation of the lead audit partner every five (5) years or earlier or as required by law, unless the Board Audit Committee recommends that the audit firm itself be changed.</p> <p>In 2017, the new signing partner for SGV, Ms. Maria Veronica Andresa R. Pore was introduced to the Board Committee to replace Ms. Leovina MaeV. Chu who has been the signing partner for the Company from 2012 to 2016.</p> <p><b>i. Board Audit Charter, page 8: Independent External Auditors</b>  <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p> <p><b>ii. 2017 Definitive Information Statement (20-IS), pp: 156-157: The Board Audit Committee Report to</b></p>	

		the Board of Directors, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a>	
<b>Recommendation 9.2</b>			
<p>1. Audit Committee Charter includes the Audit Committee’s responsibility on:</p> <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor’s independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul> <p><i>Provide link/reference to the company’s Audit Committee Charter.</i></p>	Compliant	<p>The duties and responsibilities of the Board Audit Committee can be found in its charter.</p> <p><b>Board Audit Committee Charter</b>, pp: 5-10: Duties and Responsibilities of the Committee: <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p>	
<p>2. Audit Committee Charter contains the Committee’s responsibility on reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.</p> <p><i>Provide link/reference to the company’s Audit Committee Charter</i></p>	Compliant	<p>The Committee’s responsibility to annually review and monitor the external auditor’s suitability and effectiveness is found in its charter.</p> <p><b>Board Audit Committee Charter</b>, page 7: Duties and Responsibilities of the Committee – B. Independent External Auditors, available at: <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p>	
<b>Supplement to Recommendations 9.2</b>			

<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p> <p><i>Provide link/reference to the company's Audit Committee Charter.</i></p>	<p>Compliant</p>	<p>One of the duties of the Audit Committee is to select, monitor and review the independence, performance and effectiveness of the Company's external auditor. The Board Audit Committee conducts an annual evaluation of the independent auditors' professional qualifications, performance, and independence.</p> <p>The Committee ensures that independent auditors comply with the International Standards on the Professional Practice of Internal Auditing (ISPPA).</p> <p>See:  <b>i. Amended Manual on Corporate Governance</b>, p.34: Board Audit Committee – External Controls available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>Board Audit Charter -</b>  <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p> <p><i>Provide link/reference to the company's Audit Committee Charter.</i></p>	<p>Compliant</p>	<p>The duty of the Board Audit Committee to ensure that the external auditor has adequate quality control procedures is found in its charter.</p> <p>See:  <b>Board Audit Committee Charter</b>, page 7: Duties and Responsibilities of the Committee – B. Independent External Auditors, available at:  <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p>	

**Recommendation 9.3**

<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p> <p>Disclose the nature of non-audit services performed by the external auditor, if any</p>	<p>Compliant</p>	<p>The Company discloses in its Integrated Annual Report and the Definitive Information Statement the nature of the non-audit services done by the external auditor together with non-audit fees paid by the Company to SGV.</p> <p>See:</p> <p>i. <b>Annual Report (SEC Form 17-A)</b>, p.183: External Audit Fees and Services available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p>ii. <b>2017 Integrated Annual Report</b>, pp. 188, Board Audit Committee Report to the Board of Directors, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p>iii. <b>2017 Definitive Information Statement (20-IS)</b>, page 139: External Audit Fees and Services available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p> <p><i>Provide link or reference to guidelines or policies on non-audit services</i></p>	<p>Compliant</p>	<p>The Audit Committee regularly evaluates the independent auditors' professional qualifications, performance, compensation, and most importantly its independence. The evaluation includes a review of the qualifications, performance and independence of the lead partner of the independent auditors.</p> <p>See the:</p>	

		<p><b>Board Audit Committee Charter</b>, page 7: Duties and Responsibilities of the Committee – B. Independent External Auditors, available at:  <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p>	
--	--	--	--

**Supplement to Recommendation 9.3**

<p>1. Fees paid for non-audit services do not outweigh the fees paid for audit services.</p> <p><i>Provide information on audit and non-audit fees paid.</i></p>	<p><b>Non-Compliant</b></p>		<p>For 2017, the Company engaged SGV to provide financial advisory services for ongoing business development projects. Management believes that SGV’s track record of professionalism, coupled with its familiarity with the Company’s business operations, uniquely qualify SGV to provide fair and independent advisory services.</p> <p>See:</p> <p><b>i. 2017 Annual Report (SEC Form 17-A)</b>, p.98: External Audit Fees and Services available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p><b>ii. 2017 Definitive Information Statement (20-IS)</b>, page 139: External Audit Fees and Services available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>
--	-----------------------------	--	---

**Additional Recommendation to Principle 9**

<p>1. Company’s external auditor is duly accredited by the SEC under Group A category.</p> <p><i>Provide information on company’s external auditor, such as:</i></p>	<p>Compliant</p>	<p>The Company’s external auditor, SGV, is accredited by the SEC under Group A category.</p> <p>The Company’s is Ms. Maria Veronica Andresa R. Pore is AboitizPower’s current audit engagement</p>	
--	------------------	--	--

<ol style="list-style-type: none"> <li>1. <i>Name of the audit engagement partner;</i></li> <li>2. <i>Accreditation number;</i></li> <li>3. <i>Date Accredited;</i></li> <li>4. <i>Expiry date of accreditation; and</i></li> <li>5. <i>Name, address, contact number of the audit firm.</i></li> </ol>		<p>partner and has served as such starting 2017. She replaced Ms. Leovina Mae V. Chu who has been the signing partner for the Company from 2012 to 2016. Please refer below for the details of the Company's audit partner.</p> <p>Accreditation number; 0662-AR-3 (Group A), Date Accredited; March 2, 2017 Expiry date of accreditation; March 1, 2020 Sycip Gorres Velayo &amp; Co. 6760 Ayala Avenue, 1226 Makati City Tel no. (632) 891-0307</p> <p><b>i. 2017 Definitive Information Statement, page 209: Independent Auditor's Report</b>, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<p>2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p> <p><i>Provide information on the following:</i></p> <ol style="list-style-type: none"> <li>1. <i>Date it was subjected to SOAR inspection, if subjected;</i></li> <li>2. <i>Name of the Audit firm; and</i></li> <li>3. <i>Members of the engagement team inspected by the SEC.</i></li> </ol>	Compliant	The Company's external auditor, SGV, is subject SOAR inspection. However, it has yet to receive notification from SEC on the schedule.	

**Principle 10:** The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

**Recommendation 10.1**

<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p> <p><i>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</i></p>	<p>Compliant</p>	<p>The Aboitiz Group began reporting its sustainability initiatives from a group perspective in 2009. Since then, the Company has communicated its commitment and initiatives on corporate governance and sustainability to engage team members and external stakeholders.</p> <p>Through its 'BetterWorld' campaign, Aboitiz's sustainability program aims to increase awareness among stakeholders about its existing initiatives supporting the triple bottom line of people, planet, and profit.</p> <p>The Company follows the Global Reporting Initiative (GRI) for the reports on sustainability and non-financial issues.</p> <p>See:</p> <p><b>i. Company's website on Sustainability and Corporate Social Responsibility</b> available at: <a href="https://abotizpower.com/sustainability/abotiz-betterworld-video/">https://abotizpower.com/sustainability/abotiz-betterworld-video/</a></p> <p><b>ii. 2017 Integrated Annual Report</b>, page: 96. Corporate Social Responsibility, available at <a href="https://abotiz.community/ar2017_web/">https://abotiz.community/ar2017_web/</a></p>	
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p>The Company follows the Global Reporting Initiative (GRI) for the reports on sustainability and non-financial issues.</p> <p>See:</p> <p><b>Company's website on Sustainability and Corporate Social Responsibility</b> available at: <a href="https://abotizpower.com/sustainability/abotiz-betterworld-video/">https://abotizpower.com/sustainability/abotiz-betterworld-video/</a></p>	



		<p><b>2017 Integrated Annual Report</b>, page: 96. Corporate Social Responsibility, available at <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p>	
--	--	--	--

**Principle 11:** The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p> <p><i>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.).</i></p> <p><i>Provide links, if any.</i></p>	Compliant	<p>The Company, as a matter of practice, regularly schedules media and analysts' briefings to ensure timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p> <p>In addition, the Company maintains and regularly updates the information and public disclosures found in the Company's website.</p> <p>The Company discloses the media and analysts' briefings through its website:</p> <p><b>Company Website - Analyst Briefings</b> <a href="https://aboitizpower.com/investor-relations/highlights/">https://aboitizpower.com/investor-relations/highlights/</a></p> <p><b>Media Briefing -</b> <a href="https://aboitizpower.com/media/media-events/#2017-2">https://aboitizpower.com/media/media-events/#2017-2</a></p>	
---	-----------	--	--

**Supplemental to Principle 11**

<p>1. Company has a website disclosing up-to-date information on the following:</p>	Compliant	<p>The corporate website has comprehensive information on the Company's businesses, policies, management, among others. Copies of the annual corporate governance reports, annual reports,</p>	
---	-----------	--	--

a. Financial statements/reports (latest quarterly)	Compliant	<p>company disclosures, investor reports, organizational information, and Board and Board Committee membership, policies such as the Manual on Corporate Governance, Code of Ethics and Business Conduct, minutes of the ASM, Investor Relations Information, and other information relevant to stakeholders are on the Company website and available for download.</p> <p>The Company discloses the following information on its website:</p> <p><b>a. Financial Statements/Report - (20-IS)</b></p> <p><b>i. AboitizPower Consolidated Audited Financial Statements -</b>  <a href="https://aboitizpower.com/wp-content/uploads/2018/05/6-AP-Conso-AFS-2017-Supplementary-Schedules.pdf">https://aboitizpower.com/wp-content/uploads/2018/05/6-AP-Conso-AFS-2017-Supplementary-Schedules.pdf</a></p> <p><b>ii. AboitizPower 17-Q - First Quarter Results,</b>  Filed May 12, 2017(27 Business Days or 42 Calendar Days) available at:  <a href="http://aboitizpower.com/wp-content/uploads/03.31.17-AP-SEC-FORM-17-Q-re-First-Quarter-Report-FINAL-Full-Report.pdf">http://aboitizpower.com/wp-content/uploads/03.31.17-AP-SEC-FORM-17-Q-re-First-Quarter-Report-FINAL-Full-Report.pdf</a></p> <p><b>AboitizPower 17-Q – Second Quarter Results,</b>  Filed August 14, 2017(31 Business Days or 45 Calendar Days) available at:  <a href="https://aboitizpower.com/wp-content/uploads/06.30.17-AP-SEC-FORM-17-Q-re-Second-Quarter-Report-FINAL-Full-Report.pdf">https://aboitizpower.com/wp-content/uploads/06.30.17-AP-SEC-FORM-17-Q-re-Second-Quarter-Report-FINAL-Full-Report.pdf</a></p>	
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		

		<p><b>AboitizPower 17-Q – Third Quarter Results</b>, Filed November 6, 2017 (23 Business Days or 37 Calendar Days) available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-11.07.17-Third-Quarter-2017-Financial-and-Operating-Results.pdf">https://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-11.07.17-Third-Quarter-2017-Financial-and-Operating-Results.pdf</a></p> <p><b>b. Analyst &amp; Media Briefings - Analyst Briefings</b>  <b>Analyst Briefings</b>  <a href="https://aboitizpower.com/investor-relations/highlights/">https://aboitizpower.com/investor-relations/highlights/</a></p> <p><b>Media Briefing -</b>  <a href="https://aboitizpower.com/media/media-events/#2017-2">https://aboitizpower.com/media/media-events/#2017-2</a></p> <p><b>c. Annual Report</b></p> <p><b>i. 2017 Integrated Annual Report</b>, available at:  <a href="https://aboitizcommunity/ar2017_web/">https://aboitizcommunity/ar2017_web/</a></p> <p><b>ii. Annual Report (SEC Form 17-A)</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p><b>d. Notice of Annual Stockholders’ Meeting</b>  <a href="https://aboitizpower.com/investor-relations/annual-stockholders-meeting/">https://aboitizpower.com/investor-relations/annual-stockholders-meeting/</a></p> <p><b>e. Minutes of Annual Stockholders’ Meeting</b>  <a href="https://aboitizpower.com/investor-relations/annual-stockholders-meeting/">https://aboitizpower.com/investor-relations/annual-stockholders-meeting/</a></p> <p><b>f. Articles of Incorporation</b></p>	
--	--	---	--

		<a href="https://aboitizpower.com/wp-content/uploads/2015/05/Articles-of-Incorporation.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Articles-of-Incorporation.pdf</a>  <b>g. By-Laws</b> <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf</a>	
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	Compliant	The Company complies with SEC-prescribed website template. Please see <a href="http://www.aboitizpower.com">www.aboitizpower.com</a>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.  <i>List quality service programs for the internal audit functions.</i>  <i>Indicate frequency of review of the internal control system</i>	Compliant	All internal controls procedures are incorporated in the policies of the revised Board Risk and Reputation Management Charter.  The Company discloses its internal control procedures and risk management systems through the Risk Management Report of its Chief Risk and Reputation Management Officer in the Aboitiz Integrated Annual Report. Regular reports to the Board assess the Company's material controls and risk management systems, key Group risk management developments, and a discussion of Group top risks.  See:  <b>i. Amended Manual of Corporate Governance</b> , available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>	

		<p>ii. <b>Board Risk and Reputation Management Committee Charter</b> available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf</a></p> <p>iii. <b>2017 Integrated Annual Report</b>, p. 118: Management Approach, available at:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p> <p>iv. <b>2017 Definitive Information Statement</b>, pp. 156, The Board Audit Committee Report to the Board of Directors available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p> <p><i>Identify international framework used for Enterprise Risk Management</i></p> <p><i>Provide information or reference to a document containing information on:</i></p> <ol style="list-style-type: none"> <li>1. <i>Company's risk management procedures and processes</i></li> <li>2. <i>Key risks the company is currently facing</i></li> <li>3. <i>How the company manages the key risks</i></li> </ol>	<p>Compliant</p>	<p>An integral part of the Company's risk management policy is to anticipate, understand, and address the risks that the Company may encounter in the businesses that it is involved in, or it intends to enter into.</p> <p>For a thorough discussion on the risk management processes and procedures, see:</p> <p><b>2017 Integrated Annual Report</b>, p. 118: Management Approach, available at:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p> <p>For a summary all the key risks involved in the business of the Company, please see:</p> <p><b>2017 Definitive Information Statement (20-IS)</b>, page 102: Risk available at:</p>	

<p><i>Indicate frequency of review of the enterprise risk management framework.</i></p>		<p><a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<b>Supplement to Recommendations 12.1</b>			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p> <p><i>Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</i></p> <p><i>Indicate frequency of review.</i></p>	<p>Compliant</p>	<p>In 2017, the Company launched its comprehensive enterprise-wide compliance program, Aboitiz Unified Compliance Management System, otherwise known as Project Concordia. The goals of the project is to create a unified compliance management system that will raise the compliance maturity levels of all Aboitiz Group business units and to improve performance based on an integrated governance, risk, and compliance framework.</p> <p>As part of the rollout of Project Concordia, the discipline of enterprise architecture is applied to the process of mapping the future state of compliance within the Group. A data governance framework is also being developed to ensure data quality in the compliance management system.</p> <p>The Governance and Compliance Team facilitated the change management process for the adoption of the compliance requirements under the Data Privacy Act and the Philippine Competition Act with the conduct of numerous learning sessions to cascade compliance within the Group.</p> <p>See:</p> <p><b>2017 Integrated Annual Report</b>; pp. 144: Compliance with New Regulations and Project Concordia, available at:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p>	
<b>Optional: Recommendation 12.1</b>			

<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p> <p><i>Provide information on IT governance process</i></p>	<p>Compliant</p>	<p>The Company has a governance process to address IT issues. The Board of Directors identified Information Security as one of the top risks for the Group. As a strategic solution, the Company began developing policies on Information Security Management System (ISMS) in 2016. This was continued in 2017 as the initiative was cascaded and implemented across several business units.</p> <p>The Company also engaged internal and external experts to conduct trainings on information security, business continuity, emergency response and business interruption.</p> <p>i. <b>2017 Integrated Annual Report</b>; pp. 126: Management Approach – Strengthening our organizational resilience, available at: <a href="https://abotiz.community/ar2017_web/">https://abotiz.community/ar2017_web/</a></p>	
<b>Recommendation 12.2</b>			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p> <p><i>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</i></p>	<p>Compliant</p>	<p>The Company has a well-entrenched independent internal audit group, the Group Internal Audit, which is overseen by the Board through the Board Audit Committee. Ms. Marie Tanate who heads the GIA holds the position of Vice President for Group Internal Audit.</p> <p>With an independent audit function, the Group Internal Audit Team provides reasonable assurance that the Company's key organizational and operational controls are effective, appropriate and complied with.</p> <p>See:</p> <p>i. <b>Amended Manual on Corporate Governance</b>, pp 21-22: Accountability and Audit, available at:</p>	

		<p><a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii. Board Audit Committee Charter</b>, page 8: Duties and Responsibilities of the Committee – Internal Control and Audit, available at:  <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p> <p><b>iii. 2017 Definitive Information Statement (20-IS)</b>, page 156: Board Audit Committee Report available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
--	--	---	--

**Recommendation 12.3**

<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p> <p><i>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</i></p>	<p><b>Non-Compliant</b></p>		<p>The Company has a Group Internal Audit Head that acts as the equivalent of a Chief Audit Executive. In 2017, Ms. Maria Lourdes Y. Tanate, was the Group Internal Audit Head for Aboitiz Group as a whole and for AboitizPower as well. She was primarily responsible for the overall efficiency and effectiveness of the performance of the internal audit teams the Company. As an independent function, Ms. Tanate reported directly to the Board Audit Committee of AboitizPower's Board of Directors.</p> <p>Beginning in 2018, the Company's Board of Directors will be appointing a new Group Internal Audit Head specifically for AboitizPower. This person will continue to report directly to the Company's Board Audit Committee.</p> <p>The functions of the Group Internal Audit Head are found in the following:</p>
---	-----------------------------	--	--



			<p><b>i. Amended Manual on Corporate Governance</b>, pp. 29-31: Board Audit Committee, available at <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii. Board Audit Charter -</b> <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p>
<p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.</p>	<p>Compliant</p>	<p>The Company’s internal audit function is led by the Group Internal Audit Head who is responsible for the internal audit activity of the organization as well as supervision of any audit activity is outsourced to a third party service provider.</p> <p>The Group Internal Audit team of AEV underwent an external quality assessment review conducted by the Institute of Internal Auditors (IIA) Philippines.</p> <p>See:  <b>Amended Manual of Corporate Governance</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>Board Audit Charter –</b>  <a href="http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf">http://aboitizpower.com/wp-content/uploads/2015/05/Audit-Committee-Charter.pdf</a></p> <p><b>2017 Definitive Information Statement (20-IS)</b>, page 156: Board Audit Committee Report available at:</p>	

		<a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a>	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	The Company does not fully outsource its internal audit activity.	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.  <i>Provide information on company's risk management function.</i>	Compliant	<p>The Company has a separate risk management function headed by the Chief Reputation and Risk Management Officer, Ms. Susan V. Valdez.</p> <p>The Company's Risk Management initiatives are focused on performing Business Continuity Management Maturity Baseline and Audit, Implement Information Security Management System (ISMS), Pilot Catastrophic Plant Failure Review, improving Operational Risk Management Plan (ORMP) and Integrating governance, risk and compliance best practices.</p> <p>The Board is committed to establishing a fully functioning enterprise risk management system for the Company and its businesses. The Board oversees the Company's risk management functions through the Board Risk and Reputation Management Committee. The Board has adopted a formal risk management policy to guide and direct the Company's risk management and compliance processes and procedures.</p> <p>See:</p>	

		<p>i. <b>2017 Integrated Annual Report</b>, pp. 128-129: Combined Assurance and three lines of defense, available at:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p> <p>ii. <b>Board Risk and Reputation Management Committee Charter</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf</a></p> <p>iii. <b>Annual Report (SEC Form 17-A)</b>, pp. 60: Major Risks Involved in the Business, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p>	
<b>Supplement to Recommendation 12.4</b>			
<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p> <p><i>Identify source of external technical support, if any.</i></p>	<p>Complaint</p>	<p>In 2017, the Company engaged internal and external experts to conduct trainings on information security, business continuity, emergency response, and business interruption.</p> <p>See below the list of technical support tapped by the Company:</p> <ol style="list-style-type: none"> <li>1. Aon and Marsh - for both risk and insurance management;</li> <li>2. Deloitte - implementation of ISMS;</li> <li>3. GMH - audit of BCP and maturity of BCM across the group;</li> </ol> <p>See:</p> <p>i. <b>2017 Integrated Annual Report</b>, pp. 128-129: Combined Assurance and three lines of defense, available at:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p>	

**Recommendation 12.5**

<p>1. In managing the company’s Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).</p> <p><i>Identify the company’s Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</i></p>	<p>Compliant</p>	<p>Ms. Susan V. Valdez is the Company’s Senior Vice President and Chief Reputation and Risk Management Officer. She has relevant experience on risk &amp; risk management. She is also a board member of Pan-Asia Risk and Insurance Management Association (PARIMA) Philippines.</p> <p>See profile of Ms. Valdez in the Company’s Reports:</p> <p>i. <b>2017 Definitive Information Statement</b>, pp. 10: Item 5. Directors and Executive Officers, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>ii. <b>Annual Report (SEC Form 17-A)</b>, pp. 100: Item 9, Directors and Executive Officers of the Issuer, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p>See also:</p> <p>iii. Company Website – Enterprise Risk Management <a href="https://aboitizpower.com/corporate-governance/governance-practices/#enterprise-risk-management">https://aboitizpower.com/corporate-governance/governance-practices/#enterprise-risk-management</a></p> <p>iv. <b>2017 Amended Manual on Corporate Governance</b>, pp. 40: Part C. Item 3. Board Risk and Reputation Management Committee available at <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	
--	------------------	---	--

		<p><b>v. Board Risk &amp; Reputation Committee Charter -</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf</a></p>	
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p>Compliant</p>	<p>The Company's Chief Reputation and Risk Management Officer has the rank of Senior Vice President and is supported by the Company's Risk Management Team composed of competent risk managers and compliance specialists. Ms. Valdez is a licensed CPA and a board member of Pan-Asia Risk and Insurance Management Association (PARIMA) Philippines.</p> <p>See response in Recommendation 12.5.1</p> <p>i. <b>2017 Definitive Information Statement</b>, pp. 10: Item 5. Directors and Executive Officers, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p>ii. <b>Annual Report (SEC Form 17-A)</b>, pp. 100: Item 9, Directors and Executive Officers of the Issuer, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-FORM-17-A-2017-Annual-Report-Full-Report-for-PSE.pdf</a></p> <p>iii. <b>2017 Amended Manual on Corporate Governance</b>, pp. 40: Part C. Item 3. Board Risk and Reputation Management Committee available at  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	

		iv. Board Risk & Reputation Committee Charter - <a href="https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Board-Risk-and-Reputation-Management-Committee-Charter-11.21.17.pdf</a>	
<b>Additional Recommendation to Principle 12</b>			
<p>1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p> <p><i>Provide link to CEO and CAE's attestation</i></p>	<b>Non-Compliant</b>		<p>In 2017, the Chairman of the Board Audit Committee, Mr. Carlos C. Ejercito, in his Annual Board Audit Committee Report attested that a sound internal audit, control and compliance system is in place and working effectively.</p> <p>Mr. Ejercito has vast experience in tax and audit-related matters as proven by his track record of Board Audit Committee memberships.</p> <p>Please see:</p> <p><b>i. 2017 Definitive Information Statement</b>, p. 156, Board Audit Committee Report to the Board of Directors, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>ii. 2017 Integrated Annual Report</b> p. 164-167, Board Audit Committee Report to the Board of Directors, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	The basic shareholder rights are found in the following:	

<p>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</p>		<p><b>i. Amended Manual on Corporate Governance: Shareholders Benefit</b> available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	
<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.   Provide link to company's website</p>	<p>Compliant</p>	<p>The Company's basic shareholder rights are made available at the company's website:   <a href="https://aboitizpower.com/corporate-governance/governance-reports-and-scorecards/previous-corporate-governance-reports/rights-of-shareholders/">https://aboitizpower.com/corporate-governance/governance-reports-and-scorecards/previous-corporate-governance-reports/rights-of-shareholders/</a></p>	
<b>Supplement to Recommendation 13.1</b>			
<p>1. Company's common share has one vote for one share.</p>	<p>Compliant</p>	<p>All shareholders, regardless of the amount of their shareholdings, are given the right to participate in company decision-making, pursuant to the one-share one-vote policy of the Company.   See:  <b>i. 2017 Definitive Information Statement</b>, p. 6: Item 4. Voting Securities and Principal Holders Thereof available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a>   <b>ii. Amended By-Laws, p. 1: Article I Section 5. Vote</b>  <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf</a>   <b>iii. 2017 ASM Minutes</b>  <a href="http://aboitizpower.com/wp-content/uploads/AP-Minutes-2016-05.15.17-Annual-Stockholders-Meeting-FINAL-1.pdf">http://aboitizpower.com/wp-content/uploads/AP-Minutes-2016-05.15.17-Annual-Stockholders-Meeting-FINAL-1.pdf</a></p>	

<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p> <p><i>Provide information on all classes of shares, including their voting rights if any.</i></p>	<p>Compliant</p>	<p>The Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights, and transfer rights.</p> <p><b>i. 2017 Definitive Information Statement, p. 6: Item 4. Voting Securities and Principal Holders Thereof available at:</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>ii. Amended By-Laws (2014), p. 1: Section 5. Vote</b>  <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf</a></p> <p><b>iii. Amended Articles of Incorporation (2014), p. 2-4, available at:</b>  <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Articles-of-Incorporation.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Articles-of-Incorporation.pdf</a></p>	
<p>3. Board has an effective, secure, and efficient voting system.</p> <p><i>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</i></p>	<p>Compliant</p>	<p>The Board has an effective, secure, and efficient voting system. The Company's voting procedures are found in the following:</p> <p><b>i. 2017 Definitive Information Statement, p. 6: Item 4. Voting Securities and Principal Holders Thereof available at:</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>ii. Amended Manual on Corporate Governance, p. 47: Item B. Voting Right</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	



<p>4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.</p> <p><i>Provide information on shareholder voting mechanisms such as supermajority or “majority of minority”, if any.</i></p>	<p><b>Non-Compliant</b></p>		<p>The Company abides by the requirements of the Corporation Code regarding transactions requiring the vote of at least 2/3 of the outstanding capital stock.</p> <p><b>i. 2017 Definitive Information Statement, p. 6: Item 4. Voting Securities and Principal Holders Thereof</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>ii. Amended Manual on Corporate Governance, p. : Item B. Voting Right</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>iii. Amended By-Laws, p. 1: Article I Section 5. Vote</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf</a></p> <p><b>iv. 2014 Amended Articles of Incorporation</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Articles-of-Incorporation.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Articles-of-Incorporation.pdf</a></p>
<p>5. Board allows shareholders to call a special shareholders’ meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p> <p><i>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</i></p>	<p>Compliant</p>	<p>The Board allows shareholders to call a special shareholders’ meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p> <p>See the Company’s By Laws.</p>	

		<p><b>i. Amended By-Laws, p. 1: Section 5. Vote</b>  <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf</a></p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p> <p><i>Provide information or link/reference to the policies on treatment of minority shareholders</i></p>	<p>Compliant</p>	<p>The Company does not distinguish between stockholders' rights, whether they be a majority or a minority. All shareholders have the same rights.</p> <p><b>i. 2017 Definitive Information Statement, p. 6: Item 4. Voting Securities and Principal Holders Thereof available at:</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>ii. Amended Manual on Corporate Governance, : Item B. Voting Right, available at:</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>iii. Amended By-Laws, p. 1: Section 5. Vote, available at:</b>  <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Company-By-Laws.pdf</a></p> <p><b>iv. 2014 Amended Articles of Incorporation (2014), p. 2-4, available at:</b>  <a href="https://aboitizpower.com/wp-content/uploads/2015/05/Articles-of-Incorporation.pdf">https://aboitizpower.com/wp-content/uploads/2015/05/Articles-of-Incorporation.pdf</a></p>	
<p>7. Company has a transparent and specific dividend policy.</p> <p><i>Provide information on or link/reference to the company's dividend Policy.</i></p>	<p>Compliant</p>	<p>The Company has a clear and transparent dividend policy. This is disclosed in the Operational and Financial Information section of the Annual Report, in the Information Statement and in the Report of its CFO and disclosures on the Company's website if changes are made.</p>	

<p>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration.</p>		<p>See:</p> <p><b>i. Amended Manual on Corporate Governance, p. 49: Item 9. Right to Dividends</b>, available at: <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p> <p><b>ii. 2017 Definitive Information Statement, p. 114: Part 2. Item 5. Market for Issuer’s Common Equity and Related Stockholder Matters, (3) Dividends available at:</b> <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>iii. Cash Dividend Disclosure – March 7, 2017</b> <a href="http://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-03.07.17-Cash-Dividends-Declaration-FINAL.pdf">http://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-03.07.17-Cash-Dividends-Declaration-FINAL.pdf</a></p>	
<b>Optional: Recommendation 13.1</b>			
<p>1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders’ Meeting.</p> <p><i>Identify the independent party that counted/validated the votes at the ASM, if any.</i></p>	<p>Compliant</p>	<p>For 2017, the Company appointed Luis Canete &amp; Co, as the Company’s Board of Election Inspectors.</p> <p>See:</p> <p><b>i. 2017 Definitive Information Statement, p. 36: 19. Voting Procedures, (b) The Method by which the Votes will be Counted</b> <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p>	
<b>Recommendation 13.2</b>			
<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special</p>	<p><b>Non-Compliant</b></p>		<p>In 2017, the Company sent out the Notice of ASM 25 days before the date of the ASM. This was consistent with the requirements of the Securities</p>

<p>Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p> <p><i>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.</i></p> <p><i>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</i></p> <p><i>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS).</i></p>			<p>Regulation Code that require the Notice of ASM sufficient and relevant information be sent at least 15 business days before the ASM date. However, in 2018 the Notice of ASM was sent out more than 28 days before the date of the ASM.</p> <p><b>i. 2017 Definitive Information Statement, p. 3: Notice and Agenda of Annual Meeting of Stockholders</b>  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>ii. Company Website -</b>  <a href="https://aboitizpower.com/investor-relations/annual-stockholders-meeting/">https://aboitizpower.com/investor-relations/annual-stockholders-meeting/</a></p>
---	--	--	--

**Supplemental to Recommendation 13.2**

<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p>	<p>Compliant</p>	<p>The Company's Notice of ASM contains the following information:</p> <p><b>a. 2017 Definitive Information Statement</b>, Annex "A": Explanation of Agenda Items Requiring Stockholders' Officers available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>b. 2017 Definitive Information Statement</b>, pp. 30: Item 7. Independent Public Accountant available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEx.pdf</a></p> <p><b>c. 2017 Proxy</b>, available at:  <a href="https://aboitizpower.com/investor-relations/annual-stockholders-meeting/">https://aboitizpower.com/investor-relations/annual-stockholders-meeting/</a></p>	
<p>a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)</p>			
<p>b. Auditors seeking appointment/re-appointment</p>			
<p>c. Proxy documents</p>			

		<p><b>Other documents downloadable at the Company's website:</b>  <a href="https://aboitizpower.com/investor-relations/annual-stockholders-meeting/">https://aboitizpower.com/investor-relations/annual-stockholders-meeting/</a></p>	
<b>Optional: Recommendation 13.2</b>			
<p>1. Company provides rationale for the agenda items for the annual stockholders meeting</p>	<p>Compliant</p>	<p>The Company consistently provides all shareholders with the notice and agenda of the ASM prior to a regular or special meeting. This is to give the shareholders sufficient time to go over information and to contact their proxies for appropriate instructions. Such notice is indicated in the Company's Preliminary and Definitive Information Statements. The Company also publishes notices of ASM meetings in national newspapers of general circulation and in its company website.</p> <p>Each resolution relates to only one agenda item, with a brief rationale or explanation for its inclusion in the ASM, when necessary. The Company does not include any additional and unannounced agenda item in the ASM if not disclosed prior to the ASM.</p> <p>In 2017, the Company posted the Notice and Agenda together with the rationale on its website and disclosed the same with the SEC, PSE, and PDEX on March 7, 2017.</p> <p>See:  a. <b>2017 Definitive Information Statement</b>, pp. 144, Explanation of Agenda Items Requiring Stockholders' Approval  <a href="https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEX.pdf">https://aboitizpower.com/wp-content/uploads/AP-SEC-Form-2017-20-IS-Definitive-Information-Statement-for-PSE-and-PDEX.pdf</a></p>	

		<p>b. <b>Company's website</b> available at:  <a href="https://aboitizpower.com/investor-relations/annual-stockholders-meeting/">https://aboitizpower.com/investor-relations/annual-stockholders-meeting/</a></p> <p>c. <b>Disclosure on the Notice of Annual Stockholder's Meeting</b>, available at:  <a href="http://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-03.07.17-Notice-and-Agenda-of-2017-ASM-FINAL.pdf">http://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-03.07.17-Notice-and-Agenda-of-2017-ASM-FINAL.pdf</a></p>	
<b>Recommendation 13.3</b>			
<p>1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.</p>	Compliant	<p>Shareholders resolutions approved during the annual shareholders' meeting are disclosed and made publicly available on the Company's website shortly after the annual shareholders' meeting. The same was disclosed to the SEC, PSE, and the PDEX.</p> <p><b>i. Company Website -</b>  <a href="https://aboitizpower.com/investor-relations/annual-stockholders-meeting/">https://aboitizpower.com/investor-relations/annual-stockholders-meeting/</a></p> <p><b>ii. Disclosure on the Results of the Annual Stockholders' Meeting</b>, available at:  <a href="http://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-05.15.17-Results-of-Annual-Stockholders-Meeting.pdf">http://aboitizpower.com/wp-content/uploads/AP-17C-Disclosure-05.15.17-Results-of-Annual-Stockholders-Meeting.pdf</a></p>	
<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	Compliant	<p>In 2017, the Minutes of the Annual and Special Shareholders' Meetings were uploaded to the Company's website on May 16, 2017, one day after the Annual Stockholders Meeting.</p> <p><b>Company Website -</b>  <a href="https://aboitizpower.com/investor-relations/annual-stockholders-meeting/">https://aboitizpower.com/investor-relations/annual-stockholders-meeting/</a></p>	

Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	<p>The Company's External Auditor attended the 2017 ASM.</p> <p><b>i. Notice of Meeting with Agenda</b>, available at:  <a href="http://aboitizpower.com/wp-content/uploads/AP-2017-ASM-Notice-and-Agenda-FINAL.pdf">http://aboitizpower.com/wp-content/uploads/AP-2017-ASM-Notice-and-Agenda-FINAL.pdf</a></p> <p><b>ii. 2017 ASM Minutes</b>, available at:  <a href="http://aboitizpower.com/wp-content/uploads/AP-Minutes-2016-05.15.17-Annual-Stockholders-Meeting-FINAL-1.pdf">http://aboitizpower.com/wp-content/uploads/AP-Minutes-2016-05.15.17-Annual-Stockholders-Meeting-FINAL-1.pdf</a></p>	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	<b>Non-Compliant</b>		<p>The Company's Manual on Corporate Governance authorizes the Board to create an alternative dispute mechanism to resolve conflicts and differences with key stakeholders. The Board still has to evaluate and consider the most effective way to exercise this authority.</p> <p>See:  <b>Amended Manual on Corporate Governance Manual, p.9: Duties and Responsibilities of the Board</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p>The Company's Manual of Corporate Governance authorizes the Board to create an alternative dispute mechanism.</p> <p>See <b>Manual on Corporate Governance Manual, p.9: Duties and Responsibilities of the Board</b>, available at:</p>	

		<a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>	
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<p>the Company has appointed an Investor Relations Officer to ensure constant engagement with its shareholders. The Company's Governance and Compliance Team also makes itself available to shareholders to address any questions or concerns.</p> <p>In 2017, the Company's Investor Relations Officer is:</p> <ol style="list-style-type: none"> <li>1. Name of the person – Francisco Victor “Judd” Salas</li> <li>2. Telephone number – (632) 886-2702   Fax (632) 817-3560</li> <li>3. Fax number</li> <li>4. E-mail address: <a href="mailto:aev_investor@aboitiz.com">aev_investor@aboitiz.com</a></li> </ol> <p>Details are also available at the Company's website: <a href="https://aboitizpower.com/contact-us/shareholders-online-request/">https://aboitizpower.com/contact-us/shareholders-online-request/</a></p>	
2. IRO is present at every shareholder's meeting.	Compliant	<p>The Company's IRO attended the 2017 ASM.</p> <p><b>ASM Minutes of the Meeting -</b>  <a href="https://aboitizpower.com/investor-relations/annual-stockholders-meeting/">https://aboitizpower.com/investor-relations/annual-stockholders-meeting/</a></p>	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	The Board of Directors has not instituted any anti-takeover measures. The shares of the Company are available for purchase at the Philippine Stock Exchange at prevailing market prices.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	<b>Non-Compliant</b>		With a Public Float of 18.94% as of December 31, 2017, AboitizPower remains compliant with the minimum public float requirement by the Philippine Stock Exchange.



			<p>The Company regularly monitors its Public Float and is committed to comply with any amendments to Rules on Minimum Public Ownership duly approved by the Exchange.</p> <p><b>See:</b>  <b>Disclosure - Public Ownership Report</b> as of December 31, 2017, available at <a href="https://aboitizpower.com/wp-content/uploads/AP-Public-Ownership-Report-as-of-12.31.17.pdf">https://aboitizpower.com/wp-content/uploads/AP-Public-Ownership-Report-as-of-12.31.17.pdf</a></p>
<b>Optional: Principle 13</b>			
<p>1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting</p>	<p>Compliant</p>	<p>The Company has a dedicated Shareholder Relations Officer to respond to address any issues and concerns.</p> <p>The details of the Company's Shareholder Relations Officer are as follows:</p> <p>Name: Marinel Mangubat  Tel: (632) 886-2800 local 21757  Fax: (632) 886-2407  Email: marinel.mangubat@aboitiz.com</p>	
<p>2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.</p>	<p><b>Non-Compliant</b></p>		<p>Currently, there are no arrangements or even rules in place as to how electronic voting of stockholders may be achieved. To facilitate voting in absentia, the Company drafted sample proxies for different kinds of stockholders – corporate, individual, PCD, etc- to assist the shareholders in exercising their rights.</p> <p>Copies of a sample proxy are provided to the stockholders together with the Definitive Information Statement, as well as available for download at the company website.</p> <p>See:</p>

			Company website, 2017 Annual Stockholders Meeting, available at <a href="https://aboitizpower.com/investor-relations/annual-stockholders-meeting/">https://aboitizpower.com/investor-relations/annual-stockholders-meeting/</a>
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	The Company follows a three-step process to identify, understand and engage its stakeholders to ensure that the Company lives by its mission to create long term value for all its stakeholders.  See discussion on: i. <b>2017 Integrated Annual Report</b> , pp. 124-125: Dialogue and value creation for stakeholders, available at: <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a>  ii. <b>Code of Ethics and Business Conduct</b> , pp.2-3: Commitment to our Stakeholders: Dealing with Clients, Suppliers, Business Partners and the Public, available at: <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a>	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	The Group's purpose shows the importance that Aboitiz puts in its stakeholders. The Company's business model is anchored on sustainable growth of its businesses with full engagement of their stakeholders. Key stakeholders include: team leaders and team members who work toward achieving business strategies; host communities of the companies and business units; local government units that support and host the	

		<p>Group’s businesses; regulators of the businesses; customers whom they serve; and the environment that sustains growth.</p> <p>See discussion on:</p> <p>i. <b>2017 Integrated Annual Report</b>, pp. 124-125: Dialogue and value creation for stakeholders, available at link:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p> <p>ii. <b>Code of Ethics and Business Conduct</b>, pp.2-3: Commitment to our Stakeholders: Dealing with Clients, Suppliers, Business Partners and the Public, available at  <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a></p>	
--	--	--	--

**Recommendation 14.3**

<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>Compliant</p>	<p>The remedies under the Company’s Whistleblowing Policy is available to any stakeholder to obtain redress for wrongdoings, or simply to report unethical practices. The whistleblowing hotline is easily accessible at the Company’s website.</p> <p>i. <b>Company’s Whistleblowing Hotline</b> - <a href="https://aboitizpower.com/contact-us/whistleblowing/">https://aboitizpower.com/contact-us/whistleblowing/</a></p> <p>ii. <b>Contact Us</b> - <a href="https://aboitizpower.com/contact-us/shareholders-online-request/">https://aboitizpower.com/contact-us/shareholders-online-request/</a></p> <p>iii. <b>Whistle-blowing Policy</b>, available at <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Whistleblowing-Policy_.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Whistleblowing-Policy_.pdf</a></p>	
---	------------------	--	--

**Supplement to Recommendation 14.3**

<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p><b>Non-Compliant</b></p>		<p>The Company's Manual on Corporate Governance authorizes the Board to create an alternative dispute mechanism to resolve stakeholder disputes. The Board still has to evaluate and consider the most effective way to exercise this authority.</p> <p>See:  <b>Amended Manual on Corporate Governance</b>, p.9: Duties and Responsibilities of the Board, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>
<p><b>Additional Recommendations to Principle 14</b></p>			
<p>1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.</p>	<p>Compliant</p>	<p>The Company has not sought any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue.</p> <p>The Company's commitment to good corporate governance a necessary component of what constitutes sound strategic business management.</p> <p><b>Code of Ethics and Business Conduct</b>  <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a></p>	
<p>2. Company respects intellectual property rights.</p>	<p>Compliant</p>	<p>The Company's Code of Ethics and Business Conduct mandates every team member to respect the intellectual and other property rights owned by Group, its customers or stakeholders.</p> <p><b>Company's Code of Ethics - Proprietary and Confidential Information</b></p>	

		<a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a>	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare	Compliant	The Company's policies on customer welfare are embodied in the Code of Ethics.  <b>Code of Ethics and Business Conduct -</b> <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	See the Code of Ethics for the Company's policies on supplier/contractor selection process.  <b>Code of Ethics and Business Conduct</b> <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a>	
<b>Encouraging employees' participation</b>			
<b>Principle 15:</b> A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
<b>Recommendation 15.1</b>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	One of the strategic pillars of the Company - Build Human Capital – is a recognition of the important role that employees or “team members” as they referred to, play in the realization of the Company's goals. The Company recognizes that attracting, optimizing, and retaining top caliber professionals is crucial to the Company's success. Because of this, there are a number of policies and programs developed to ensure that team members are engaged and invested in the Company's success. These includes activities that address an individuals' needs – to give back, to grow, to belong, and to contribute.  See discussion on:	

		<p>i. <b>2017 Integrated Annual Report</b>, pp. 119-125 - Management Approach; pp. 132-136 – Attracting, Optimizing, and retaining the right talent, available at:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p> <p>ii. <b>Code of Ethics and Business Conduct</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a> /</p>	
<b>Supplement to Recommendation 15.1</b>			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	Compliant	<p>The Company rewards its team members with annual merit increase and productivity bonuses, depending on the performance of the Company and the individual. The Company offers not only statutory benefits but also additional internal benefit programs to enhance the quality of life of our employees.</p> <p><b>See:</b>  i. <b>2017 Integrated Annual Report</b>, pp. 124-126: Dialogue and value creation for stakeholders, available at:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p>	
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	Compliant	<p>The Company has a number of policies and programs to address the health, safety and welfare of the employees.</p> <p><b>See:</b>  i. <b>2017 Integrated Annual Report</b>, pp. 124-126: Dialogue and value creation for stakeholders, available at:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p>	

<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p>The Company has a refreshed learning program called the Aboitiz Academy which entails blended learning combination of formal classroom training, coaching and mentoring and e-learning. The Aboitiz Academy has core programs which are mandatory and should be taken by the team members depending on their years of service with the Company. The minimum training hours for each team member is 40 hours.</p> <p>In addition to the core programs, the Company also offers elective programs consisting of business, finance and management programs. The Company also partners with online learning platforms such as Coursera and Bersin to provide practical and higher level training programs for the team members.</p> <p>See: i. <b>2017 Integrated Annual Report</b>, pp 120-121: Our sustainability policy and framework, available at: <a href="https://abotiz.community/ar2017_web/">https://abotiz.community/ar2017_web/</a></p>	
--	------------------	--	--

**Recommendation 15.2**

<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>	<p>Compliant</p>	<p>The Company's policies on anti-bribery and corruption is found in the Code of Ethics.</p> <p>See: <b>Company's Code of Ethics – Bribery and Corruption</b> – <a href="https://abotizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://abotizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a></p>	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p>The Corporate Governance Committee mandated the Compliance Officer to ensure that the Company's Code of Ethics, as well as the Manual on Corporate Governance, are disseminated to the directors, officers and all team members.</p> <p><b>Code of Ethics and Business Conduct</b>, available at:</p>	

		<a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a>  ii. <b>Amended Manual on Corporate Governance</b> , p. 48:V.Communication Process, available at <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a>	
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	The Company's policies on anti-bribery and corruption is found in the Code of Ethics, which also contains the steep penalties for violations. The Board of Directors approved the Whistleblowing Policy in 2017, which allows any person to report any wrongdoing through the internal portal, AGORA, or even through the Company website.  <b>Code of Ethics – Consequences of Violating the Code</b> <a href="https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf">https://aboitizpower.com/wp-content/uploads/Code-of-Ethics-and-Business-Conduct_AP.pdf</a>  ii. <b>2017 Integrated Annual Report</b> , pp. 136-137: Key Company Policies, available at: <a href="https://aboitiz.com/community/ar2017_web/">https://aboitiz.com/community/ar2017_web/</a>	
<b>Recommendation 15.3</b>			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	The Board of Directors approved the Whistleblowing Policy in 2017, which allows any person to report any wrongdoing through the internal portal, AGORA, or even through the Company website. The Whistleblowing Policy ensures that the whistleblower may file an anonymous report, free from fear of retaliation.	



		<p>See:  <b>Whistleblowing Policy</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Whistleblowing-Policy.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Whistleblowing-Policy .pdf</a></p> <p><b>Whistleblowing Hotline</b> -  <a href="https://aboitizpower.com/contact-us/whistleblowing/">https://aboitizpower.com/contact-us/whistleblowing/</a></p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	<p>Under the Whistleblowing Policy, the whistleblower has the option to file his report to any, or all of the following: Chairman of the Board, President and CEO, Compliance Officer, Group Internal Head, or the Lead Independent Director.</p> <p>See:  <b>Whistleblowing Policy</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Whistleblowing-Policy.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Whistleblowing-Policy .pdf</a></p> <p><b>Whistleblowing Hotline</b> -  <a href="https://aboitizpower.com/contact-us/whistleblowing/">https://aboitizpower.com/contact-us/whistleblowing/</a></p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>The Board Audit Committee has the responsibility to establish, oversee, and periodically review the whistleblowing procedures in place.</p> <p>See:  i. <b>Amended Manual on Corporate Governance</b>, p. 33: Internal Controls, available at  <a href="https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf">https://aboitizpower.com/wp-content/uploads/AP-Amended-Manual-on-Corporate-Governance-05.31.17-SEC-received-1.pdf</a></p>	

		<p><b>Whistleblowing Policy</b>, available at:  <a href="https://aboitizpower.com/wp-content/uploads/AboitizPower-Whistleblowing-Policy.pdf">https://aboitizpower.com/wp-content/uploads/AboitizPower-Whistleblowing-Policy .pdf</a></p>	
		Duties to Stakeholders	
<p><b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
<p><b>Recommendation 16.1</b></p>			
<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	Compliant	<p>The Company’s commitment to growing the business together with advancement of the society is evident in its purpose – Advancing Business and Communities. Through the Aboitiz Foundation, Inc., the Aboitiz Group is pursuing concrete projects to fulfill eight out of the 17 United Nations’ Sustainable Development Goals, namely: no poverty, zero hunger, good health and well-being, quality education, responsible production &amp; consumption, climate change, life below water, and life on land.</p> <p>See:  i. <b>2017 Integrated Annual Report; pp 98-115</b> on Corporate Social Responsibility, available at:  <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a>  ii. <b>See other projects of the Aboitiz Foundation, Inc.</b> at <a href="http://www.aboitizfoundation.org">www.aboitizfoundation.org</a></p>	
<p><b>Optional: Principle 16</b></p>			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	Compliant	<p>The Company’s key performance indicators are aligned with the United Nations Sustainable Development Goals. This demonstrates the Company’s commitment to contribute to the solutions to poverty reduction, education, climate change, responsible consumption, disaster preparedness, technological innovation, and institutional partnering to achieve these goals.</p> <p>See:</p>	

		<p>i. <b>2017 Integrated Annual Report; pp 98-115</b> on Corporate Social Responsibility, available at: <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p> <p>ii. <b>See other projects of the Aboitiz Foundation, Inc.</b> at <a href="http://www.aboitizfoundation.org">www.aboitizfoundation.org</a></p>	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	<p>The Aboitiz Group is known for its programs and projects designed to benefit the communities where it operates. It aims to be a neighbor of choice by engaging in projects that benefits the host community beyond payment of taxes. Aboitiz Foundation Inc., is the corporate foundation of the Aboitiz Group which implements the programs on education, enterprise development, environment and health and well-being in communities where Aboitiz companies operate.</p> <p>See:</p> <p>i. <b>2017 Integrated Annual Report; pp 98-115</b> on Corporate Social Responsibility, available at: <a href="https://aboitiz.community/ar2017_web/">https://aboitiz.community/ar2017_web/</a></p> <p>ii. <b>See other projects of the Aboitiz Foundation, Inc.</b> at <a href="http://www.aboitizfoundation.org">www.aboitizfoundation.org</a></p>	

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Taguig on ~~09 MAY 2018~~, 2018.

**SIGNATURES**



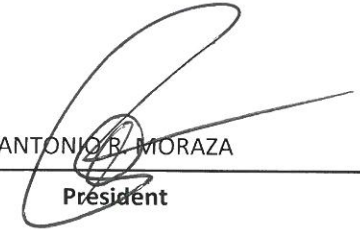
ENRIQUE M. ABOITIZ

**Chairman of the Board**



ERRAMON L. ABOITIZ

**Chief Executive Officer**



ANTONIO B. MORAZA

**President**



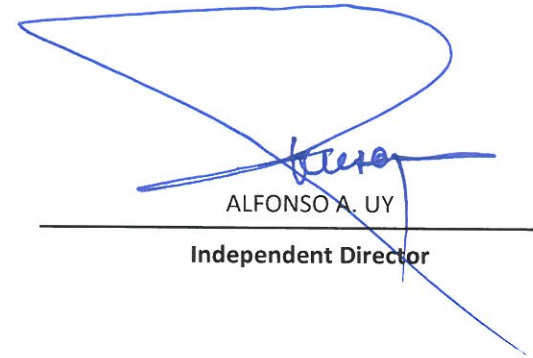
CARLOS C. EJERCITO

**Independent Director**



ROMEO L. BERNARDO

**Independent Director**



ALFONSO A. UY

**Independent Director**



MANUEL ALBERTO R. COLAYCO

**Corporate Secretary**



JOSEPH TRILLANA T. GONZALES

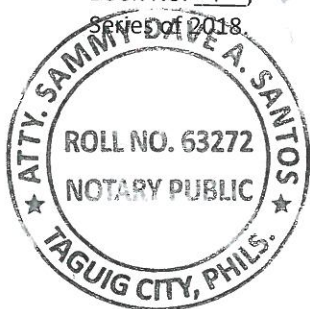
**Compliance Officer**

REPUBLIC OF THE PHILIPPINES)  
CITY OF TAGUIG ) S.S.

SUBSCRIBED AND SWORN TO before me this May 9, 2018 in Taguig City, Philippines. Affiants, who are personally known to me, presented their respective Community Tax Certificates and passports with the details shown below as follows:





NAME	PASSPORT NO.	DATE/PLACE ISSUED	CTC NO.	DATE/PLACE ISSUED
ENRIQUE M. ABOITIZ				
ERRAMON I. ABOITIZ				
ANTONIO R. MORAZA				
ROMEO L. BERNARDO				
CARLOS C. EJERCITO				
ALFONSO A. UY				
MANUEL ALBERTO R. COLAYCO				

Doc No. 250;  
Page No. 51;  
Book No. I;  
Series of 2018.



*(Signature)*  
Atty. Sammy Dave A. Santos  
Notary Public for Taguig City  
Notarial Commission No. 48  
Until December 31, 2019  
NAC Tower, 32<sup>nd</sup> Street, Bonifacio Global City, Taguig City  
PTR No. A-3747887; Taguig City; January 8, 2018  
IBP OR No. 023446; January 9, 2016  
Roll No. 63272  
MCLE Compliance No. V-0012594

ANNEX "A"

   Move to Inbox  More

**Materials for AboitizPower's Regular Board Meeting on September 28, 2017, 0830H-1230H (19th Floor Boardroom, NAC Tower, Taguig City)** 

 Governance & Compliance Communications  9/22/17   

Dear Members of the Board:


Please be advised that we have uploaded presentation materials to the Diligent Boards for the AboitizPower Regular Board Meeting on September 28, 2017.

Kindly start syncing your books for updates.

Thank you.

From the Corporate Secretary  
M. Jasmine S. Oporto

...

 [Click here to Reply, Reply to all, or Forward](#)



**Matters Arising of the Regular Meeting of the Board of Directors  
of  
ABOITIZ POWER CORPORATION  
(the "Company")**  
Board Room, 19th Floor, NAC Tower  
32nd Street, Bonifacio Global City, Taguig  
on  
March 23, 2017, at 0830H – 1230H

**SUMMARY OF MATTERS ARISING**

Item	Matters Arising	Person responsible	Date Due
1	<p><b>5.1 Projects Under Development</b></p> <ol style="list-style-type: none"> <li>1. Determine the level of methane emission by the super-critical boiler.</li> <li>2. Send to EMA a concise report on the super-critical boiler. The report will be forwarded to the Aboitiz Equity Ventures, Inc. Members of the Board of Directors./Donald Lane</li> </ol>	Donald Lane	May 15, 2017