



March 15, 2022

via electronic mail

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City, 1307

ATTENTION : **DIR. VICENTE GRACIANO P. FELIZMENIO, JR.**
Markets and Securities Regulation Department

via PSE EDGE

PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 28th Street cor. 5th Avenue,
Bonifacio Global City, Taguig City

ATTENTION : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

via electronic mail

PHILIPPINE DEALING & EXCHANGE CORP.

29th Floor BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

ATTENTION : **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head – Issuer Compliance and Disclosures Department

Gentlemen:

Attached is the SEC Form 20-IS (Preliminary Information Statement) of Aboitiz Power Corporation for the 2022 Annual Stockholders' Meeting for your files.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By:

A handwritten signature in blue ink, appearing to read "Manuel Alberto R. Colayco".

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

02-8 886-2338

Company Telephone Number

1 2 3 1

Month Day

Fiscal Year

2 0 - I S

FORM TYPE

4th Monday of April

0 4 2 5

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

SEC FORM 20-IS (INFORMATION STATEMENT)

TABLE OF CONTENTS

INFORMATION REQUIRED IN INFORMATION STATEMENT	6
A. GENERAL INFORMATION	6
Item 1. Date, time, and place of the 2022 Annual Stockholders' Meeting.....	6
Item 2. Dissenter's Right of Appraisal.....	6
Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon.....	6
B. CONTROL AND COMPENSATION INFORMATION	7
Item 4. Voting Securities and Principal Holders Thereof	7
(a) Class of Voting Shares as of January 31, 2022:.....	7
(b) Record Date.....	7
(c) Election of Directors and Cumulative Voting Rights.....	7
(d) Security Ownership of Certain Record and Beneficial Ownership and Management.....	8
(1) Security Ownership of Certain Record and Beneficial Owners (more than 5% of the voting shares) as of January 31, 2022	8
(2) Security Ownership of Management as of January 31, 2022 (Record and Beneficial)	9
(3) Voting Trust Holders of Five Per Centum (5%) or More of Common Equity.....	10
(4) Changes in Control	10
Item 5. Directors and Executive Officers	10
(a) Directors and Officers for 2021-2022.....	10
(1) Directors for 2021-2022	10
(2) Significant Employees	28
(3) Family Relationships.....	28
(4) Involvement in Certain Legal Proceedings as of January 31, 2022	28
(5) Certain Relationships and Related Transactions.....	28
(6) Parent Company.....	29
Item 6. Compensation of Directors and Executive Officers.....	29
(a) Summary of Compensation of Executive Officers	29
(b) Compensation of Directors	30
(1) Standard Arrangements	30
(2) Other Arrangements	31
(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements.....	31
(d) Warrants and Options Outstanding	32
Item 7. Independent Public Accountant.....	32
Item 8. Compensation Plans.....	32
C. ISSUANCE AND EXCHANGE OF SECURITIES	32
Item 9. Authorization or Issuance of Securities Other Than for Exchange.....	32
Item 10. Modification or Exchange of Securities	37
Item 11. Financial and Other Information	37
Item 12. Mergers, Consolidations, Acquisitions and Similar Matters.....	37
Item 13. Acquisition or Disposition of Property	37
Item 14. Restatement of Accounts	38
D. OTHER MATTERS	38
Item 15. Action with Respect to Reports	38
Item 16. Matters Not Required to be Submitted.....	38
Item 17. Amendment of Charter, By-Laws or Other Documents	40
Item 18. Other Proposed Actions	41
Item 19. Voting Procedures	41
(a) Votes Required for Matters Submitted for Approval of the Shareholders	41
(b) The Method by which Votes will be Counted	42
PART I – BUSINESS AND GENERAL INFORMATION	44
Item 1. Business	44
(1) Overview.....	44
(2) Business Development	44

SEC FORM 20-IS (INFORMATION STATEMENT)

(3)	Business of Registrant	48
	(a) Description of Registrant.....	48
	(i) Principal Products or Services	48
	(ii) Sales.....	69
	(iii) Distribution Methods of the Products or Services	69
	(iv) New Products/Services.....	70
	(v) Competition.....	71
	(vi) Sources of Raw Materials and Supplies.....	72
	(vii) Major Customers.....	74
	(viii) Transactions with and/or Dependence on Related Parties.....	74
	(ix) Patents, Copyrights and Franchises.....	75
	(x) Government Approvals	85
	(xi) Effect of Existing or Probable Government Regulations on the Business	85
	(xii) Amount Spent on Research and Development Activities.....	107
	(xiii) Costs and Effects of Compliance with Environmental Laws	107
	(xiv) Employees	109
	(xv) Major Risk/s Involved in the Business.....	109
Item 2.	Properties	118
Item 3.	Legal Proceedings	120
Item 4.	Submission of Matters to a Vote of Security Holders	127
PART II – OPERATIONAL AND FINANCIAL INFORMATION		128
Item 5.	Market for Issuer’s Common Equity and Related Stockholder Matters	128
(1)	Market Information.....	128
(2)	Holders	128
(3)	Dividends	129
(4)	Recent Sales of Unregistered or Exempt Securities including Recent Issuances of Securities Constituting an Exempt Transaction	129
Item 6.	Management’s Discussion and Analysis or Plan of Action.....	129
Item 7.	Financial Statements.....	141
Item 8.	Information on Independent Accountant and Other Related Matters	141
(A)	External Audit Fees and Services.....	141
(B)	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure..	142
PART III – CORPORATE GOVERNANCE		142
ANNEX “A” (Explanation of Agenda Items).....		156
ANNEX “B-1” (Certificate of Independent Directors - Raphael P.M. Lotilla)		159
ANNEX “B-2” (Certificate of Independent Directors - Eric Ramon O. Recto)		161
ANNEX “C-1” (Summary of Minutes of the 2021 ASM)		163
ANNEX “C-2” (Draft Minutes of the 2021 ASM)		164
ANNEX “D” (Conglomerate Map)		165
ANNEX “E” (Requirements and Procedure for Voting and Participation in the 2022 ASM)		165
ANNEX “F”(Definition of Terms and Acronyms)		169
The Board Audit Committee Report to the Board of Directors		175
Internal Control and Compliance System Attestation.....		180

SEC FORM 20-IS (INFORMATION STATEMENT)

NOTICE AND AGENDA OF ANNUAL MEETING OF STOCKHOLDERS

ABOITIZ POWER CORPORATION

32nd Street, Bonifacio Global City
Taguig City, Metro Manila 1634, Philippines

NOTICE is hereby given that the Annual Meeting of the Stockholders of **ABOITIZ POWER CORPORATION** (the "Company") will be held on **April 25, 2022, Monday at 1:00 p.m.** (the "2022 ASM"). The meeting will be conducted virtually from NAC Tower, 32nd Street, Bonifacio Global City, Taguig City, and will be accessible through the hyperlink provided in the Company's website at <https://aboitizpower.com/2022asm> (the "ASM Portal") beginning on March 24, 2022.

The Agenda* of the meeting is as follows:

1. Call to Order
2. Proof of Notice of Meeting and Determination of Quorum
3. Reading and Approval of the Minutes of the Previous Stockholders' Meeting held on April 26, 2021
4. Presentation of the President's Report
5. Approval of the 2021 Annual Report and Financial Statements
6. Appointment of the Company's External Auditor for 2022
7. Election of the Members of the Board of Directors
8. Ratification of the Acts, Resolutions, and Proceedings of the Board of Directors, Corporate Officers, and Management from 2021 up to April 25, 2022
9. Other Business
10. Adjournment

Only stockholders of record at the close of business hours on March 23, 2022 are entitled to notice of, and to vote at, this meeting.

In light of the continuing COVID-19 global pandemic and as part of the Company's sustainability efforts, the Company will once again conduct a virtual annual stockholders' meeting. The 2022 ASM will be conducted through an online platform and streamed live at 1:00 p.m. (Philippine time) on April 25, 2022.

Stockholders may attend by registering at the ASM Portal beginning March 24, 2022 until 10:00 a.m. on April 25, 2022. Once registered, stockholders may also send in their questions or remarks through the ASM Portal.

Stockholders may vote through proxy, or remotely or *in absentia*.

Registered stockholders may cast their votes by remote communication or *in absentia* using the online voting platform available at the ASM Portal starting on March 24, 2022. Votes cast until 10:00 am of April 25, 2022 will be tabulated and presented during the 2022 ASM. Stockholders may still vote after the cut-off time, and the final votes received through proxy and through the ASM Portal after the cut-off time will be included in the final minutes of the 2022 ASM. The procedures for attendance and voting during the 2022 ASM are included in the Information Statement to distributed to the stockholders and published in the Company's website at www.aboitizpower.com and in the PSE EDGE portal at edge.pse.com.ph.

Stockholders may send their duly accomplished proxies on or before the close of business hours on April 18, 2022 to the Corporate Secretary through email at aboitizboardsecretariat@aboitiz.com and hard copies at the 18th Floor, NAC Tower, 32nd Street, Bonifacio Global City, Taguig City. Validation of proxies will be on April 21, 2022 virtually from the Office of the Corporate Secretary. **WE ARE NOT SOLICITING PROXIES.**

For the Board of Directors:

MANUEL ALBERTO R. COLAYCO
Corporate Secretary

*The rationale for each Agenda item is explained in the attached Annex "A" and may also be viewed at AboitizPower's website at www.aboitizpower.com/2022asm under Annual Stockholders' Meeting in the Investor Relations Page.

SEC FORM 20-IS (INFORMATION STATEMENT)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter: **ABOITIZ POWER CORPORATION**
3. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
4. SEC Identification Number: **C199800134**
5. BIR Tax Identification Code: **200-652-460-000**
6. Address of principal office: **32ND STREET, BONIFACIO GLOBAL CITY
TAGUIG CITY, METRO MANILA
1634 PHILIPPINES**
7. Registrant's telephone number, including area code: **(02) 8 886-2800**
8. Date, time and place of the meeting of security holders:

Date	: APRIL 25, 2022
Time	: 1:00 P.M.
Place	: Virtually from NAC Tower, 32 nd Street, Bonifacio Global City, Taguig City and via livestream by accessing the link available in the Company's website at https://aboitizpower.com/2022asm
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **MARCH 31, 2022**
10. In case of Proxy Solicitations: **No proxy solicitation is being made.**
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Authorized Capital Stock: ₱17,000,000,000.00

Title of Each Class	Par Value	No. of Shares	Authorized Capital Stock
Common	₱1.00	16,000,000,000	₱16,000,000,000.00
Preferred	₱1.00	1,000,000,000	₱1,000,000,000.00
Total		17,000,000,000	₱17,000,000,000.00

No. of Common Shares Outstanding as of December 31, 2021	7,358,604,307
Amount of Debt Outstanding as of December 31, 2021	₱234,437,399,000.00

Outstanding Fixed-Rate Peso Retail Bonds Issued by the Company:

Issue Date	Series	Amount of Issuance	Maturity Date	Tenor
July 2017	Series A	₱3 billion	July 2027	10 years
October 2018	Series B	₱7.7 billion	January 2024	5.25 years
October 2018	Series C	₱2.5 billion	October 2028	10 years
October 2019	Series D	₱7.25 billion	October 2026	7 years
July 2020	Series E	₱9 billion	July 2022	2 years

SEC FORM 20-IS (INFORMATION STATEMENT)

Issue Date	Series	Amount of Issuance	Maturity Date	Tenor
July 2020	Series F	₱550 million	July 2025	5 years
March 2021	Series A	₱8 billion	March 2026	5 years
December 2021	Series B	₱4.8 billion	December 2025	4 years
December 2021	Series C	₱7.2 billion	December 2028	7 years

For a discussion on the Company's bond issuances, please refer to Section C Item 9.

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes X No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

The common stock of the Company is listed at the Philippine Stock Exchange, Inc. ("PSE").

SEC FORM 20-IS (INFORMATION STATEMENT)

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time, and place of the 2022 Annual Stockholders' Meeting

Date of meeting : **April 25, 2022**
Time of meeting : **1:00 p.m.**
Place of meeting : Virtually from NAC Tower, 32nd Street, Bonifacio Global City, Taguig City and via livestream by accessing the link provided in the Company's website <https://aboitizpower.com/2022asm>

Approximate mailing date of this statement : **March 31, 2022**

Complete mailing address of the principal office of the Registrant : **18th Floor, NAC Tower,
32nd Street, Bonifacio Global City,
Taguig City, Metro Manila
1634 Philippines**

Item 2. Dissenter's Right of Appraisal

There are no matters or proposed actions included in the Agenda of the 2022 Annual Stockholders' Meeting ("2022 ASM") that may give rise to a possible exercise by the stockholders of their appraisal rights.

Generally, however, the stockholders of Aboitiz Power Corporation (hereinafter referred to as "AboitizPower", the "Company" or the "Registrant"), in accordance with Section 80 of Republic Act (RA) No. 11232, or the Revised Corporation Code of the Philippines (the "Revised Corporation Code"), have the right of appraisal in the following instances: (a) in case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code; (c) in case of merger or consolidation; and (d) in case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- (a) Other than the election to AboitizPower's Board of Directors, no current director or officer of AboitizPower, or nominee for election as director of AboitizPower, or any associate of any of the foregoing persons, has substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the stockholders' meeting.
- (a) No director has informed AboitizPower in writing that he intends to oppose any action to be taken by AboitizPower at the meeting.

SEC FORM 20-IS (INFORMATION STATEMENT)

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Class of Voting Shares as of January 31, 2022:

Nationality	Class of Voting Shares	Number of Shares	Percentage
Filipino	Common	5,216,580,580	70.89%
Non-Filipino	Common	2,142,023,727	29.11%
Total No. of Shares Entitled to Vote		7,358,604,307	100.00%

Every stockholder shall be entitled to one vote for each share of stock held, as of the established record date.

(b) Record Date

All common stockholders of record as of March 23, 2022 are entitled to notice of and to vote at AboitizPower's 2022 ASM.

(c) Election of Directors and Cumulative Voting Rights

With respect to the election of directors, a stockholder may vote in person, by proxy, or through remote communication or *in absentia* the number of shares of stock standing in his own name in the stock and transfer book of the Company. A stockholder may vote such number of shares for as many persons as there are directors to be elected. He may also cumulate said shares and give one candidate as many votes as the number of directors to be elected, or distribute the shares on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by the stockholder shall not exceed the total number of shares owned by him as shown in the books of AboitizPower, multiplied by the number of directors to be elected, and provided further, that no delinquent stock shall be voted.

Section 5, Article I of the Amended By-Laws of AboitizPower provides that voting upon all questions at all meetings of the stockholders shall be by shares of stock and not per capita. Moreover, Section 6 of the same Article states that stockholders may vote at all meetings either in person, or by proxy duly given in writing and presented to the Corporate Secretary for inspection, validation and recording, at least seven days prior to the said meeting. In addition, the Revised Corporation Code now allows stockholders of public companies (such as AboitizPower) to cast their votes through remote communication or *in absentia*.

Nominations for independent directors are accepted starting January 1 of the year in which the nominee director is to serve. The table for nominations closes by February 15 of the year, unless the Board Environmental, Social, and Corporate Governance (ESCG) Committee, acting as the Nomination and Compensation Committee, unanimously agrees to extend the deadline for meritorious reasons. Section 7, Article I of the Amended By-Laws of AboitizPower provides that nominations for the election of directors, other than independent directors, for the ensuing year must be received by the Corporate Secretary no less than 15 working days prior to the Annual Meeting of Stockholders, except as may be provided by the Board in appropriate guidelines that it may promulgate from time to time in compliance with law.

No discretionary authority to cumulate votes is solicited.

Pursuant to Sections 4, 5, and 6 of Article I of the Amended By-Laws and Sections 23 and 57 of the Revised Corporation Code, which allow for voting through remote communication or *in absentia*, stockholders may access AboitizPower's online web address at <https://aboitizpower.com/2022asm> beginning on March 24, 2022, in order to register and vote on the matters at the 2022 ASM. Stockholders may cast his/her votes online until 10:00 a.m. on April 25, 2022. A stockholder voting remotely or *in absentia* shall be deemed present for purposes of quorum.

SEC FORM 20-IS (INFORMATION STATEMENT)

Please refer to **Annex “E”** on the Requirements and Procedure for the Voting and Participation in the 2022 ASM for the detailed and complete information on voting via remote communication or *in absentia*, as well as on how to join the livestream for the 2022 ASM.

(d) Security Ownership of Certain Record and Beneficial Ownership and Management

(1) Security Ownership of Certain Record and Beneficial Owners (more than 5% of the voting shares) as of January 31, 2022

Title of Class of Shares	Name and Address of Record Owner, and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held and Nature of Ownership (Record and/or Beneficial)	Percentage of Ownership
Common	1. Aboitiz Equity Ventures Inc. (AEV)¹ 32nd Street, Bonifacio Global City, Taguig City (Stockholder)	Aboitiz Equity Ventures Inc. ²	Filipino	3,825,794,642 (Record and Beneficial)	51.99%
Common	2. JERA Asia Private Limited (JERA Asia)³ 1 Raffles Places, #49-00 One Raffles 603-279-596 Place, Singapore 48616 (Stockholder)	JERA Asia Private Limited	Japanese	1,986,823,163 (Beneficial)	27.00%
Common	3. PCD Nominee Corporation⁴ 37 th Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue corner Paseo de Roxas, Makati City, 1226 Metro Manila (Stockholder)	PCD participants acting for themselves or for their customers ⁵	Filipino	1,101,271,561 (Record)	14.97%

On December 16, 2021, JERA Asia acquired a 27% stake in AboitizPower, which consisted of a 25.01% stake from AEV and a 1.99% stake from the Aboitiz family privately held company, Aboitiz & Company, Inc. (ACO). JERA Asia is an affiliate of JERA Co., Inc. (JERA), a joint venture company organized under the laws of Japan and established in 2015 by two major Japanese electric companies (TEPCO Fuel & Power Incorporated and Chubu Electric Power Company). JERA is Japan’s largest power generation company and has a global footprint through its subsidiaries operating in various countries around the world.

Aboitiz Equity Ventures Inc. (AEV) is the public holding and management company of the Aboitiz Group, one of the largest conglomerates in the Philippines. As of January 31, 2022, the following entities own at least five per centum (5%) or more of AEV:

Title of Class of Shares	Name and Address of Stockholder and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares and Nature of Ownership (Record and/ or Beneficial)	Percentage of Ownership
Common	1. Aboitiz & Company, Inc. Aboitiz Corporate Center,	Aboitiz & Company, Inc.	Filipino	2,735,600,915 (Record and Beneficial)	48.59%

1 AEV is the parent company of AboitizPower.

2 Mr. Sabin M. Aboitiz, President and Chief Executive Officer of AEV, will vote for the shares of AEV in AboitizPower in accordance with the directive of the AEV Board of Directors.

3 Mr. Low Kian Min, Chief Development Officer of JERA Asia, will vote for the shares of JERA Asia in AboitizPower in accordance with the directive of JERA Asia’s Board of Directors.

4 PCD Nominee Corporation is not related to the Company. The beneficial owners of the shares held through a PCD participant are the beneficial owners thereof to the extent of the number of shares registered under the respective accounts with the PCD participant.

5 Each beneficial owner of shares, through a PCD participant, is the beneficial owner of such number of shares he owns in his account with the PCD participant. AboitizPower has no record relating to the power to decide how the shares held by PCD are to be voted. Except for JERA Asia, none of the beneficial owners under a PCD participant own more than 5% of the Company’s common shares.

SEC FORM 20-IS (INFORMATION STATEMENT)

Title of Class of Shares	Name and Address of Stockholder and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares and Nature of Ownership (Record and/ or Beneficial)	Percentage of Ownership
	Gov. Manuel A. Cuenco Avenue, Kasambagan, Cebu City (Stockholder)				
Common	2. PCD Nominee Corporation (Filipino) 37th Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue corner Paseo de Roxas, Makati City, 1226 Metro Manila (Stockholder)	PCD participants acting for themselves or for their customers	Filipino	985,427,473 (Record)	17.50%
Common	3. Ramon Aboitiz Foundation, Inc. 35 Lopez Jaena St., Cebu City (Stockholder)	Ramon Aboitiz Foundation, Inc.	Filipino	426,804,093 (Record and Beneficial)	7.58%
Common	4. PCD Nominee Corporation 37th Floor, Tower 1, The Enterprise Center, 6766 Ayala Avenue corner Paseo de Roxas, Makati City, 1226 Metro Manila (Stockholder)	PCD participants acting for themselves or for their customers	Non-Filipino	348,224,325 (Record)	6.18%

(2) Security Ownership of Management as of January 31, 2022 (Record and Beneficial)

Title of Class of Shares	Name of Owner and Position	No. of Shares and Nature of Ownership (Direct and/or Indirect)		Citizenship	Percentage of Ownership
Common	Sabin M. Aboitiz Chairman of the Board	5,667,406	Direct	Filipino	0.08%
		15,280,079	Indirect		0.21%
Common	Luis Miguel O. Aboitiz Vice Chairman of the Board	11,167,081	Direct	Filipino	0.15%
		21,238,323	Indirect		0.29%
Common	Toshiro Kudama Director	0	Direct	Japanese	0.00%
		100	Indirect		0.00%
Common	Emmanuel V. Rubio Director/President and Chief Executive Officer	89,130	Direct	Filipino	0.00%
		428,000	Indirect		0.01%
Common	Danel C. Aboitiz Director/Chief Commercial and Stakeholder Engagement Officer	4,081,636	Direct	Filipino	0.06%
		3,369,504	Indirect		0.05%
Common	Edwin R. Bautista Director	1,000	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Raphael P.M. Lotilla Lead Independent Director	1,000	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Carlos C. Ejercito Independent Director	1,000	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Eric Ramon O. Recto Independent Director	1,000	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Veronica C. So Group Treasurer	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Liza Luv T. Montelibano Senior Vice President/Chief Financial Officer/Corporate Information Officer	19,600	Direct	Filipino	0.00%
		0	Indirect		0.00%

SEC FORM 20-IS (INFORMATION STATEMENT)

Title of Class of Shares	Name of Owner and Position	No. of Shares and Nature of Ownership (Direct and/or Indirect)		Citizenship	Percentage of Ownership
Common	Ma. Consolacion C. Mercado Compliance Officer	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Manuel Alberto R. Colayco Corporate Secretary	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Mailene M. de la Torre Assistant Corporate Secretary	0	Direct	Filipino	0.00%
		5,000	Indirect		0.00%
Common	Sammy Dave A. Santos Assistant Corporate Secretary	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Mark Louie L. Gomez Data Privacy Officer and Vice President for Risk and Organizational Performance Management	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Saturnino E. Nicanor, Jr. Internal Audit Head	26,896	Direct	Filipino	0.00%
		0	Indirect		0.00%
TOTAL		61,376,755			0.83%

(3) Voting Trust Holders of Five Per Centum (5%) or More of Common Equity

No person holds under a voting trust or similar agreement more than five percent (5%) of AboitizPower's common equity.

(4) Changes in Control

There are no arrangements that may result in a change in control of AboitizPower during the period covered by this report.

Item 5. Directors and Executive Officers

(a) Directors and Officers for 2021-2022

The overall management and supervision of the Company is undertaken by its board of directors (the "Board"). The Company's executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review.

(1) Directors for 2021-2022

The Company's Board is composed of nine directors, three of whom are Independent Directors, four are Non-Executive Directors, and two are Executive Directors. Below are the profiles of each director for 2021-2022 with their corresponding positions, offices, and business experience held for the past five years. Except for Mr. Toshiro Kudama who assumed his directorship on December 22, 2021, the directors were elected during AboitizPower's 2021 ASM to serve for a term of one year, and until their successors are duly elected and qualified.

SABIN M. ABOITIZ

Chairman of the Board
Non-Executive Director

Age: 56 years old

Citizenship: Filipino

Date of First Appointment: April 26, 2021

Tenure: 10 months

SEC FORM 20-IS (INFORMATION STATEMENT)

Committee Memberships:

Chairman	Board Risk and Reputation Management Committee <i>(since April 26, 2021)</i>
Member	Board Environmental, Social and Corporate Governance Committee <i>(since April 26, 2021)</i>
	Board Executive Committee <i>(since April 26, 2021)</i>
	Board Cybersecurity Committee <i>(since April 26, 2021)</i>

Present Positions:

Chairman of the Board	Aboitiz Power Corporation*
	Aboitiz Foundation, Inc.
	Aboitiz Infracapital, Inc.
	Aboitiz Land, Inc.
	Aboitiz Renewables, Inc.
	CRH Aboitiz Holdings, Inc.
	Filagri Holdings, Inc.
	Manila-Oslo Renewable Enterprise, Inc.
	Republic Cement Services, Inc.
SN Aboitiz Power – Benguet, Inc.	
Director/President and Chief Executive Officer	Aboitiz Equity Ventures Inc.*
	Aboitiz & Company, Inc.
Director/Chairman/ President and Chief Executive Officer	Aboitiz Renewables, Inc.
Director/President	AEV CRH Holdings, Inc.
Director	Aboitiz Construction International, Inc.
	Aboitiz Construction, Inc.
	AboitizPower International Pte. Ltd.
	AEV International Pte Ltd.
	Apo Agua Infraestructura, Inc.
	Lima Land, Inc.
	Pilmico Animal Nutrition Corporation
	Pilmico Foods Corporation
	Pilmico International Pte. Ltd.
	Republic Cement & Building Materials, Inc.
	Therma Luzon, Inc.
	Therma South, Inc.
	Unity Digital Infrastructure Inc.
Union Bank of the Philippines, Inc *	
UnionDigital Bank, Inc.	

* A publicly listed company

Previous Positions:

First Vice President	Aboitiz Equity Ventures Inc.
Senior Vice President	
Executive Vice President and Chief Operating Officer	

Educational Background:

College	Business Administration, Major in Finance Gonzaga University, Spokane, U.S.A
---------	---

He is not connected with any Philippine government agency or instrumentality.

SEC FORM 20-IS (INFORMATION STATEMENT)

LUIS MIGUEL O. ABOITIZ

Vice Chairman of the Board
Non-Executive Director

Age: 57 years old

Citizenship: Filipino

Date of First Appointment: April 26, 2021

Tenure: 10 months

Committee Memberships:

Member	Board Audit Committee <i>(since April 26, 2021)</i>
	Board Environmental, Social and Corporate Governance Committee <i>(since April 26, 2021)</i>
	Board Executive Committee <i>(since April 26, 2021)</i>
	Board Cybersecurity Committee <i>(since April 26, 2021)</i>

Present Positions:

Vice Chairman of the Board	Aboitiz Power Corporation*
Chairman of the Board	Aboitiz Impact Ventures, Inc.
Director	Aboitiz & Company, Inc.
Director and President	DDLS Aboitiz, Inc.
Director	AB Capital Securities, Inc.
Trustee	Pacific Basin Economic Council

* A publicly listed company

Previous Positions:

Executive Vice President – Chief Strategy Officer	Aboitiz Power Corporation
Executive Vice President and Chief Operating Officer – Corporate Business Group	
Senior Vice President-Power Marketing and Trading	

Educational Background:

College	Bachelor of Science in Computer Science and Engineering Santa Clara University, California, U.S.A.
Graduate Studies	Masters in Business Administration University of California, Berkeley, U.S.A.

He is not connected with any Philippine government agency or instrumentality. He is not a director of any other publicly-listed company in the Philippines.

EMMANUEL V. RUBIO

Executive Director/President and Chief Executive Officer

Age: 57 years old

Citizenship: Filipino

Date of First Appointment: January 1, 2020

Tenure: 2 years

SEC FORM 20-IS (INFORMATION STATEMENT)

Committee Memberships:	
Chairman	Board Executive Committee <i>(since January 1, 2020)</i>
Member	Board Risk and Reputation Management Committee <i>(since April 26, 2021)</i>
<i>Ex-Officio</i> Member	Board Cybersecurity Committee <i>(since July 29, 2021)</i>
Present Positions:	
Director/President and Chief Executive Officer	Aboitiz Power Corporation
Chairman of the Board	SN Aboitiz Power Group
	Therma South, Inc.
	AA Thermal, Inc.
Director	Aboitiz Power Distributed Energy, Inc.
	Aboitiz Power Distributed Renewables, Inc.
	Aboitiz Renewables, Inc.
	AboitizPower International B.V.
	AboitizPower International Pte. Ltd.
	Abovant Holdings, Inc.
	Cebu Energy Development Corporation
	Cebu Private Power Corporation
	Cotabato Light & Power Company
	Davao Light & Power Co., Inc.
	Hedcor Group
	Maaraw Holdings San Carlos, Inc.
	Redondo Peninsula Energy, Inc.
San Carlos Sun Power Inc.	
STEAG State Power, Inc.	
Directorship and Management Position	GNPower Mariveles Energy Center Ltd. Co.
Trustee	Aboitiz Foundation, Inc.
Previous Positions:	
Executive Vice President and Chief Operating Officer – Power Generation Group	Aboitiz Power Corporation
Executive Vice President - Chief Operating Officer	
Educational Background:	
College	Bachelor of Science in Industrial Management Engineering with a minor in Mechanical Engineering De La Salle University, Manila
Graduate Studies	Masters in Business Administration Certificate of Completion De La Salle University, Manila
Certificates and Courses	The LEAD Program Columbia University
	Advanced Management Program Columbia University
	Strategic Management Course Nanyang Technological University, Singapore
	Executive Certificate in Directorship

SEC FORM 20-IS (INFORMATION STATEMENT)

	Singapore Management University – Singapore Institute of Directors (SMU-SID)
He is not connected with any Philippine government agency or instrumentality. He is not a director of any other publicly-listed company in the Philippines.	

TOSHIRO KUDAMA	
Non-Executive Director	
<u>Age</u> : 63 years old	
<u>Citizenship</u> : Japanese	
<u>Date of First Appointment</u> : December 22, 2021	
<u>Tenure</u> : 2 months	
Committee Memberships:	
Member	Board Executive Committee <i>(since December 22, 2021)</i>
	Board Risk and Reputation Management Committee <i>(since December 22, 2021)</i>
Present Positions:	
Director	Aboitiz Power Corporation
Senior Managing Executive Officer	JERA Co., Inc.
Chief Executive Officer	JERA Asia Private Limited
Previous Positions:	
Managing Executive Officer	JERA Co., Inc.
Chief Power Development Officer and Senior Executive Vice President	
Director and Chief Executive Officer	JERA Americas Inc.
Managing Director, Head of Overseas and Domestic Operations	TEPCO Fuel & Power, Incorporated
Educational Background:	
College	Bachelor's Degree in Mechanical Engineering Tokyo Institute of Technology
Graduate Studies	Master's Degree in Mechanical Engineering Graduate School of Tokyo Institute of Technology
He is not connected with any Philippine government agency or instrumentality. He is not a director of any other publicly-listed company in the Philippines.	

SEC FORM 20-IS (INFORMATION STATEMENT)

EDWIN R. BAUTISTA

Non-Executive Director

Age: 61 years old

Citizenship: Filipino

Date of First Appointment: April 26, 2021

Tenure: 10 months

Committee Memberships:

N/A	N/A
-----	-----

Present Positions:

Director	Aboitiz Power Corporation*
Chairman of the Board of Directors	City Savings Bank
Director/ President and Chief Executive Officer	Union Bank of the Philippines*
Director	Union Investments Corp.
	First Union Plans, Inc.
	First Union Direct Corp.
	UBX Philippines Corporation
	Petnet, Inc.
	UnionDigital Bank, Inc.

* A publicly listed company

Previous Positions:

Chief Operating Officer	Union Bank of the Philippines
Senior Executive Vice President	
Executive Vice President	

Educational Background:

College	Bachelor of Science in Mechanical Engineering De La Salle University, Manila
Graduate Studies	Advance Management Program Harvard Business School in Massachusetts, U.S.A

He is not connected with any Philippine government agency or instrumentality.

SEC FORM 20-IS (INFORMATION STATEMENT)

DANEL C. ABOITIZ

Executive Director

Age: 40 years old

Citizenship: Filipino

Date of First Appointment: December 11, 2018

Tenure: 3 years

Committee Memberships:

Member	Board Audit Committee <i>(since January 28, 2020)</i>
	Board Executive Committee <i>(since April 26, 2021)</i>

Present Positions:

Director and Chief Commercial and Stakeholder Engagement Officer	Aboitiz Power Corporation
Vice Chairman of the Board	Republic Cement & Building Materials, Inc.
Director and President	Manila-Oslo Renewable Enterprise, Inc.
Director	AA Thermal, Inc.
	AEV CRH Holdings, Inc.
	CRH Aboitiz Holdings, Inc.
	AboitizPower Coal Business Units
	AboitizPower Oil Business Units
	Pagbilao Energy Corporation
	SN AboitizPower Group
	STEAG State Power, Inc.
Therma Power, Inc.	
Directorship and Management Positions	GNPower Dinginin Ltd. Co.
Board of Advisors	Aboitiz & Company, Inc.

Previous Positions:

SVP for Regulatory Affairs and External Relations	Aboitiz Power Corporation
President and COO	AboitizPower Coal Business Units
President and COO	AboitizPower Oil Business Units

Educational Background:

College	MA, Philosophy & Politics (with Second Honors) University of Edinburgh
Gap Year	Beijing Language and Culture University Chinese Language

Affiliations:

Director	Philippine Electricity Market Corporation
Member, Board of Trustees	Philippine Independent Power Producers Association

He is not connected with any Philippine government agency or instrumentality. He is not a director of any other publicly-listed company in the Philippines.

SEC FORM 20-IS (INFORMATION STATEMENT)

RAPHAEL P.M. LOTILLA

Lead Independent Director

Age: 63 years old

Citizenship: Filipino

Date of First Appointment: April 26, 2021

Tenure: 10 months

Committee Memberships:

Chairman	Board Environmental, Social and Corporate Governance Committee <i>(since April 26, 2021)</i>
Member	Board Audit Committee <i>(since April 26, 2021)</i>
	Board Risk and Reputation Management Committee <i>(since April 26, 2021)</i>
	Board Related Party Transaction Committee <i>(since April 26, 2021)</i>

Present Positions:

Lead Independent Director	Aboitiz Power Corporation*
Chairman of the Board of Trustees	The Asia-Pacific Pathways to Progress Foundation, Inc.
Independent Director	Petron Foundation, Inc.
	ACE Enexor, Inc.*
	First Metro Investment Corporation
Trustee	Philippine Institute for Development Studies**
Member of the Advisory Committee	Ateneo University Professional Schools
Adjunct Faculty	Asian Institute of Management

* A publicly listed company

** A government agency or instrumentality.

Previous Positions:

Independent Director	Aboitiz Equity Ventures Inc.
President and Chief Executive Officer	Power Sector Assets and Liabilities Management (PSALM) Corporation
Deputy Director – General	National Economic and Development Authority
Coordinator	Philippine Council for Sustainable Development
Chairman	Philippine National Oil Company
Vice-Chairman	National Power Corporation
Vice-Chairman	National Transmission Corporation
Secretary of Energy	Department of Energy
Regional Programme Director	Global Environment Facility, UN Development Programme

Educational Background:

College	Bachelor of Science in Psychology/ Bachelor of Arts in History University of the Philippines – Diliman
Graduate Studies	Bachelor of Laws University of the Philippines – Diliman
	Master of Laws University of Michigan Law School, U.S.A.

SEC FORM 20-IS (INFORMATION STATEMENT)

CARLOS C. EJERCITO

Independent Director

Age: 76 years old

Citizenship: Filipino

Date of First Appointment: May 19, 2014

Tenure: 7 years

Committee Memberships:

Chairman	Board Audit Committee <i>(since May 19, 2014)</i>
Member	Board Risk and Reputation Management Committee <i>(since May 19, 2014)</i>
	Board Environmental, Social and Corporate Governance Committee <i>(since May 19, 2014)</i>
	Board Related Party Transactions Committee <i>(since May 15, 2017)</i>

Present Positions:

Independent Director	Aboitiz Power Corporation*
Independent Director and Chairman of the Board Audit Committee	Bloomerry Resorts Corporation*
Independent Director and Member of the Audit Committee	Century Properties Group, Inc.*
Chairman	Northern Access Mining, Inc.
President and Chief Executive Officer	Mount Grace Hospitals, Inc.
Board Member	Medical Center Manila VR Potenciano Medical Center Tagaytay Medical Center Pinehurst Medical Services Inc. Grace General Hospital Healthserv Medical Center Lorma Medical Center Mary Mediatrix Medical Center Silvermed Corporation Capitol Medical Center Divine Grace Medical Center Good Samaritan Medical Center

* A publicly listed company

Previous Positions:

Chairman of the Board	United Coconut Planters Bank
Director	National Grid Corporation of the Philippines
President and Chief Executive Officer	Greenfield Development Corporation
Vice President and Senior Country Operations Officer	Citibank, NA.

Educational Background:

College	Bachelor of Science in Business Administration <i>(cum laude)</i> , University of the East
---------	--

SEC FORM 20-IS (INFORMATION STATEMENT)

Graduate Studies	Management Development Program Harvard Business School, Massachusetts, U.S.A.
------------------	---

He is not connected with any Philippine government agency or instrumentality.

ERIC RAMON O. RECTO	
Independent Director	
<u>Age:</u> 58 years old	
<u>Citizenship:</u> Filipino	
<u>Date of First Appointment:</u> May 21, 2018	
<u>Tenure:</u> 3 years	
Present Positions:	
Independent Director	Aboitiz Power Corporation*
Chairman of the Board	Philippine Bank of Communications*
Chairman of the Board and President	Bedfordbury Development Corporation
Vice Chairman	Alphaland Corporation
President and Vice Chairman	Atok-Big Wedge Co., Inc.*
President/Director	Q-Tech Alliance Holdings, Inc.
Director	DITO CME Holdings Corp.*
Independent Director	PH Resorts Group Holdings, Inc.*
Independent Director	Manila Water Company, Inc. *
Independent Director	Waterfront Cebu City Casino Hotel Inc.
Independent Director	Davao Insular Hotel Company Inc.
* A publicly listed company	
Previous Positions:	
Vice Chairman	Alphaland Corporation
President	Top Frontier Investment Holdings, Inc.
Director	San Miguel Corporation
	Manila Electric Company (Meralco)
Undersecretary	Department of Finance
Educational Background:	
College	Bachelor of Science Degree in Industrial Engineering University of the Philippines – Diliman
Graduate Studies	Masters in Business Administration, with concentration in Finance and Operation Management Johnson Graduate School of Management at the Cornell University in Ithaca, New York, U.S.A
He is not connected with any Philippine government agency or instrumentality.	

Performance Assessment and Attendance Reports of the Board

In accordance with AboitizPower’s Revised Manual on Corporate Governance (as amended on February 23, 2022) (the “Revised Manual”), the members of the Board and Board Committees conduct an annual self assessment of their collective and individual performance. In addition, the directors assess the performance of the Company’s corporate officers such as the Chairman of the Board, the Chief Executive Officer, the Chief Risk Officer, and Compliance Officer, and the Group Internal Audit Head.

SEC FORM 20-IS (INFORMATION STATEMENT)

The assessment forms are prepared and regularly reviewed by the Compliance Officer to elicit relevant and valuable insights on the following assessment criteria: (1) compliance with best governance practices and principles; (2) participation and contribution to the Board and committee meetings; and (3) performance of their duties and responsibilities as provided in the Company's Revised Manuals, Charters, Amended Articles of Incorporation, and Amended By-Laws.

In addition, AboitizPower directors are evaluated by its key officers based on the following criteria: (1) business acumen, (2) independent judgment, (3) familiarity with the business, (4) active participation and effective challenge, (5) professional expertise and network, (6) value contribution, (7) embodiment of Aboitiz core values, and (8) reputation. Assessment results are presented to the Board ESCG Committee as part of the nomination and selection process of incumbent Board members.

The Corporate Governance Code and the Revised Manual requires that at least once in every three years, the conduct of the Board performance assessment must be supported by an independent third-party facilitator. In 2020, AboitizPower engaged Good Governance Advocates and Practitioners of the Philippines (GGAPP), an independent association of corporate governance practitioners, to support the Board performance assessment exercise. The results of the assessment, as well as the recommendations from GGAPP, were presented and discussed at the Board ESCG Committee meeting on February 16, 2021.

For more discussion on the Board's (i) performance assessment, and (ii) attendance record at Board, Board Committee, and stockholders' meetings for the year 2021, please refer to the Board Matters portion of Part III – Corporate Governance on page 142 of this Preliminary Information Statement.

Nominations for Independent Directors and Procedure for Nomination

The procedure for the nomination and election of the Independent Directors is in accordance with Rule 38 of the Securities Regulation Code ("SRC Rule 38"), AboitizPower's Amended By-Laws, and AboitizPower's Amended Guidelines for the Nomination and Election of Independent Directors, approved by the Board of Directors on March 23, 2017 (the "Amended Guidelines").

Nominations for Independent Directors were opened beginning January 1, 2022 and the table for nominations was closed on February 15, 2022, in accordance with Section C(1) of the Guidelines. The period may be extended by unanimous vote of the Board ESCG Committee for meritorious reasons.

SRC Rule 38 further requires the Board ESCG Committee (in its capacity as the Board Nominations and Compensation Committee) to meet and pre-screen all nominees and submit a Final List of Nominees to the Corporate Secretary, so that such list will be included in the Company's Preliminary and Definitive Information Statements. Only nominees whose names appear on the Final List shall be eligible for election as Independent Directors. No other nominations shall be entertained after the Final List of nominees has been prepared. The name of the person or group of persons who nominates an Independent Director shall be identified in such report including any relationship with the nominee.

On February 18, 2022, the Chairman of the Board ESCG Committee submitted the Final List of Nominees to the Corporate Secretary. In approving the nominations for Independent Directors, the Board ESCG Committee considered the guidelines on the nominations of Independent Directors prescribed in SRC Rule 38, the Amended Guidelines, and AboitizPower's Revised Manual. In 2021, Mr. Raphael P.M. Lotilla, Lead Independent Director, was the Chairman of the Board ESCG Committee. The other voting members are Messrs. Sabin M. Aboitiz, Luis Miguel O. Aboitiz, Carlos C. Ejercito, and Eric Ramon O. Recto, while the *ex-officio* non-voting members are Ms. Ma. Consolacion C. Mercado, Ms. Susan V. Valdez, and Mr. David Jude L. Sta. Ana.

No nominations for Independent Director shall be accepted at the floor during the ASM at which such nominee is to be elected. Independent Directors shall be elected in the ASM during which other members of the Board are to be elected.

SEC FORM 20-IS (INFORMATION STATEMENT)

Messrs. Raphael P. M. Lotilla and Eric Ramon O. Recto are the nominees for Independent Directors of AboitizPower for the 2022 ASM. They are neither officers nor employees of AboitizPower or any of its Affiliates, and do not have any relationship with AboitizPower which would interfere with the exercise of independent judgment in carrying out the responsibilities of an Independent Director. Attached as **Annexes “B-1”** and **“B-2”** are the Certifications of Qualification as Independent Director of Messrs. Lotilla and Recto, respectively.

AboitizPower stockholders, Mesdames Catherine Alvarez and Maricar Suico Le, have respectively nominated Messrs. Lotilla and Recto as AboitizPower’s Independent Directors. None of the nominating stockholders have any relation to the respective independent director they are nominating.

Other Nominees for Election as Members of the Board of Directors

As the Board ESCG Committee conveyed to the Corporate Secretary on February 18, 2022, the following were also nominated and qualified as candidates to the AboitizPower Board of Directors for the ensuing year 2022-2023:

Sabin M. Aboitiz
Luis Miguel O. Aboitiz
Emmanuel V. Rubio
Toshiro Kudama
Satoshi Yajima
Edwin R. Bautista
Danel C. Aboitiz

Pursuant to Section 7, Article I of the Amended By-Laws of AboitizPower, nominations for members of the Board, other than Independent Directors, for the ensuing year must be submitted in writing to the Corporate Secretary at least 15 working days prior to the ASM on April 25, 2022 or not later than March 31, 2022.

All other information regarding the positions and offices held by nominees are integrated in Item 5(a)(1) above. Mr. Satoshi Yajima is being nominated to the AboitizPower Board for the first time.

Below is the profile of Mr. Yajima including the positions and offices he held for the past five years.

SATOSHI YAJIMA	
<u>Nomination</u> : Non-Executive Director	
<u>Age</u> : 54 years old	
<u>Citizenship</u> : Japanese	
Present Positions:	
Managing Executive Officer/ Senior Operating Officer – Business Development Department	JERA Co., Inc.
Previous Positions:	
Senior Vice President of Energy Infrastructure Group	JERA Co., Inc.
Executive Officer and Senior Operating Officer – Business Development Department	

SEC FORM 20-IS (INFORMATION STATEMENT)

Educational Background:	
College	Bachelor's Degree in Electrical Engineering Waseda University, Japan
He is not connected with any Philippine government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.	

Officers for 2021-2022

Below is the list of AboitizPower's officers for 2021-2022 with their corresponding positions and offices held for the past five years. Unless otherwise indicated, the officers assumed their positions during AboitizPower's organizational meeting in 2021 for a term of one year.

<p>SABIN M. ABOITIZ Chairman – Board of Directors</p> <p><i>Refer to Item 5 (a)(1) for the profile of Mr. Sabin M. Aboitiz</i></p>

<p>LUIS MIGUEL O. ABOITIZ Vice Chairman – Board of Directors</p> <p><i>Refer to Item 5 (a)(1) for the profile of Mr. Luis Miguel O. Aboitiz.</i></p>

<p>EMMANUEL V. RUBIO Director/President and Chief Executive Officer</p> <p><i>Refer to Item 5 (a)(1) for the profile of Mr. Emmanuel V. Rubio.</i></p>

<p>LIZA LUV T. MONTELIBANO Senior Vice President – Chief Financial Officer/Corporate Information Officer</p> <p><u>Age:</u> 45 <u>Citizenship:</u> Filipino</p> <p>Committee Memberships:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; padding: 2px;"><i>Ex-Officio Member</i></td> <td style="padding: 2px;">Board Risk and Reputation Management Committee Board Executive Committee</td> </tr> </table> <p>Present Positions:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; padding: 2px;">Senior Vice President – Chief Financial Officer/Corporate Information Officer</td> <td style="padding: 2px;">Aboitiz Power Corporation</td> </tr> <tr> <td style="padding: 2px;">Director/Treasurer/Chief Finance Officer</td> <td style="padding: 2px;">AA Thermal, Inc.</td> </tr> <tr> <td style="padding: 2px;">Director/SVP – Finance</td> <td style="padding: 2px;">Aboitiz Renewables, Inc.</td> </tr> <tr> <td style="padding: 2px;">Director</td> <td style="padding: 2px;">AboitizPower International Pte Ltd</td> </tr> <tr> <td style="padding: 2px;"></td> <td style="padding: 2px;">AP Renewable Energy Corporation</td> </tr> <tr> <td style="padding: 2px;"></td> <td style="padding: 2px;">Aseagas Corporation</td> </tr> <tr> <td style="padding: 2px;"></td> <td style="padding: 2px;">Archipelago Insurance Pte Ltd</td> </tr> <tr> <td style="padding: 2px;"></td> <td style="padding: 2px;">Cotabato Light & Power Company</td> </tr> <tr> <td style="padding: 2px;"></td> <td style="padding: 2px;">Davao Light & Power Co., Inc.</td> </tr> </table>		<i>Ex-Officio Member</i>	Board Risk and Reputation Management Committee Board Executive Committee	Senior Vice President – Chief Financial Officer/Corporate Information Officer	Aboitiz Power Corporation	Director/Treasurer/Chief Finance Officer	AA Thermal, Inc.	Director/SVP – Finance	Aboitiz Renewables, Inc.	Director	AboitizPower International Pte Ltd		AP Renewable Energy Corporation		Aseagas Corporation		Archipelago Insurance Pte Ltd		Cotabato Light & Power Company		Davao Light & Power Co., Inc.
<i>Ex-Officio Member</i>	Board Risk and Reputation Management Committee Board Executive Committee																				
Senior Vice President – Chief Financial Officer/Corporate Information Officer	Aboitiz Power Corporation																				
Director/Treasurer/Chief Finance Officer	AA Thermal, Inc.																				
Director/SVP – Finance	Aboitiz Renewables, Inc.																				
Director	AboitizPower International Pte Ltd																				
	AP Renewable Energy Corporation																				
	Aseagas Corporation																				
	Archipelago Insurance Pte Ltd																				
	Cotabato Light & Power Company																				
	Davao Light & Power Co., Inc.																				

SEC FORM 20-IS (INFORMATION STATEMENT)

	Hedcor Group
	Luzon Hydro Corporation
	Subic Enerzone Corporation
	Therma Power, Inc.
	Visayan Electric Co., Inc.
Directorship and Management Position	GNPower Mariveles Energy Center Ltd. Co.

Previous Positions:

Country Controller	NXP Semiconductors
Chief Financial Officer	SteelAsia Manufacturing Corporation
General Manager for Finance and Administration	L'Oreal Philippines, Inc.

Educational Background:

College	Bachelor of Science in Management, Minor in Finance <i>(cum laude)</i> Ateneo de Manila University, Manila
---------	--

She is also a Certified Internal Auditor under the Institute of Internal Auditors. She is not connected with any Philippine government agency or instrumentality. She is not a director of a publicly-listed company in the Philippines.

MA. CONSOLACION C. MERCADO*
Compliance Officer

Age: 43
Citizenship: Filipino

Committee Memberships:

<i>Ex-Officio Member</i>	Board Environmental, Social, and Corporate Governance Committee
--------------------------	---

Present Positions:

Compliance Officer/ Vice President for Legal – Energy Affairs	Aboitiz Power Corporation
---	---------------------------

Previous Positions:

Vice President for Regulatory Affairs, Distribution Utility Group	Aboitiz Power Corporation
Assistant Vice-President for Legal – Energy Affairs	

Educational Background:

College	Bachelor of Science in Business Administration and Accountancy University of the Philippines – Diliman
Graduate Studies	Bachelor of Laws University of the Philippines – Diliman

SEC FORM 20-IS (INFORMATION STATEMENT)

She is a Certified Public Accountant and a member in good standing of the Integrated Bar of the Philippines. She is not connected with any Philippine government agency or instrumentality. She is not a director of any publicly-listed company in the Philippines.

**Effective April 1, 2022, Ms. Monalisa C. Dimalanta will assume the role of Compliance Officer in AboitizPower.*

MARIA VERONICA C. SO

Group Treasurer

Age: 49

Citizenship: Filipino

Committee Memberships:

None	N/A
------	-----

Present Positions:

Group Treasurer	Aboitiz Power Corporation
Senior Vice President – Group Treasurer	Aboitiz Equity Ventures Inc.

Previous Positions:

First Vice President – Deputy Group Treasurer	Aboitiz Equity Ventures Inc.
Vice President – Treasury Services	
Various treasury and finance positions	Globe Telecom

Educational Background:

College	Bachelor of Science in Business Management Ateneo de Manila University, Manila
Graduate Studies	Masters in Business Management Asian Institute of Management

She is not connected with any Philippine government agency or instrumentality. She is not a director of any publicly-listed company in the Philippines.

MANUEL ALBERTO R. COLAYCO

Corporate Secretary

Age: 52

Citizenship: Filipino

Committee Memberships:

None	N/A
------	-----

Present Positions:

Corporate Secretary	Aboitiz Power Corporation
Senior Vice President – Chief Legal and Compliance Officer/Corporate Secretary	Aboitiz Equity Ventures Inc.

SEC FORM 20-IS (INFORMATION STATEMENT)

Previous Positions:

First Vice President and Chief Legal Officer	Aboitiz Equity Ventures Inc.
General Counsel	AGP International Holdings Ltd.
	Atlantic, Gulf & Pacific Company of Manila, Inc.
Executive Director and Assistant General Counsel	J.P. Morgan Chase Bank N.A.
Vice President and Legal Counsel	DKR Oasis (Hong Kong) LLC
Associate	Skadden, Arps, Slate, Meagher & Flom, LLP
	Romulo Mabanta Buenaventura Sayoc & de los Angeles

Educational Background:

College	Bachelor of Arts in Economics Ateneo de Manila University, Manila
Graduate Studies	Juris Doctor Ateneo de Manila University, Manila
	Master of Laws New York University School of Law, New York, U.S.A.

He is a member in good standing of the Integrated Bar of the Philippines and of the New York State Bar. He is not connected with any Philippine government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.

MAILENE M. DE LA TORRE

Assistant Corporate Secretary

Age: 40

Citizenship: Filipino

Committee Memberships:

None	N/A
------	-----

Present Positions:

Assistant Corporate Secretary	Aboitiz Power Corporation
Assistant Vice President – Governance and Compliance and Assistant Corporate Secretary	Aboitiz Equity Ventures Inc.
Corporate Secretary	Aboitiz Renewables Inc.
	Therma Power, Inc.
	Therma South, Inc.
	Therma Visayas, Inc.
	Manila Oslo Renewable Enterprise Inc.
	Pilmico Foods Corporation
	AEV CRH Holdings, Inc.
	SN AboitizPower Group
Enerzones Group	
Pagbilao Energy Corporation	
Assistant Corporate Secretary	Cotabato Light & Power Company
	Visayan Electric Co., Inc.

SEC FORM 20-IS (INFORMATION STATEMENT)

Previous Positions:

Senior Associate General Counsel for Governance and Compliance	Aboitiz Equity Ventures Inc.
--	------------------------------

Educational Background:

College	Bachelor of Arts Degree in Political Science (<i>Cum Laude</i>) University of the Philippines – Diliman
Graduate Studies	Bachelor of Laws Degree University of the Philippines – Diliman

She is also a graduate member of the Institute of Corporate Directors and completed the Professional Director’s Program. She is a member in good standing of the Integrated Bar of the Philippines. She is not connected with any Philippine government agency or instrumentality. She is not a director of a publicly-listed company in the Philippines.

SAMMY DAVE A. SANTOS
Assistant Corporate Secretary

Age: 36
Citizenship: Filipino

Committee Memberships:

None	N/A
------	-----

Present Positions:

Assistant Corporate Secretary	Aboitiz Power Corporation
Senior Associate General Counsel for Governance and Compliance	Aboitiz Equity Ventures Inc.
Corporate Secretary	Various Subsidiaries of the Aboitiz Group
Assistant Corporate Secretary	Various Subsidiaries of the Aboitiz Group
	Good Governance Advocates and Practitioners of the Philippines

Previous Positions:

Associate General Counsel for Governance and Compliance	Aboitiz Equity Ventures Inc.
---	------------------------------

Educational Background:

College	Master of Science in Industrial Economics University of Asia and the Pacific, Pasig
Graduate Studies	Juris Doctor Ateneo de Manila University, Manila

He is a member in good standing with the Integrated Bar of the Philippines. He is not connected with any Philippine government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.

SEC FORM 20-IS (INFORMATION STATEMENT)

MARK LOUIE L. GOMEZ
 Vice President for Risk and Organizational Performance Management and Data Protection Officer

Age: 40
Citizenship: Filipino

Committee Memberships:

<i>Ex-Officio Member</i>	Board Risk and Reputation Management Committee
--------------------------	--

Present Positions:

Vice President for Risk and Organizational Performance Management and Data Protection Officer	Aboitiz Power Corporation
---	---------------------------

Previous Positions:

Assistant Vice President – Enterprise Risk Management and Data Protection Officer	Therma Luzon, Inc.
Compliance Manager	AP Renewables Inc.

Educational Background:

College	Bachelor of Arts in Political Science University of the Philippines – Diliman
Graduate Studies	Bachelor of Laws San Beda College of Law, Manila

He is a member in good standing of the Integrated Bar of the Philippines. He is not connected with any Philippine government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.

SATURNINO E. NICANOR, JR.
 Internal Audit Head

Age: 59
Citizenship: Filipino

Committee Memberships:

None	N/A
------	-----

Present Positions:

Internal Audit Head/ Vice President for Internal Audit	Aboitiz Power Corporation
--	---------------------------

Previous Positions:

Internal Audit Head/ Assistant Vice President for Internal Audit	Aboitiz Power Corporation
--	---------------------------

SEC FORM 20-IS (INFORMATION STATEMENT)

Educational Background:

College	Bachelor of Science in Commerce, Major in Accounting (<i>Magna Cum Laude</i>) University of San Jose Recoletos, Cebu City
---------	---

Mr. Nicanor is an Accredited Training Facilitator of the Institute of Internal Auditors Philippines. He is not connected with any Philippine government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.

Period in which the Directors Should Serve

The directors shall serve for a period of one year.

Term of Office of a Director

Pursuant to the Company's Amended By-Laws, the directors are elected at each ASM by stockholders entitled to vote. Each director holds office until the next annual election, or for a term of one year and until his successor is duly elected, unless he resigns, dies, or is removed prior to such election.

Any vacancy in the Board, other than by removal or expiration of term, may be filled by a majority vote of the remaining members thereof at a meeting called for that purpose, if they still constitute a quorum. The director so chosen shall serve for the unexpired term of his/her predecessor in office.

(2) Significant Employees

AboitizPower considers the contribution of every employee important to the fulfillment of its goals.

(3) Family Relationships

Mr. Sabin M. Aboitiz is an uncle of Mr. Danel C. Aboitiz.

Other than this, no other officers or directors are related within the fourth degree of consanguinity.

(4) Involvement in Certain Legal Proceedings as of January 31, 2022

To the knowledge and/or information of AboitizPower, none of its nominees for election as directors, its present members of the Board, or its executive officers, is presently involved in any legal proceeding or bankruptcy petition, or has been convicted by final judgment, or being subject to any order, judgment or decree, or has violated the securities or commodities law in any court or government agency in the Philippines or elsewhere, for the past five years until January 31, 2022, which would put to question his/her ability and integrity to serve AboitizPower and its stockholders.

(5) Certain Relationships and Related Transactions

AboitizPower and its Subsidiaries (the "Group"), in their regular conduct of business, have entered into related party transactions consisting of professional fees, advances, various guarantees, construction contracts, and rental fees. These are made on an arm's length basis as of the time of the transactions.

AboitizPower ("Parent") has provided support services to its Business Units, such as marketing, trading, billing and other technical services, necessary for the effective and efficient management and operations among and between the Subsidiaries and Associates.

The Group has existing Service Level Agreements (SLAs) with its parent company, AEV, for corporate center services such as human resources, internal audit, legal, information technology, treasury and

SEC FORM 20-IS (INFORMATION STATEMENT)

corporate finance, among others. These services are obtained from AEV to enable the Group to realize cost synergies and optimize expertise at the corporate center. AEV maintains a pool of highly qualified professionals with business expertise specific to the businesses of the Group. Transaction costs are always benchmarked on third party rates to ensure competitive pricing and consistency with prevailing industry standards. SLAs are in place to ensure quality of service.

Material and significant related party transactions are reviewed and approved by the Board Related Party Transactions Committee, composed of all independent directors.

No other transactions, without proper disclosure, were undertaken by the Company in which any director or executive officer, any nominee for election as director, any beneficial owner (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest. Other than what has been discussed in this Definitive Information Statement and the Company's 2021 Annual Financial Statements, there are no other related party transactions entered into by the Company with related parties, including transactions with directors or self-dealings by the Company's directors.

AboitizPower employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are brought to the attention of the management.

In 2021, AboitizPower updated the Related Parties Certification for Directors and Officers in compliance with the Bureau of Internal Revenue (BIR) Regulation No. 19-2020 on the reporting guidelines for the transactions of individuals and juridical entities with related parties. The RPT Committee continued to ensure that related party transactions are taken on an arm's-length basis, within market rates, and with sufficient documentation. Lastly, the RPT Committee ensured that RPTs falling below the SEC-defined materiality threshold are coursed through the appropriate levels of review, reporting, and/or approval process.

For detailed discussion on related party transactions, please refer to the Consolidated Financial Statements.

(6) Parent Company

AboitizPower's parent company is AEV. As of January 31, 2022, AEV owns 51.99% of the voting shares of AboitizPower. In turn, ACO owns, as of January 31, 2022, 48.59% of the voting shares of AEV.

(b) Resignation or Refusal to Stand for Re-election by Members of the Board of Directors

No director has resigned or declined to stand for re-election to the Board since the date of AboitizPower's last ASM because of a disagreement with AboitizPower on matters relating to its operations, policies, and practices.

Item 6. Compensation of Directors and Executive Officers

(a) Summary of Compensation of Executive Officers

Information as to the aggregate compensation paid or accrued to AboitizPower's Chief Executive Officer and four most highly compensated executive officers, as well as other directors and officers during the last two completed fiscal years and the ensuing fiscal year, are as follows:

SEC FORM 20-IS (INFORMATION STATEMENT)

Name of Officer and Principal Position*	Year	Salary	Bonus	Other Compensation
Chief Executive Officer and the Four Most Highly Compensated Officers:				
1. EMMANUEL V. RUBIO - President and Chief Executive Officer				
2. LUIS MIGUEL O. ABOITIZ - Vice Chairman				
3. LIZA LUV T. MONTELIBANO - Senior Vice President - Chief Financial Officer/Corporate Information Officer				
4. JAIME JOSE Y. ABOITIZ* - Executive Vice President & Chief Operating Officer				
5. DANEL C. ABOITIZ - Chief Commercial and Stakeholder Engagement Officer				
All above named officers as a group	Actual 2021	₱95,120,000.00	₱5,220,000.00	₱34,340,000.00
	Actual 2020	₱100,840,000.00	₱4,960,000.00	₱43,340,000.00
	Projected 2022	₱100,800,000.00	₱5,500,000.00	₱36,400,000.00
All other officers and directors as a group	Actual 2021	₱11,640,000.00	₱810,000.00	₱13,790,000.00
	Actual 2020	₱25,010,000.00	₱1,660,000.00	₱43,650,000.00
	Projected 2022	₱12,300,000.00	₱900,000.00	₱14,600,000.00

* Mr. Jaime Jose Y. Aboitiz retired from the Company effective January 1, 2022.

The 2020 Amended By-Laws of the Company, as approved by the SEC on October 1, 2020, defined corporate officers as follows: the Chairman of the Board; the Vice Chairman; the Chief Executive Officer; the Chief Operating Officer; the Treasurer; the Corporate Secretary; the Assistant Corporate Secretary; and such other officers as may be appointed by the Board of Directors. For the year 2021, the Company's Summary of Compensation of Executive Officers covers the compensation of officers as reported under Item 5 (a)(1) of the Information Statement.

Except for the regular company retirement plan, which by its very nature will be received by the officers concerned only upon retirement from the Company, the above-mentioned officers do not receive any other compensation in the form of warrants, options, and/or profit-sharing.

There is no compensatory plan or arrangement between the Company and any executive in case of resignation or any other termination of employment or from a change-in-control of the Company.

(b) Compensation of Directors

(1) Standard Arrangements

Following the April 26, 2021 ASM, the directors receive a monthly allowance of ₱150,000.00, while the Chairman of the Board receives a monthly allowance of ₱200,000.00. In addition, each director/member and the Chairmen of the Board and the Board Committees receive a per diem for every Board or Board Committee meeting attended as follows:

Type of Meeting	Directors	Chairman of the Board
Board Meeting	₱150,000.00	₱225,000.00

Type of Meeting	Members	Chairman of the Committee
Board Committee Meeting (except Audit Committee)	₱100,000.00	₱150,000.00

SEC FORM 20-IS (INFORMATION STATEMENT)

Type of Meeting	Members	Chairman of the Committee
Audit Committee	₱100,000.00	₱200,000.00

In compliance with Section 29 of the Revised Corporation Code, the total compensation of each of the Company's directors as of December 31, 2021 is as follows:

Name of Director	Total Compensation Received as a Director ⁶
SABIN M. ABOITIZ**** <i>Chairman of the Board of Directors</i>	₱4,850,000.00
LUIS MIGUEL O. ABOITIZ* <i>Vice Chairman of the Board of Directors</i>	₱3,800,000.00
TUSHIRO KUDAMA⁸ <i>Director</i>	₱300,000.00
EMMANUEL V. RUBIO*** <i>Director/President and Chief Executive Officer</i>	₱4,500,000.00
EDWIN R. BAUTISTA* <i>Director</i>	₱2,400,000.00
DANEL C. ABOITIZ*** <i>Director/Chief Commercial and Stakeholder Engagement Officer</i>	₱4,250,000.00
RAPHAEL P.M. LOTILLA* <i>Lead Independent Director</i>	₱3,300,000.00
CARLOS C. EJERCITO <i>Independent Director</i>	₱4,830,000.00
ERIC RAMON O. RECTO <i>Independent Director</i>	₱5,000,000.00
ENRIQUE M. ABOITIZ** <i>Director</i>	₱1,480,000.00
ERRAMON I. ABOITIZ** <i>Director</i>	₱2,290,000.00
JAIME JOSE Y. ABOITIZ⁹*** <i>Director & Executive Vice President and Chief Operating Officer</i>	₱1,300,000.00
MIKEL A. ABOITIZ <i>Director (Resigned effective December 22, 2021)</i>	₱4,250,000.00
ROMEO L. BERNARDO** <i>Independent Director</i>	₱1,350,000.00

* Elected during the April 26, 2021 Annual Stockholders' Meeting

** Replaced during the April 26, 2021 Annual Stockholders' Meeting

***A portion of the director's compensation was paid to their nominating company.

(2) Other Arrangements

Other than payment of the directors' per diem and monthly allowance as stated, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There is no compensatory plan or arrangement between AboitizPower and any executive officer in case of resignation or any other termination of employment or from a change in the management or control of AboitizPower.

⁶ Consisting of the monthly allowance and per diem. Per diem is based on the directors' attendance in the Board and Board Committee meetings, and their Committee memberships for the period January 1 to December 31, 2021.

⁷ Mr. Sabin M. Aboitiz replaced Mr. Erramon I. Aboitiz on April 26, 2021.

⁸ Mr. Toshiro Kudama replaced Mr. Mikel Aboitiz on December 22, 2021.

⁹ Mr. Jaime Jose Y. Aboitiz retired from the Company effective January 1, 2022.

SEC FORM 20-IS (INFORMATION STATEMENT)

(d) Warrants and Options Outstanding

To date, AboitizPower has not granted any stock options to its directors or officers.

Item 7. Independent Public Accountant

As a matter of policy, the Board Audit Committee (the "Audit Committee") selects, monitors, and reviews the independence, performance and effectiveness, scope of work, fees, and remuneration of external auditors, in consultation with the Chief Executive Officer, the Chief Financial Officer, and the Group Internal Audit Head. Where appropriate, the Committee may recommend to the Board of Directors the re-appointment or replacement of the current external auditor.

During the March 4, 2022 Board Meeting, the Chairman of the Audit Committee, Mr. Carlos C. Ejercito, reported to the Board that the Audit Committee evaluated and assessed the previous year's performance of the Company's external auditor, SyCip Gorres Velayo & Co. (SGV). Based on the results of its evaluation, the Audit Committee advised the Board of Directors that it is satisfied with SGV's performance for the previous year and recommended SGV's re-appointment as the Company's external auditor for 2022.

The Board of Directors discussed the Audit Committee's recommendation, and after discussion, approved the re-appointment of SGV. The Board of Directors will endorse to the shareholders the re-appointment of SGV as the Company's external auditor for 2022.

The accounting firm of SGV has been AboitizPower's Independent Public Accountant for more than 23 years. Ms. Maria Veronica Andresa R. Pore, who has been AboitizPower's audit partner since audit year 2017, will be replaced by Ms. Jhoanna Feliza C. Go as audit partner starting audit year 2022. AboitizPower complies with the requirements of Section 3(b)(ix) of SRC Rule 68 on the rotation of external auditors or signing partners and the two-year cooling-off period. There was no event in the past 23 years wherein AboitizPower and SGV (or its handling partner) had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Representatives of SGV will be present during the 2022 ASM and will be given the opportunity to make a statement if they so desire. They are also expected to respond to appropriate questions, if needed.

The Chairman of the Audit Committee is Mr. Carlos C. Ejercito, an Independent Director. The members are Messrs. Raphael P.M. Lotilla and Eric Ramon O. Recto, both Independent Directors, and Messrs. Danel C. Aboitiz and Luis Miguel O. Aboitiz, both directors of AboitizPower.

Item 8. Compensation Plans

No action is to be taken during the 2022 ASM with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other Than for Exchange

No action is to be taken during the 2022 ASM with respect to authorization or issuance of any securities other than for exchange for outstanding securities.

The following is a discussion of the Company's outstanding registered securities.

SEC FORM 20-IS (INFORMATION STATEMENT)

Recent Issuance of Registered Debt Securities

(a) Shelf Registration of Thirty Billion Peso Fixed-Rate Bonds issued in 2017 and 2018

On June 19, 2017, SEC issued an Order of Registration and a Certificate of Permit to Offer Securities for AboitizPower's fixed-rate corporate retail bonds in the aggregate amount of up to ₱30 bn ("2017 Bonds"). The 2017 Bonds were registered under the shelf registration program of the SEC and are to be issued in tranches.

Series "A" Three Billion Peso Fixed Rate Bonds issued in July 2017

Series "A" bonds were issued on July 3, 2017 with an aggregate amount of ₱3 bn, a tenor of ten years, and fixed interest rate of 5.3367% per annum. Interest is payable quarterly in arrears on January 3, April 3, July 3, and October 3 of each year, or the subsequent banking day without adjustment if such interest payment date is not a banking day. AboitizPower engaged BPI Capital as Issue Manager and Underwriter, BPI-AMTG as Trustee, and PDTC as the Registrar and Paying Agent. The Series "A" bonds received a credit rating of "PRS Aaa" with Stable Outlook from Philratings, and is listed with PDEX.

AboitizPower received the aggregate amount of ₱2.97 bn as proceeds from the offer and sale of the Series "A" bonds. AboitizPower has been paying interest to its bond holders since October 2017.

Use of Proceeds

As of December 31, 2017, the proceeds of the Series "A" bonds were fully utilized for the following projects:

Name of Project	Projected Usage (Per Prospectus)	Actual Usage
Equity infusions into GNPD in 2017	2,206,373	1,255,745
Equity infusions into GNPD in 2018	764,395	1,711,317
Bond issuance costs	29,232	32,938
TOTAL	3,000,000	3,000,000

Note: Amounts are in thousands

Series "B" and Series "C" Ten Billion Peso Fixed Rate Bonds issued in October 2018

Series "B" and Series "C" bonds, with an aggregate amount of ₱10 bn and an oversubscription option of ₱5 bn, were issued on October 12, 2018. The Series "B" bonds have an interest rate of 7.5095% per annum, and will mature in 2024, while the Series "C" bonds have an interest rate of 8.5091% per annum, and will mature in 2028. Interest is payable quarterly in arrears on January 25, April 25, July 25, and October 25 of each year, or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AboitizPower appointed BDO Capital & Investment Corporation (BDO Capital) as Issue Manager, BDO Capital, BPI Capital, and United Coconut Planters Bank as Joint Lead Underwriters, BDO Unibank, Inc. Trust & Investments Group as Trustee, and PDTC as the Registry and Paying Agent for the transaction. The Series "B" and Series "C" bonds received the highest possible rating of PRS "Aaa" from PhilRatings and are listed with PDEX.

AboitizPower received the aggregate amount of ₱7.5 bn as proceeds from the offer and sale of the Series "B" bonds and ₱ 2.5 bn for the Series "C" bonds. AboitizPower has been paying interest to its bond holders since January 2019 for the Series "B" and Series "C" bonds.

SEC FORM 20-IS (INFORMATION STATEMENT)

Use of Proceeds

As of September 30, 2019, the proceeds of the Series “B” and Series “C” bonds were fully utilized for the following projects:

Name of Project	Projected Usage (Per Prospectus)	Actual Usage
Refinancing of the Medium-Term Loan of Therma Power, Inc.	8,700,000	8,700,000
Bond issuance costs	118,868	121,924
General corporate purposes	1,381,132	1,378,076
TOTAL	10,200,000	10,200,000

Note: Amounts are in thousands

Series “D” 7.25 Billion Peso Fixed Rate Retail Bonds issued in October 2019

Series “D” bonds, with an aggregate amount of ₱ 7 bn and an oversubscription of ₱ 5 bn, were issued on October 14, 2019. The Series “D” bonds have an interest rate of 5.2757% per annum, and will mature in 2026. Interest is payable quarterly in arrears on January 14, April 14, July 14, and October 14 of each year, or the subsequent banking day without adjustment if such interest payment day is not a banking day.

AboitizPower appointed BDO Capital and First Metro Investment Corporation as Joint Issue Managers, Joint Bookrunners and Joint Lead Underwriters, and BDO Unibank-Trust and Investments Group as Trustee, and PDTC as the Registry and Paying Agent of the transaction. The Series “D” bonds received the highest possible rating of PRS “Aaa” from Philratings and is listed with PDEX.

The Company received the aggregate amount of ₱7.25 bn as proceeds from the offer and sale of the Series “D” bonds. AboitizPower has been paying interest to its bond holders since January 2020 for the Series “D” bonds.

Use of Proceeds

As of December 31, 2019, the proceeds of the Series “D” bonds were fully utilized for the following projects:

Name of Project	Projected Usage (Per Prospectus)	Actual Usage
Repayment of short-term loan	7,161,972	7,250,000
Bonds issuance cost	88,028	-
TOTAL	7,250,000	7,250,000

Note: Amounts are in thousands

Series “E” and “F” 9.55 Billion Peso Retail Bonds issued in July 2020

Series “E” and Series “F” bonds, with an aggregate amount of ₱6 bn and an oversubscription option of ₱3.55 bn, were issued on July 6, 2020. The Series “E” bonds have an interest rate of 3.125% per annum, and will mature in 2022, while the Series “F” bonds have an interest rate of 3.935% per annum, and will mature in 2025. Interest is payable quarterly in arrears on January 6, April 6, July 6, and October 6 of each year, or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AboitizPower appointed BDO Capital, China Bank Capital Corporation (China Bank Capital), and FMIC as the Joint Issue Managers and Joint Lead Underwriters, BDO Unibank, Inc.-Trust & Investments Group as Trustee, and PDTC as the Registry and Paying Agent for the transaction. The

SEC FORM 20-IS (INFORMATION STATEMENT)

Series “E” and Series “F” bonds have been rated PRS “Aaa” with a stable outlook from PhilRatings on April 8, 2020, and are listed with PDEX.

AboitizPower received the aggregate amount of ₱9,550,000,000.00 bn as proceeds from the offer and sale of the Series “E” and Series “F” bonds. AboitizPower has been paying interest to its bond holders since October 2020 for the Series “E” and Series “F” bonds.

Use of Proceeds

As of December 31, 2021, the proceeds of the Series “E” and Series “F” bonds were utilized for the following projects:

Name of Project	Projected Usage (Per Prospectus)	Actual Usage
Reimburse Previous Equity Contributions to GNPD through AA Thermal and TPI	6,736,749	6,736,749
Fund Succeeding Equity Infusions in AA Thermal and TPI	2,082,873	2,522,627
General corporate purposes	614,889	177,077
Bond issuance costs	115,489	113,547
TOTAL	9,550,000	9,550,000

Note: Amounts are in thousands

	Per Final Prospectus	Actual Usage
Gross Proceeds	9,550,000	9,550,000
Net Proceeds	9,434,511	9,436,453

Note: Amounts are in thousands

(b) Shelf Registration of Thirty Billion Peso Fixed-Rate Bonds issued in 2021

On December 18, 2020, AboitizPower filed a Registration Statement with the SEC for the registration of its proposed fixed rate retail bonds in the aggregate principal amount of ₱30 bn, to be registered under the shelf registration program of the SEC (the “2021 Bonds”).

Series “A” Eight Billion Peso Fixed Rate Bonds issued in March 2021

The first tranche of the 2021 Bonds, with a base issue size of up to ₱4 bn and an oversubscription of up to ₱4 bn (the “Series “A” Bonds”) was issued on March 16, 2021. The Series “A” Bonds have an interest rate of 3.8224% per annum, and will mature in 2026. Interest is payable in arrears on March 16, June 16, September 16, and December 16 of each year, or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AboitizPower appointed BDO Capital, BPI Capital, China Bank Capital, and FMIC as Joint Lead Underwriters. BDO Unibank, Inc.–Trust and Investments Group was appointed as Trustee. The Series “A” Bonds received the credit rating of “PRS Aaa” with Stable Outlook. AboitizPower listed the First Tranche Bonds with PDEX on March 15, 2021.

AboitizPower received the aggregate amount of ₱8 bn as proceeds from the offer and sale of the First Tranche Bonds.

SEC FORM 20-IS (INFORMATION STATEMENT)

Use of Proceeds

As of December 31, 2021, the proceeds of the Series “A” Bonds were utilized for the following projects:

Name of Project	Projected Usage (Per Prospectus)	Actual Usage
Redemption of the 2014 Series A Bonds Maturing in 2021	6,600,000	6,600,000
Partial Funding for the Early Redemption of the 2014 Series B Bonds Originally Maturing in 2026	1,295,303	1,303,093
Bond issuance costs	104,697	96,907
TOTAL	8,000,000	8,000,000

	Per Final Prospectus	Actual
Gross proceeds	8,000,000	8,000,000
Net proceeds	7,895,303	7,903,093

Note: Amounts are in thousands

Series “B” and “C” Twelve Billion Peso Fixed Rate Bonds issued in November 2021

Series “B” and Series “C” bonds (collectively, the “Second Tranche Bonds”), with an aggregate amount of ₱6 bn and an oversubscription option of ₱6 bn, were issued on November 15, 2021. The Series “B” bonds have an interest rate of 3.9992% per annum, and will mature in 2025, while the Series “C” bonds have an interest rate of 5.0283% per annum, and will mature in 2028. Interest is payable quarterly in arrears on March 2, June 2, September 2, and December 2 of each year, or the subsequent banking day without adjustment if such interest payment date is not a banking day.

AboitizPower appointed BDO Capital and ChinaBank Capital as Joint Issue Managers; and BDO Capital and ChinaBank Capital as Joint Lead Underwriters and Joint Bookrunners. BDO Unibank, Inc.–Trust and Investments Group was appointed as Trustee. The Second Tranche Bonds received the credit rating of “PR3 Aaa” with Stable Outlook. AboitizPower listed the First Tranche Bonds with PDEX on December 2, 2021.

AboitizPower received the aggregate amount of ₱12 bn as proceeds from the offer and sale of the Second Tranche Bonds. The Company expects to issue subsequent tranches of the Bonds under this shelf registration statement, as the need arises and as market conditions permit.

Use of Proceeds

As of December 31, 2021, the proceeds of the Series “A” bonds were utilized for the following projects:

Name of Project	Projected Usage (Per Prospectus)	Actual Usage
Partially fund the equity contributions for the construction of the 74 MW Solar power plant in Pangasinan province	1,000,000	677,000
Refinancing of the 2020 Series E Bonds Maturing in 2022	9,000,000	-

SEC FORM 20-IS (INFORMATION STATEMENT)

Name of Project	Projected Usage (Per Prospectus)	Actual Usage
Fund future renewable projects	1,839,849	-
Bond issuance costs	160,151	150,195
TOTAL	12,000,000	827,195

	Per Final Prospectus	Actual
Gross proceeds	12,000,000	12,000,000
Net proceeds	11,839,849	11,849,805

Balance of the proceeds as of December 31, 2021:

₱11,172,805

Note: Amounts are in thousands

Third Tranche Ten Billion Fixed Rate Bonds to be issued in the First Quarter of 2022

On December 17, 2021, the AboitizPower Board approved the issuance of up to Php10 bn, including oversubscription, fixed-rate retail bonds out of the Php30 bn bonds registered in March 2021 under the SEC's shelf registration program (the "Third Tranche Bonds").

Proceeds of the Third Tranche Bonds will be used for refinancing and/or future renewable projects.

On January 17, 2022, the Third Tranche Bonds received a credit rating of "PRS Aaa" with Stable Outlook from PhilRatings. The Company intends to list the bonds with the PDEX.¹⁰

Item 10. Modification or Exchange of Securities

No action is to be taken during the 2022 ASM with respect to modification or exchange of securities of AboitizPower, or the issuance or authorization for issuance of one class of securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

No other action to be taken during the 2022 ASM with respect to any matter specified in Items 9 or 10.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken during the 2022 ASM with respect to any transaction involving: (i) merger or consolidation into or with any other person or of any other person into or with AboitizPower; (ii) acquisition by AboitizPower or any of its security holders of securities of another person; (iii) acquisition of any other going business or of the assets thereof; (iv) sale or other transfer of all or any substantial part of the assets of AboitizPower; or (v) liquidation or dissolution of AboitizPower.

Item 13. Acquisition or Disposition of Property

No action is to be taken during the 2022 ASM with respect to acquisition or disposition of any property of AboitizPower.

¹⁰ AboitizPower received the Certificate of Permit to Offer Securities for Sale dated March 2, 2022 from the SEC. The Third Tranche Bonds will be issued on March 17, 2022. The offer period is on March 3 to March 9, 2022.

SEC FORM 20-IS (INFORMATION STATEMENT)

Item 14. Restatement of Accounts

No action is to be taken during the 2022 ASM with respect to restatement of any asset, capital or surplus account of AboitizPower.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

The following actions require approval from the stockholders during the 2022 ASM:

- (a) Approval of the Minutes of the 2021 Annual Meeting of Stockholders (“2021 ASM”) dated April 26, 2021 (A summary and copy of the draft 2021 ASM Minutes is attached as **Annex “C”**). The approval of the minutes is only with respect to the correctness of the minutes and not as of any of the matters referred there. The minutes may also be viewed at the Company’s website at: <https://abotizpower.com/uploads/AP-17C-Disclosure-04.26.21-Results-of-Annual-Stockholders-Meeting.pdf> and covers the following matters:
- 1) Approval of the minutes of the previous Annual Stockholders’ Meeting on April 27, 2020;
 - 2) Approval of the Annual Report and Audited Financial Statements as of December 31, 2020;
 - 3) Appointment of Sycip Gorres Velayo & Co. as the Company’s External Auditor for 2021;
 - 4) Election of the Members of the Board of Directors;
 - 5) Approval of the Increase in the Per Diem of the Chairman of the Board and Chairmen of the Committees; and
 - 6) Ratification of the Acts, Resolutions, and Proceedings of the Board of Directors, Corporate Officers, and Management in 2020 until April 26, 2021.
- (b) Approval of the 2021 Annual Report of Management and Financial Statements of the Company; and
- (c) General ratification of the acts of the Board of Directors, corporate officers, and management from the date of the last ASM up to April 25, 2022. These acts are covered by resolutions of the Board duly adopted during the normal course of trade or business of the Company.

Except for the election of directors which is discussed in other parts of the report, there are no other matters that require the approval of stockholders.

The Company’s President and Chief Executive Officer, Mr. Emmanuel V. Rubio will present the President’s Report during the 2022 ASM. The President’s Report will be an assessment of the Company’s 2021 performance and will include information on any material change in the Company’s business, strategy, and other affairs, if any. The President’s Report for the 2022 ASM is not yet available at the time that the Company’s Definitive Information Statement is due to be submitted to SEC on March 30, 2022. It will be uploaded and may be viewed at the Company’s website at <https://abotizpower.com/2022asm> as soon as available.

Item 16. Matters Not Required to be Submitted

No action is to be taken with respect to any matter that does not require the submission to a vote of security holders.

Ratification of the acts of the Board, corporate officers, and management in 2021 up to April 25, 2022 refers only to acts done in the ordinary course of business and operations of AboitizPower, which have been duly disclosed to SEC, PSE, and PDEX, as may be required and in accordance with the applicable laws. Ratification is being sought in the interest of transparency and as a matter of customary practice or procedure, undertaken at every annual meeting of AboitizPower’s stockholders.

Below is a summary of board resolutions approved during the period of April 22, 2021 to March 4,

SEC FORM 20-IS (INFORMATION STATEMENT)

2022:

Regular Board Meeting, April 22, 2021

- (a) Appoint Authorized Representatives for SEC's Online Submission Tool
- (b) Avail a Loan Facility and increase of Credit Facility Limit with Various Banks
- (c) Open Account/s and Avail of Products and/or Services from Various Banks
- (d) Renew the Authority to Attend and Represent the Company during the Stockholders' Meeting of Investee Companies, and to Apply for Memberships and Attend Meetings of Special Interest Groups, Business Organizations, and Associations
- (e) Renew the Authority to Enter into Non-Disclosure Agreements, Letters of Instruction, Memoranda of Agreement and Other Preliminary Agreements involving Potential Acquisitions or Transactions
- (f) Renew the Authority to Purchase, Sell, or Deal in Any Manner with the Motor Vehicles of the Company
- (g) Update Authorized Officers to Transact with PDTC
- (h) Renew the General Authority to Transact and File Reports with the PSE, PDEX, and SEC
- (i) Renew the General Authority to Enter into Non-Disclosure Agreements and Other Preliminary Agreements Involving Human Resources and Information Technology Related Transactions
- (j) Appoint Authorized Representatives to Transact with the BIR for the Company's Application of 2019 Creditable Withholding Tax Refund
- (k) Amend the Company's Financial Levels of Authority

Special Board Meeting, May 5, 2021

- (a) Enter into a Power Supply Agreement

Regular Board Meeting, July 29, 2021

- (a) Update Authorized Representatives for Various Credit Line Accommodations with Suppliers
- (b) Update Authorized Representatives to Purchase, Sell, or Deal in Any Manner with Motor Vehicles
- (c) Extend Advances to Subsidiaries
- (d) Update the Company's Representative for its Membership with an Association
- (e) Open and Maintain an Omnibus Line
- (f) Allow and Guarantee the Availments by a Subsidiary of the Company's Credit Facilities for the Execution of Foreign Exchange and Commodity Hedging with Various Banks
- (g) Update the Company's Bank Signatories
- (h) Prepayment of the Company's Twelve-Year Fixed Rate Retail Bonds
- (i) Enter into Financing Agreements and Pledge its Shares in a Subsidiary
- (j) Revise its Code of Ethics and Business Conduct and Whistleblowing Policy
 - (i) Code of Ethics and Business Conduct
 - (ii) Whistleblowing Policy
- (k) Accept the Resignation of the Ex-Officio Members of the Board Cybersecurity Committee and Appoint their Replacements
- (l) Appoint Authorized Representatives to a Proceeding

Special Board Meeting, September 17, 2021

- (a) Undertake a Retail Bond Offering of up to Php12 bn

Regular Board Meeting, November 19, 2021

- (a) Infuse Equity to Subsidiaries
- (b) Avail of a Bank's Financial Supply Chain Facilities
- (c) Undertake a Retail Bond Offering of up to Php10 bn and Delegate to Management the Authority to Determine the Timing of the Issuance
- (d) Revise the Company's Related Party Transactions Policy and Related Party Transactions Committee Charter
- (e) Change the Name of the Board Cyber and Information Security Committee, and its Revised Charter

SEC FORM 20-IS (INFORMATION STATEMENT)

- (f) Approve the Company's Amended Retirement Plan
- (g) Update the Company's Representative for its Membership with an Association
- (h) Update Authorized Representatives to Enter into Non-Disclosure Agreements, Letters of Instruction, Memoranda of Agreement and Other Preliminary Agreements Involving Potential Acquisitions or Transactions and Appointment of Representatives
- (i) Update Authorized Signatories for its Manual and Electronic Forms of BIR Form 2316 (Certificate of Compensation Payment or Income Tax Withheld)
- (j) Accept the Resignation of the Data Privacy Officer and Appoint her Replacement
- (k) Transact with the Land Registration Authority
- (l) Invest in a Subsidiary's Power Plant

Special Board Meeting, December 20, 2021

- (a) Resignation of Director and Appointment of his Replacement
- (b) Changes in Committee Memberships
- (c) Appoint an Observer to the Board and Board Committees

Regular Board Meeting, January 25, 2022

- (a) Update the Company's Authorized Representatives to Purchase, Sell, or Deal in Any Manner with Motor Vehicles of the Company
- (b) Update the Company's Authorized Representatives to Enter into Non-Disclosure Agreements and Other Preliminary Agreements Involving Human Resources and Information Technology-Related Transactions
- (c) Appoint Authorized Representatives for the Company's Various Credit Line Accommodations with Suppliers
- (d) Update the Company's Authorized Representatives to Transact with the BIR for the Company's Application of 2020 Creditable Withholding Tax Refund
- (e) Approve the Company's 2022 Budget

Regular Board Meeting, February 22, 2022

- (a) Amend the following Charters, Manual, and Policy:
 - (i) Manual on Corporate Governance
 - (ii) Board Environmental, Social, and Corporate Governance Charter
 - (iii) Board Audit Committee Charter
 - (iv) Board Risk and Reputation Management Committee Charter
 - (v) Trading Blackout Policy
- (b) Enter into a Software Sharing Agreement for the Company's ASM Platform

Special Board Meeting, March 4, 2022

- (a) Declare Cash Dividend
- (b) Approve the 2021 Audited Financial Statements
- (c) Approve the Conduct of the 2022 ASM via Live Stream
- (d) Approve the Agenda, Venue, and Record Date for Stockholders Entitled to Vote in the 2022 ASM
- (e) Appoint the Board of Election Inspector for the 2022 ASM
- (f) Appoint the Proxy Validation Committee Members
- (g) Approve and Endorse the Appointment of the External Auditor for 2022
- (h) Update Bank Account Signatories
- (i) Appoint Compliance Officer
- (j) Transact with the Bureau of Internal Revenue and Request for Confirmation of Tax Treaty Rates

Item 17. Amendment of Charter, By-Laws or Other Documents

No action is to be taken during the 2022 Annual Stockholders' Meeting with respect to the amendment of the Company's Charter, By-Laws or other documents.

SEC FORM 20-IS (INFORMATION STATEMENT)

Item 18. Other Proposed Actions

- (a) *Approval of the 2021 Annual Report and Financial Statements.* The proposal is intended to present to the stockholders the results of the Company's operations in 2021, in accordance with Section 74 of the Revised Corporation Code.

The Company's audited financial statements as of December 31, 2021 will be integrated and made part of the Company's Definitive Information Statement. The Definitive Information Statement will be distributed to the stockholders at least 15 business days prior to the ASM, and the same will be posted at the Company's website at www.aboitzpower.com and in the PSE EDGE portal at edge.pse.com.ph.

A resolution approving the 2022 Annual Report and Audited Financial Statements shall be presented to the stockholders for approval.

- (b) *Appointment of the Company's External Auditor for 2022.* The proposal is intended to appoint an auditing firm which can best provide assurance to the directors and stockholders on the integrity of the Company's financial statements and adequacy of its internal controls. The Board Audit Committee and the Board of Directors will endorse SGV as the external auditor for 2022 for the stockholders to appoint.

The profile of the external auditor is disclosed in the Information Statement.

A resolution for the appointment of the Company's external auditor for 2022 shall be presented to the stockholders for approval.

- (c) *Ratification of Acts, Resolutions, and Proceedings of the Board of Directors, Corporate Officers, and Management in 2021 up to April 25, 2022.* The proposal is intended to allow the stockholders to ratify the acts of the Board of Directors and Officers of the Company as a matter of procedure or policy.

The resolutions approved by the Board in its regular and special meetings refer only to acts done by the Board of Directors, corporate officers, and management in the ordinary course of business. The board resolutions are enumerated in this Information Statement. The Company also regularly discloses material transactions approved by the Board. These disclosures are available for viewing at, and can be downloaded from, the Company's website at www.aboitzpower.com.

A resolution to ratify the acts, resolutions, and proceedings of the Board of Directors, corporate officers, and management in 2021 up to the date of the 2022 ASM shall be presented to the stockholders for approval.

Item 19. Voting Procedures

(a) Votes Required for Matters Submitted for Approval of the Shareholders

Section 4, Article I of the Amended By-Laws of AboitzPower states that a quorum for any meeting of stockholders shall consist of the majority of the Company's outstanding capital stock. Majority of such quorum shall decide on any question in the meeting, except those matters in which the Revised Corporation Code requires a greater proportion of affirmative votes.

Regarding the election of members of the Board, nominees who receive the highest number of votes shall be declared elected, pursuant to Section 23 of the Revised Corporation Code.

For other matters submitted to the stockholders for approval, the affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the 2022 ASM is required to approve the proposed actions. There are no proposed actions in the 2022 ASM that requires approval by a higher percentage of votes from the stockholders.

SEC FORM 20-IS (INFORMATION STATEMENT)

(b) The Method by which Votes will be Counted

The Company intends to conduct the 2022 ASM through remote communication, in accordance with the Revised Corporation Code and the applicable SEC Circulars. Stockholders who are unable to attend the meeting may execute a proxy in favor of a representative, or vote electronically *in absentia* using a hyperlink at <https://aboitizpower.com/2022asm> that is available beginning on March 24, 2022. Stockholders voting electronically *in absentia* shall be deemed present for purposes of quorum. See **Annex "E"** for complete information on the process for voting via remote communication or *in absentia* and the requirements for doing so.

In the election of directors, the nine nominees with the most number of votes shall be declared elected. If the number of nominees does not exceed the recorded number of directors to be elected, all the shares present or represented at the meeting will be voted in favor of the nominees.

In the election of directors, the stockholder may choose to do any of the following:

- (i) Vote such number of shares for as many person(s) as there are directors to be elected;
- (ii) Cumulate such shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares; or
- (iii) Distribute his shares on the same principle as option (ii) among as many candidates as he shall see fit, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him, multiplied by the whole number of directors to be elected.

The method of counting the votes shall be in accordance with the general provisions of the Revised Corporation Code. The counting of votes shall be done by representatives of the Office of the Corporate Secretary, who shall serve as members of the Election Committee. The voting shall be witnessed and the results shall be verified by the duly appointed Independent Board of Election Inspectors, Luis Cañete & Company, an independent accounting firm.

Other than the nominees' election as directors, no director, executive officer, nominee, or associate of any nominee has any substantial interest, direct or indirect, by security holdings or otherwise, in any way in the matters to be taken up during the ASM. AboitizPower has not received any information that an officer, director, or stockholder intends to oppose any action to be taken at the 2022 ASM.

SEC FORM 20-IS (INFORMATION STATEMENT)

This Information Statement in SEC Form 20-IS is given free of charge to the stockholders prior to the Annual Stockholders' Meeting of the Company. AboitizPower stockholders may likewise request for a copy of the Annual Report in SEC Form 17-A which will be given free of charge upon written request. Please write to:

Office of the Corporate Secretary
Aboitiz Power Corporation
NAC Tower, 32nd Street,
Bonifacio Global City
Taguig City, Metro Manila
1634 Philippines
email: aboitizboardsecretariat@aboitiz.com

Attention: Mr. Manuel Alberto R. Colayco

This Information Statement and the Annual Report in SEC Form 17-A will also be posted at AboitizPower's website: www.aboitzpower.com and in the PSE EDGE portal at edge.pse.com.ph.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig on March 15, 2022.

ABOITIZ POWER CORPORATION

By:



MANUEL ALBERTO R. COLAYCO
Corporate Secretary

SEC FORM 20-IS (INFORMATION STATEMENT)

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Overview

Aboitiz Power Corporation (AboitizPower) is a publicly-listed company incorporated on, and has been in business since, February 13, 1998. AboitizPower was incorporated as a holding company for the Aboitiz Group's investments in electricity generation and distribution. Ownership in AboitizPower was opened to the public through an initial public offering of its common shares in the PSE on July 16, 2007. Through its Subsidiaries and Affiliates, AboitizPower is a well-positioned leader in the Philippine power industry being one of the leading companies in power generation, distribution, and retail electricity supply. As of January 31, 2022, AboitizPower had a market capitalization of ₱259.76 bn, with a common share price of ₱35.30 per share.

Driven by the pursuit of creating a better future for its customers, its host communities, and the nation, AboitizPower's business operations have developed into four strategic business units: (a) Power Generation, (b) Power Distribution, (c) Retail Electricity Services (RES), and (d) Distributed Energy. The Company will continue to pursue its international aspirations with a continued focus on renewable energy projects in wind, hydro, and solar in high-growth geographic markets with acceptable regulatory environments.

The power generation business of AboitizPower is among the leaders in the Philippines in terms of installed capacity.¹¹ Moreover, AboitizPower has the second largest distribution utility, in terms of captive customer connections and energy sales¹², the second largest (in terms of number of customers) and third largest (in terms of share in total retail market demand) RES company.¹³ AboitizPower is a pioneer in building and the operation of run-of-river hydropower plants in the country. Today, through its renewable energy Subsidiaries, AboitizPower has the largest installed capacity of renewable energy under its market control.¹⁴

(2) Business Development

AboitizPower through its Subsidiaries, Joint Ventures, and Associates, is one of the leading players in the Philippine power industry with interests in privately-owned power generation companies, RES services, and distribution utilities throughout the Philippines, from Benguet in the north to Davao in the south.

AboitizPower's portfolio of power generating plants consist of a mix of renewable and non-renewable sources and of baseload and peaking power plants. This allows the Company to address the 24-hour demand of the country with its coal and geothermal plants handling baseload demand, while the hydropower, solar, and oil-based plants handle intermediate to peaking demand. Most of these plants are also capable of providing ancillary services, which are also critical in ensuring a reliable grid operation. Its Generation Companies have an installed capacity which is equivalent to a 16.58% market share of the national grid's installed generating capacity.¹⁵ As of February 28, 2022, AboitizPower had a total of 5,332 MW net sellable capacity, of which 3,962 MW is the portion attributable to the Company. The Company targets to double its capacity to 9,200 MW by 2030. This is expected to come from a portfolio of renewables and selective baseload builds, with the optionality for either coal or gas facilities. AboitizPower's renewable investments are held primarily through its wholly-owned Subsidiary, Aboitiz Renewables, Inc. (ARI), along with ARI's Subsidiaries and Joint Ventures. AboitizPower is a pioneer in the building and operation of run-of-river mini hydropower plants in the country.

¹¹ Based on Energy Regulatory Commission (ERC) Resolution No. 5 series of 2021

¹² Based on DOE's Distribution Development Plan 2016-2025

¹³ ERC Competitive Retail Electricity Market Monthly Statistical Data as of November 2020

¹⁴ Based on ERC Resolution No. 02, Series of 2020 dated 12 March 2020

¹⁵ Based on Energy Regulatory Commission (ERC) Resolution No. 5 series of 2021

SEC FORM 20-IS (INFORMATION STATEMENT)

AboitizPower also owns interests in nine Distribution Utilities in Luzon, Visayas, and Mindanao, including Visayan Electric and Davao Light, the second and third largest distribution utilities in the Philippines, respectively in terms of customer size and annual sales. AboitizPower's Subsidiaries engaged in the distribution of electricity sold a total of 7,396,423 MWh during 2021.

AboitizPower's power generation business supplies power to various customers under power supply contracts, ancillary service procurement agreements (ASPA), and for trading in the Wholesale Electricity Spot Market (WESM). The power distribution business is engaged in the distribution and sale of electricity to end-users, and the RES and Others segment includes retail electricity sales to various off-takers that are considered eligible contestable customers ("Contestable Customers") and provision of electricity-related services, such as installation of electrical equipment. AboitizPower's Subsidiaries engaged in the supply of retail electricity sold a total of 3.80 Terawatt hours (TWh) during 2021.

On December 16, 2021, JERA Asia acquired a 27% stake in AboitizPower, which consisted of a 25.01% stake from AEV and a 1.99% stake from ACO.

As of January 31, 2022, AEV owns 51.99% of the outstanding capital stock of AboitizPower, 27.00% is owned by JERA Asia, 0.97% is owned by directors, officers, and other related parties, while the remainder is owned by the public.

Neither AboitizPower nor any of its Subsidiaries has ever been the subject of any bankruptcy, receivership or similar proceedings.

History and Milestones

The Aboitiz Group's involvement in the power industry began when members of the Aboitiz family acquired a 20% ownership interest in Visayan Electric in the early 1900s. The Aboitiz Group's direct and active involvement in the power distribution industry can be traced to the 1930s, when ACO acquired Ormoc Electric Light Company and its accompanying ice plant, Jolo Power Company, and Cotabato Light. In July 1946, the Aboitiz Group further strengthened its position in power distribution in the Southern Philippines when it acquired Davao Light, which is now the third largest privately-owned distribution utility in the Philippines in terms of customers and annual gigawatt hour (GWh) sales.

In December 1978, ACO divested its ownership interests in Ormoc Electric Light Company and Jolo Power Company and focused on the more lucrative franchises held by Cotabato Light, Davao Light, and Visayan Electric.

In response to the Philippines' pressing need for adequate power supply, the Aboitiz Group ventured into power generation, becoming a pioneer and industry leader in hydroelectric energy. In 1978, the Aboitiz Group incorporated Hydro Electric Development Corporation (HEDC). HEDC carried out feasibility studies (including hydrological and geological studies), hydroelectric power installation and maintenance, and also developed hydroelectric projects in and around Davao City. On June 26, 1990, the Aboitiz Group also incorporated Northern Mini-Hydro Corporation (now Cleanergy, Inc.), which focused on the development of mini-hydroelectric projects in Benguet province in northern Luzon. By 1990, HEDC and Cleanergy had commissioned and were operating 14 plants with a combined installed capacity of 36 MW. In 1996, the Aboitiz Group led the consortium that entered into a Build-Operate-Transfer (BOT) agreement with NPC to develop and operate the 70-MW Bakun AC hydroelectric plant (the "Bakun AC Hydro Plant") in Ilocos Sur.

The table below sets out milestones in AboitizPower's development since 1998:

Year	Milestones
1998	<i>Incorporated as a holding company for the Aboitiz Group's investments in power generation and distribution.</i>
2005	<i>Consolidated its investments in mini-hydroelectric plants in a single company by transferring all of HEDC's and Cleanergy's mini hydroelectric assets to Hedcor, Inc. (Hedcor).</i>

SEC FORM 20-IS (INFORMATION STATEMENT)

Year	Milestones
2007	<p>Entered into a share swap agreement with AEV in exchange for AEV's ownership interest in the following distribution utilities:</p> <ul style="list-style-type: none"> (i) An effective 55% equity interest in Visayan Electric; (ii) A 100% equity interest in each of Davao Light and Cotabato Light; (iii) An effective 64% ownership interest in Subic Enerzone; and (i) An effective 44% ownership interest in SFELAPCO.
	<p>As part of the reorganization of the power-related assets of the Aboitiz Group, the Company:</p> <ul style="list-style-type: none"> (i) Acquired 100% interest in Mactan Enerzone and 60% interest in Balamban Enerzone from AboitizLand; and (ii) Consolidated its ownership interests in Subic Enerzone by acquiring the combined 25% interest in Subic Enerzone held by AEV, SFELAPCO, Okeelanta Corporation, and Pampanga Sugar Development Corporation. <p>These acquisitions were made through a Share Swap Agreement, which involved the issuance of the Company's 170,940,307 common shares issued at the IPO price of ₱5.80 per share in exchange for the foregoing equity interests in Mactan Enerzone, Balamban Enerzone, and Subic Enerzone.</p>
	<p>Together with its partner, Statkraft Norfund Power Invest AS of Norway, through SN Aboitiz Power-Magat, acquired possession and control of the Magat Plant following its successful bid in an auction by the Power Sector Assets and Liabilities Management Corporation (PSALM).</p>
	<p>Formed Abovant Holdings, Inc. (Abovant) with the Vivant Group as the investment vehicle for the construction and operation of a coal-fired power plant in Toledo City, Cebu ("Cebu Coal Project"). Abovant entered into a Memorandum of Agreement (MOA) with Global Business Power Corporation (Global Power) of the Metrobank group for the acquisition of a 44% equity interest in Cebu Energy Development Corporation (Cebu Energy).</p>
	<p>Therma Power, Inc. (TPI) entered into a MOA with Taiwan Cogeneration International Corporation (TCIC) for the Subic Coal Project, an independent coal-fired power plant in the Subic Bay Freeport Zone. Redondo Peninsula Energy, Inc. (RP Energy) was incorporated as the project company.</p>
	<p>Acquired 50% of East Asia Utilities Corporation (EAUC) from El Paso Philippines Energy Company, Inc. and 60% of Cebu Private Power Corporation (CPPC).</p>
	<p>Purchased 34% equity ownership in STEAG State Power, Inc. (STEAG Power) from Evonik Steag GmbH in August 2007.</p>
	<p>Purchased Team Philippines Industrial Power II Corporation Industrial Power II Corp.'s 20% equity in Subic Enerzone.</p>
	2008
<p>Acquired Tsuneishi Holdings (Cebu), Inc. (THC)'s 40% equity ownership in Balamban Enerzone, bringing AboitizPower's total equity in Balamban Enerzone to 100%.</p>	
2009	<p>AP Renewables, Inc. (APRI) acquired the 234-MW Tiwi geothermal power facility in Albay and the 449.8 MW Makiling-Banahaw geothermal power facility in Laguna (collectively referred to as the "Tiwi-MakBan Geothermal Facilities").</p>
	<p>Therma Luzon, Inc. (TLI) became the Independent Power Producer Administrator (IPPA) for the 700-MW contracted capacity of the Pagbilao Coal-Fired Power Plant (the "Pagbilao Plant"), becoming the first IPPA of the country.</p>
2010	<p>Therma Marine, Inc. (TMI), acquired ownership over Mobile 1 ("Power Barge 118") and Mobile 2 ("Power Barge 117") from PSALM.</p>
2011	<p>Meralco PowerGen Corporation (MPGC), TCIC, and TPI entered into a Shareholders' Agreement to formalize their participation in RP Energy. MPGC took the controlling interest in RP Energy, while TCIC and TPI maintained the remaining stake equally.</p>
	<p>Therma Mobile, Inc. (TMO) acquired four barge-mounted floating power plants and their operating facilities from Duracom Mobile Power Corporation and EAUC. In the same year, the barges underwent rehabilitation and started commercial operations in 2013.</p>
2013	<p>Aboitiz Energy Solutions, Inc. (AESI) won 40 strips of energy corresponding to 40 MW capacity of Unified Leyte Geothermal Power Plant (ULGPP). The contract between AESI with PSALM with respect to the ULGPP capacity was terminated on October 26, 2019.</p>
2014	<p>TPI entered into a joint venture agreement with TPEC Holdings Corporation to form Pagbilao Energy Corporation (PEC) to develop, construct, and operate the 400 MW coal-fired Pagbilao Unit 3.</p>
	<p>Therma Power-Visayas, Inc. (TPVI) was declared the highest bidder for the privatization of the Naga Power Plant Complex (NPPC). SPC Power Corporation (SPC), the other bidder, exercised its right-to-top under the Naga Power Plant Land-Based Gas Turbine Land Lease Agreement, and PSALM</p>

SEC FORM 20-IS (INFORMATION STATEMENT)

Year	Milestones
	<p>declared SPC as the winning bidder. After protracted legal proceedings, TPVI accepted the turn-over for the NPPC plant on July 16, 2018.</p> <p>Acquired 100% of Lima Enerzone Corporation (Lima Enerzone) from Lima Land, Inc. (Lima Land), a wholly-owned Subsidiary of Aboitiz InfraCapital.</p> <p>TPI entered into a Shareholders' Agreement with Vivant Group, for the latter's acquisition of 20% issued and outstanding shares in Therma Visayas, Inc. (TVI).</p>
2015	<p>ARI formed a Joint Venture, San Carlos Sun Power, Inc. (SacaSun), with SunEdison Philippines to explore solar energy projects. In 2017, AboitizPower International completed the acquisition of SacaSun from SunEdison Philippines, and ownership of SacaSun was consolidated in AboitizPower.</p> <p>TSI commenced full commercial operations of its Unit 1.</p>
2016	<p>TSI commenced full commercial operations of its Unit 2.</p> <p>TPI acquired an 82.8% beneficial ownership interest in GNPowder Mariveles Coal Plant Ltd. Co. (now: GNPowder Energy Center Ltd. Co. or GMEC) and a 50% beneficial ownership interest in GNPowder Dinginin Ltd. Co. (GNPowder Dinginin or GNPD).</p> <p>Through TPI, acquired the remaining 50% interest in EAUC from El Paso Philippines.</p>
2017	<p>AboitizPower International completes its acquisition of SunEdison Philippines, and consolidates ownership of SacaSun.</p>
2018	<p>Aseagas permanently ceased operations of its 8.8-MW biomass plant in Lian, Batangas.</p> <p>TPVI accepted the turnover of the Naga Power Plant Complex from PSALM.</p> <p>Pag 3 began commercial operations.</p> <p>TVI commenced commercial operations of its Unit 1.</p>
2019	<p>TMO signed a PSA with Meralco, after the facility went into preservation model on February 5, 2019. TMO re-registered again with Independent Electricity Market Operator of the Philippines Inc. (IEMOP) on April 26, 2019.</p> <p>AboitizPower acquired 49% voting stake and a 60% economic stake in AA Thermal.</p> <p>TVI commenced commercial operations of its Unit 2.</p>
2020	<p>TPVI started commercial operations.</p>
2021	<p>Hedcor's FLS Hydro, Lon-oy Hydro, and Lower Labay Hydro resumed operations on July 28, 2021 and synchronized to the Luzon grid following the successful conduct of negotiations participated in by Hedcor, the Bakun Indigenous Tribe Organization (BITO), together with the Local Government officials of Bakun.</p> <p>A special-purpose vehicle wholly owned by the Company's wholly-owned subsidiary, ARI, was awarded the Engineering, Procurement, and Construction (EPC) contract for the 94-megawatt peak solar project in Pangasinan province. The Company entered into an agreement with JGC Philippines, Inc., the country's biggest EPC services company to build its second solar power venture.</p>

AboitizPower is currently involved in the distributed generation business through APX1 and APX2, and is expanding its renewable energy portfolio under its Cleanergy brand. AboitizPower's Cleanergy portfolio includes its geothermal, run-of-river hydro, and large hydropower facilities.

AboitizPower is developing various solar, wind, hydro, and storage projects. In November 2020, AboitizPower announced its two battery projects – the TMI Hybrid Battery Energy Storage System (BESS) (“TMI BESS”) and SN AboitizPower-Magat BESS. TMI BESS is located in Maco, Compostela Valley, has a storage capacity of 49 MWh, and is intended to be used for ancillary services and is currently under construction. SN AboitizPower BESS is located in Ramon, Isabela, has a storage capacity of 20 MWh, and will be used to provide ancillary services. In December 2021, the Company also began the construction of a 167MWp Laoag solar project in Aguilar, Pangasinan.

As of January 31, 2022, AboitizPower had 928 MW of attributable net sellable capacity, through its partners, under its Cleanergy brand. The Company is pushing for a balanced mix strategy – maximizing Cleanergy while taking advantage of the reliability and cost efficiency of thermal power plants.

Neither AboitizPower nor any of its Subsidiaries has been the subject of any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

SEC FORM 20-IS (INFORMATION STATEMENT)

(3) Business of Registrant

(a) Description of Registrant

With investments in power generation, retail electricity supply, and power distribution throughout the Philippines, AboitizPower is considered one of the leading Filipino-owned companies in the power industry. Based on SEC's parameters of what constitutes a significant Subsidiary under Item XX of Annex B (SRC Rule 12), the following are AboitizPower's significant Subsidiaries at present: ARI and its Subsidiaries, and Therma Power and its Subsidiaries. (Please see **Annex "D"** hereof for AboitizPower's corporate structure.)

(i) Principal Products or Services

GENERATION OF ELECTRICITY

AboitizPower's power generation portfolio includes interests in both renewable and non-renewable generation plants. As of December 31, 2021, the power generation business accounted for 105% of earning contributions from AboitizPower's business segments. AboitizPower conducts its power generation activities through the Subsidiaries and Affiliates listed in the table below.

The table below summarizes the Generation Companies' operating results as of December 31, 2021, compared to the same period in 2020 and 2019:

Generation Companies	Energy Sold			Revenue		
	2021	2020	2019	2021	2020	2019
	(in GWh)			(in mn Pesos)		
APRI	2,787	3,055	2,968	11,405	11,253	12,545
SacaSun	61	44	49	311	250	269
Hedcor	149	161	226	758	697	881
LHC	238	266	262	687	761	787
Hedcor Sibulan	251	201	191	1,858	1,399	1,282
Hedcor Tudaya	40	33	29	234	261	172
Hedcor Sabangan	55	49	51	325	395	300
Hedcor Bukidnon	271	261	284	1,827	1,418	1,605
SN Aboitiz Power-Magat	2,195	1,891	2,054	7,352	5,352	6,608
SN AboitizPower-Benguet	2,120	1,936	1,975	7,412	5,668	6,065
TLI	7,979	6,686	6,812	33,447	20,505	25,410
TSI	1,891	1,531	1,393	11,173	8,276	9,099
TVI	2,434	2,232	1,710	10,686	8,490	6,254
Cebu Energy	2,028	2,025	1,900	8,984	7,719	8,578
STEAG Power	1,845	1,845	1,840	3,918	4,022	4,791
GMEC	2,703	5,003	3,909	19,676	17,821	19,373
WMPC	802	819	638	1,596	1,390	1,158
SPPC	0	0	0	0	0	0
CPPC	381	540	550	1,275	998	1,685
EAUC	363	226	383	963	571	1,013
TMI	1,253	743	1,200	1,276	990	1,865
TMO	1,367	381	938	1,293	668	1,970
TPVI*	29	3	-	367	30	-
Davao Light** (decommissioned)	0	0	0	Revenue Neutral	Revenue Neutral	Revenue Neutral
Cotabato Light**	0	0	0	Revenue Neutral	Revenue Neutral	Revenue Neutral

*The TPVI plant started commercial operations on August 7, 2020 and was first dispatched based on an offer into the WESM on August 26, 2020.

**Plants are operated as stand-by plants and are revenue neutral, with costs for operating each plant recovered by Davao Light and Cotabato Light, as the case may be, as approved by ERC. The Davao Light plant has been decommissioned since November 2018.

SEC FORM 20-IS (INFORMATION STATEMENT)

Renewables

Aboitiz Renewables, Inc. (ARI)

As of February 28, 2022, AboitizPower's renewable energy portfolio in operation consisted of net sellable capacity of approximately 1,249.17 MW, divided into 46.80 MW of solar, 912.37 MW of hydro, and 290 MW of geothermal.

AboitizPower's investments and interests in various renewable energy projects, including geothermal, large hydro, run-of-river hydro, and solar projects, are held primarily through its wholly-owned Subsidiary, ARI and its Subsidiary Generation Companies. ARI was incorporated on January 19, 1995.

In line with AboitizPower's ten-year strategy of growing its renewable energy capacity as well as striking a 50:50 balance between its Cleanenergy and thermal portfolios by 2030, ARI is actively developing solar, wind, hydro, and storage projects. The 94MWp Cayanga solar project in Bugallon, Pangasinan is currently under construction and expected to be completed by the fourth quarter of 2022. Tendering on the 160MWp Laoag solar project in Aguilar, Pangasinan is ongoing, and the project is expected to start construction in the second quarter of 2022, and be completed by the second quarter of 2023. SN AboitizPower expects to commence construction on its Magat BESS in the first half of 2022 with projected commercial operations date in the first half of 2024.

AboitizPower, through and/or with ARI, owns equity interests in the following Generation Companies, among others:

Generation Company	Percentage of Ownership	Plant Name (Location)	Type of Plant	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Offtakers
APRI	100%	Tiwi – Makban (Luzon)	Geothermal	290	290	WESM/ Bilaterals
Hedcor	100%	Benguet 1-11 (Luzon) La Trinidad, Bineng 3, Ampohaw, FLS, Labay, Lon-oy, Irisan 1 and 3, and Sal-angan	Run-of-river hydro	52.7	52.7	FIT/ Bilaterals
		Davao 1-5 (Mindanao) Talomo 1, 2, 2A, 2B, and 3	Run-of-river hydro	4.5	4.5	Distribution utility
Hedcor Bukidnon	100%	Manolo Fortich (Mindanao)	Run-of-river hydro	68.8	68.8	FIT
Hedcor Sabangan	100%	Sabangan (Luzon)	Run-of-river hydro	14	14	FIT
Hedcor Sibulan	100%	Sibulan (A, B and Tudaya A) (Mindanao)	Run-of-river hydro	49.10	49.10	Distribution utility
Hedcor Tudaya	100%	Tudaya (B) (Mindanao)	Run-of-river hydro	7	7	FIT
LHC	100%	Bakun (Ilocos Sur, Luzon)	Run-of-river hydro	74.8	74.8	NPC (2026)
SacaSun	100%	SacaSun (Visayas)	Solar	46.8	46.8	Bilaterals
SN Aboitiz Power-Benguet	60%**	Ambuklao (Benguet, Luzon)	Large Hydroelectric	105	52.50	WESM
		Binga (Luzon)	Large Hydroelectric	140	70	WESM/ASPA/ Electric Cooperatives /DU/RES
SN Aboitiz Power-Magat	60%**	Magat (Luzon)	Large Hydroelectric	388	194	WESM/ ASPA/ Electric Cooperatives / DU/RES

SEC FORM 20-IS (INFORMATION STATEMENT)

Generation Company	Percentage of Ownership	Plant Name (Location)	Type of Plant	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Offtakers
		Maris Main Canal 1 (Luzon)	Run-of-river hydro	8.5	4.25	FIT
Total				1,248.2*	928.4*	

Notes:

* Sum figures will differ due to rounding effect.

**The 60% equity is owned by MORE.

Run-of-River Hydros

In 2021, Hedcor Group had a total generated gross of 994 GWh of Cleanergy across the Philippines. This is higher than the generated gross of renewable energy in 2020 with a total of 956 GWh, or an increase of 3.95% during 2021 compared to -0.79% in 2020. The Hedcor Group achieved this level of generation as a result of minimized outages and the La Niña in the first half of 2021.

On November 18, 2020, Hedcor inaugurated its first-ever Regional Control Center. With this, all nine plants in Southern Mindanao, composed of the five hydro facilities in Davao City and four hydro facilities in Davao del Sur owned by Hedcor, Hedcor Sibulan, and Hedcor Tudaya, respectively, can be operated remotely in a single control room. This is a significant milestone as part of the organization's multi-year digitization and integration projects which aims to connect all of Hedcor's hydro facilities to a single National Operations Control Center by 2024.

On June 22, 2021, the National Commission on Indigenous Peoples in the Cordillera Administrative Region ("NCIP-CAR") issued a cease-and-desist order ("CDO") to Hedcor's three run-of-river hydropower plants in Bakun, Benguet due to alleged irregularities regarding the Free Prior Informed Consent-Memorandum of Agreement between Hedcor and the Bakun Indigenous Tribes Organization (BITO). Following the successful conduct of negotiations participated in by Hedcor, the BITO, and the LGU of Bakun, the plants have resumed operations and synchronized to the Luzon grid.¹⁶

Luzon Hydro Corporation (LHC)

LHC, a wholly-owned Subsidiary of ARI, owns, operates, and manages the run-of-river Bakun AC hydropower plant with a total installed capacity of 74.8 MW located in Amilongan, Alilem, Ilocos Sur (the "Bakun AC Hydro Plant"). LHC was incorporated on September 14, 1994.

LHC was previously ARI's Joint Venture with Pacific Hydro of Australia, a privately-owned Australian company that specialized in developing and operating power projects utilizing renewable energy sources. On March 31, 2011, ARI, LHC, and Pacific Hydro signed a MOA granting ARI full ownership over LHC. ARI assumed 100% ownership and control of LHC on May 10, 2011.

The Bakun AC Hydro Plant was constructed and operated under the government's BOT scheme. Energy produced by the Bakun AC Hydro Plant, approximately 254 GWh annually, is delivered and taken up by NPC pursuant to a Power Purchase Agreement ("PPA") and dispatched to the Luzon Grid through the 230-kV Bauang-Bakun transmission line of NGCP. Under the terms of its PPA, all of the electricity generated by the Bakun AC Hydro Plant will be purchased by NPC for a period of 25 years from February 2001. The PPA also requires LHC to transfer the Bakun AC Hydro Plant to NPC in February 2026, free from liens and without the payment of any compensation by NPC.

In 2018, the Bakun AC Hydro Plant gained its ISO 22301:2012 Business Continuity Management System Certification, aligning with international standards in improving its business resilience. In 2020, it was recommended by BSi Group for Quality, Environmental, Asset Management, and Information Security

¹⁶ The NCIP has lifted the CDO In an Order dated February 21, 2022.

SEC FORM 20-IS (INFORMATION STATEMENT)

management systems ISO recertification while successfully transitioning to ISO 45001:2018 Occupational Safety and Health management system.

Hedcor, Inc. (Hedcor)

Hedcor was incorporated on October 10, 1986 by ACO as Baguio-Benguet Power Development Corporation. ARI acquired ACO's 100% ownership interest in Hedcor in 1998.

In 2005, ARI consolidated all its mini-hydroelectric generation assets, including those developed by HEDC and Cleanergy, into Hedcor. Cleanergy is Hedcor's brand for clean and renewable energy. Hedcor owns, operates, and manages run-of-river hydroelectric power plants in Northern Luzon and Davao City, with an increased combined net sellable capacity of 57.25 MW, attributed to the addition of the La Trinidad Hydro which started operations in July 2019.

The electricity generated from Hedcor's hydropower plants are taken up by Advent Energy, AESI, and Davao Light pursuant to PPAs with the said off-takers. Irisan 1 Hydro and La Trinidad Hydro sell energy under the Feed-in-Tariff ("FIT") mechanism through a renewable energy payment agreement ("REPA") with the National Transmission Corporation ("Transco").

In 2021, Hedcor Group had a total generated gross of 994 GWh of Cleanergy across the Philippines. This is higher than the generated gross of renewable energy in 2020 with a total of 956 GWh. This 3.95% increase is a great improvement compared to the 0.79% decrease in 2020. As a result of La Niña in the first half of 2021 and minimized outages, Hedcor achieved maximized generation.

Hedcor Sibulan, Inc. (Hedcor Sibulan)

Hedcor Sibulan, a wholly-owned Subsidiary of ARI, owns, operates, and manages the hydropower plants composed of three cascading plants with a total installed capacity of 49.24 MW, located in Santa Cruz, Davao del Sur. Hedcor Sibulan consists of Sibulan A Hydro, Tudaya 1 Hydro, and Sibulan B Hydro. The energy produced by the Sibulan grid is sold to Davao Light through a PSA signed in 2007. The company was incorporated on December 2, 2005.

In 2018, Hedcor Sibulan gained its ISO 22301:2014 Business Continuity Management Certification. Likewise, it has passed all recertification and surveillance audits in 2020, maintaining its certifications for Quality, Environmental, Operational Health and Safety, Asset Management, Information Security, and Business Continuity. Also, the organization was successful in its transition to ISO 45001:2018 Occupational Safety and Health management system in September 2020.

The Hedcor Sibulan plant is part of the Hedcor Group's Regional Control Center.

Hedcor Tudaya, Inc. (Hedcor Tudaya)

Hedcor Tudaya, a wholly-owned Subsidiary of ARI, owns, operates, and manages the Tudaya 2 Hydro run-of-river hydropower plant with an installed capacity of 8.1 MW, located in Santa Cruz, Davao del Sur. The company was incorporated on January 17, 2011.

The Tudaya 2 Hydro plant has been commercially operating since March 2014. At present, Tudaya 2 Hydro sells energy under the FIT mechanism through a Renewable Energy Supply Agreement (RESA) with Davao del Sur Electric Cooperative, and through a REPA with Transco.

Together with Hedcor Sibulan, Hedcor Tudaya also gained its ISO 22301:2014 Business Continuity Management Certification in 2018. Likewise, the company passed all recertification and surveillance audits in 2020, maintaining its certifications for Quality, Environmental, Operational Health and Safety, Asset Management, Information Security, and Business Continuity. Hedcor Tudaya also successfully transitioned to ISO 45001:2018 Occupational Safety and Health management system.

SEC FORM 20-IS (INFORMATION STATEMENT)

The Tudaya 2 Hydro plant is part of the Hedcor Group's Regional Control Center.

Hedcor Sabangan, Inc. (Hedcor Sabangan)

Hedcor Sabangan, a wholly-owned Subsidiary of ARI, owns, operates, and manages the Sabangan run-of-river HEPP with a net sellable capacity of 14.96 MW. The company was incorporated on January 17, 2011.

The Sabangan plant has been commercially operating since June 2015, and is selling under the FIT mechanism through a REPA with Transco. The plant is a pioneer hydropower plant in the Mountain Province region, harnessing the power of the Chico River.

Hedcor Bukidnon, Inc. (Hedcor Bukidnon)

Hedcor Bukidnon, a wholly-owned Subsidiary of ARI, owns, operates, and manages the mini hydropower plants with a combined net sellable capacity of 72.8 MW located in Manolo Fortich, Bukidnon (the "Manolo Fortich Plant"). The company was incorporated on January 17, 2011.

The Manolo Fortich Plant is composed of the 45.9-MW Manolo Fortich 1 Hydro and the 27.39-MW Manolo Fortich 2 Hydro. Both plants harness the power of the Tanaon, Amusig, and Guihean rivers.

Persistent rains in the locality that occurred during the second half of 2020 caused soil saturation, erosion, and mudslides resulting in pipe dislocations, pipe bursts, and damage to the high head penstock line of Manolo Fortich 1. Hedcor Bukidnon resumed full operations as of August 2021.

The Manolo Fortich plant is selling under the FIT mechanism through RESAs with various Mindanao cooperatives and private distribution utilities and through a REPA with TRANSCO.

Large Hydros

SN Aboitiz Power-Magat, Inc. (SN Aboitiz Power-Magat)

Incorporated on November 29, 2005, SN Aboitiz Power-Magat owns and operates the HEPP with a nameplate capacity of 360 MW located at the border of Ramon, Province of Isabela and Alfonso Lista, Ifugao (the "Magat Plant"), and the 8.5-MW run-of-river Maris Main Canal 1 HEPP located in Brgy. Ambatali in Ramon, Isabela (the "Maris Plant"). The Maris Plant, which is composed of two generator units with a nameplate capacity of 4.25 MW each, was completed in November 2017. The plant was granted entitlement to the FIT system in its operations pursuant to the COC issued by ERC in November 2017.

SN Aboitiz Power-Magat is ARI's Joint Venture with SN Power, a leading Norwegian hydropower company with projects and operations in Asia, Africa, and Latin America. In October 2020, Norway-based Scatec ASA (Scatec) signed a binding agreement to acquire 100% of the shares in SN Power from Norfund for a total equity value of US\$ 1,166 mn. On January 29, 2021, Scatec announced it has received all necessary approvals and that conditions are fulfilled to close the acquisition pursuant to the agreement with Norfund. As of January 31, 2022, SN Aboitiz Power-Magat is 60% owned by MORE, while SN Power Philippines Inc. owns the remaining 40% equity interest.

The Magat Plant was completed in 1983 and was turned over to SN Aboitiz Power-Magat in April 2007 after it won the bidding process conducted by PSALM. As a hydroelectric facility that can be started up in a short period of time, the Magat Plant is suited to act as a peaking plant with the capability to capture the significant upside potential that can arise during periods of high demand. This flexibility allows for the generation and sale of electricity at the peak demand hours of the day. This hydroelectric asset has minimal marginal costs, which Aboitiz Power believes gives it a competitive advantage in terms of economic dispatch order versus other fossil fuel-fired power plants that have significant marginal costs.

SEC FORM 20-IS (INFORMATION STATEMENT)

On April 25, 2019, ERC certified the Magat Plant's new Maximum Stable Load (Pmax) at 388 MW. The Magat Plant's Units 1-4 were uprated by 2 MW each, or from 95 MW to 97 MW per unit. This means that the Magat Plant is capable of producing, under normal to best conditions, up to 388 MW as compared to its nameplate capacity of 360 MW. The new Pmax of the four units was based on the capability test conducted by the NGCP sometime in 2018.

SN Aboitiz Power-Magat is an accredited provider of ancillary services to the Luzon grid. It sells a significant portion of its available capacity to NGCP, the system operator of the Luzon grid. SN Aboitiz Power-Magat's remaining capacity is sold as electric energy to the spot market through WESM and to load customers through bilateral contracts.

Driven by improved inflows in the first quarter of 2021, the Magat Plant's total sold quantities from spot energy generation and ancillary services (AS) during 2021 was at 1.9 TWh, an improvement from 2020's sold capacity of 1.8 TWh. This is equivalent to a sold capacity factor of 60%, compared to 55% in 2020. Spot and AS revenue for the year 2021 was ₱6.59 bn, 51% higher than 2020's ₱4.36 bn. SN Aboitiz Power-Magat's Bilateral Contract Quantity (BCQ) margin for 2021 was ₱679 mn loss, significantly lower than 2020's ₱727 mn. This was mainly driven by the higher spot market prices during 2021 compared to 2020.

In June 2019, SN Aboitiz Power-Magat switched on its first 200kW floating photovoltaic project over the Magat reservoir in Isabela. This was the first non-hydro renewable energy project of the SN Aboitiz Power Group, which was looking at other renewables and complementary technologies to expand its portfolio. On October 21, 2020, the company obtained approval for the project to proceed to engineering design for a total of 67 MW. The project is currently in the detailed feasibility study stage, which is expected to run for ten to twelve months. Initial efforts have been focused on securing all pertinent permits and endorsements, conduct of applicable stakeholder consultations, completion of environmental and social baseline studies, refinement of commercial assumptions, and completion of technical site investigations necessary for a feasibility level design. Based on the results of the pre-feasibility studies, phase one of the project will be for 67 MW with a plan to install up to 150 MW, depending on the final technical solution and layout. SN Aboitiz Power-Magat is also working on the renewable energy service contract (RESC) application with the DOE. The company secured an extension of the memorandum of understanding with the National Irrigation Administration (NIA), the government agency in charge of dams and reservoirs, on the conduct of the feasibility study, with ongoing discussions regarding the agreement for use of the reservoir.

SN Aboitiz Power-Magat's Battery Energy Storage System ("Magat BESS") project is located in Ramon, Isabela. It is an energy storage system with a 20-MW capacity and 20-MWh energy storage to be used primarily for ancillary services. Site survey works have been completed as part of the pre-construction. Early works activities have been completed, including site surveys and basic engineering design. Coordination is ongoing with the NGCP on transmission, particularly the Magat-Santiago 230 kV transmission line re-conductoring and upgrading. The benefit of this upgrade is to ensure full dispatch of the Magat power plant's capacity, battery energy storage system, and proposed expansion in the floating solar space. The addition of BESS complements the rise of variable renewable energy in the country, increasing frequency variability to the grid which requires a more balanced power supply in the system.

On October 22, 2020, the Department of Energy (DOE) issued a Green Energy Option Program (GEOP) Operating Permit to SN Aboitiz Power-Magat, which authorizes the company to enter into electricity supply contracts with qualified end-users according to the GEOP or RA No. 9513 or the Renewable Energy Act of 2008 ("RE Law"). This permit is valid for five years. SN Aboitiz Power-Magat also has a RES license valid until December 17, 2025.

SN Aboitiz Power-Magat retained its Integrated Management System certifications for ISO 14001 for Environmental Management System, ISO 9001 for Quality Management System, ISO 45001 for Occupational Health and Safety Management Systems, and ISO 55001 Asset Management System, as

SEC FORM 20-IS (INFORMATION STATEMENT)

verified and audited by DQS Philippines in 2021. The company recorded 2 mn manhours without a lost time incident in 2021.

SN Aboitiz Power-Benguet, Inc. (SN Aboitiz Power-Benguet)

SN Aboitiz Power-Benguet is the owner and operator of the Ambuklao-Binga Hydroelectric Power Complex, which consists of the 105-MW Ambuklao HEPP ("Ambuklao Plant") and the 140-MW Binga HEPP ("Binga Plant"), located in Brgy. Tinongdan, Itogon, Benguet Province. The company was incorporated on March 12, 2007. As of January 31, 2022, MORE owns 60% equity interest, while SN Power owns the remaining 40%.

The Ambuklao-Binga hydroelectric power complex was turned over to SN Aboitiz Power-Benguet in July 2008 and was rehabilitated to increase its capacity from 75 MW to 105 MW when the plant recommenced operations in 2011. The Binga Plant also underwent refurbishment from 2010 to 2013, which increased capacity to 125 MW. In March 2017, SN Aboitiz Power-Benguet received its amended COC from ERC for all four units of the Binga Plant. The COC reflects Binga's latest uprating, raising its capacity to 140 MW. The Ambuklao and Binga Plants sell capacity from spot energy generation and ancillary services to the national transmission system and related facilities that convey power.

With higher inflows in the Ambuklao reservoir in 2021 compared to 2020, there was an overall higher AS Capacity Approval and spot sales for SN Aboitiz Power-Benguet. The Ambuklao Plant's total sold capacity from spot energy generation and ancillary services in 2021 was 703 GWh, which was 96% of the 732 GWh capacity sold in 2020. This was equivalent to a sold capacity factor of 76% during 2021, as compared to the 80% during 2020. The Binga Plant's total sold capacity from spot energy generation and AS in 2021 was 1.12 TWh, or 112% of the 1.00 TWh sold capacity in 2020. This is equivalent to a sold capacity factor of 92% for 2021, compared to 82% in 2020.

The resulting combined spot and AS revenue of the Ambuklao and Binga Plants for 2021 was ₱6.180 bn, compared to ₱4.20 bn in 2020. SN Aboitiz Power-Benguet's BCQ margin for 2021 was ₱236 mn loss, which was significantly lower than 2020's BCQ margin of ₱973 mn. This was mainly driven by the higher spot market prices during 2021 compared to 2020.

Both the Ambuklao and Binga Plants have retained their Integrated Management System certifications (ISO 14001 Environmental Management System, ISO 9001 Quality Management System, and ISO 55001 for Asset Management). The company also successfully migrated and was certified as ISO 45001 Occupational Health & Safety Management System from OHSAS 18001. The Ambuklao and Binga Plants jointly have just over 5.2 mn man hours of no lost time incident in 2021.

Geothermal

AP Renewables Inc. (APRI)

APRI, a wholly-owned Subsidiary of ARI, is one of the leading renewable power companies in the country. It owns the 234 MW Tiwi geothermal power facility in Albay and the 449.8 MW Makiling-Banahaw geothermal power facility in Laguna (the "Tiwi-MakBan Geothermal Facilities") located in Albay, Laguna, and Batangas. These geothermal facilities were acquired by APRI from PSALM in July 2008 and were formally turned over to APRI on May 25, 2009.

The Tiwi-MakBan Geothermal Facilities produce clean energy that is reasonable in cost, efficient in operation, and environment-friendly. As a demonstration of APRI's commitment to providing world-class services, adhering to environmental management principles to reduce pollution, complying with regulations, and ensuring a safe and healthy workplace, the company has been issued Integrated Management System (IMS) certifications by TÜV Rheinland Philippines that include the International Organization for Standardization (ISO) 9001:2015 (Quality), ISO 14001:2015 (Environment), and OSHAS (Occupational Health and Safety Series) 18001:2007 (Health and Safety).

SEC FORM 20-IS (INFORMATION STATEMENT)

On August 24, 2018, APRI and Philippine Geothermal Production Company, Inc. (PGPC) signed a Geothermal Resources Supply and Services Agreement (GRSSA) for the supply of steam and drilling of new production wells for the Tiwi-MakBan Geothermal Facilities until the expiration of APRI's initial DOE operating contract term on October 22, 2034. This ensures the long-term operations of the facilities. Under the GRSSA, PGPC has committed to drill at least 12 new production wells, with a minimum of 50 MW aggregated individual well capacity, by 2023 in order to increase steam availability. The GRSSA also provides for more equitable and competitive fuel pricing for APRI.

The first Steam Production Enhancement Campaign (SPEC) make-up well for MakBan, Bulalo 114, was completed and started flowing into the system on April 10, 2021. This provided additional steam equivalent to 5.41 MW to Makban Plant B. For Tiwi, Kapipihan 36, the first well drilled under the SPEC program, was completed in December 2019 and was tested at 12.11 MW capacity in January 2020. Two additional wells in MakBan were completed, with Bulalo 115 contributing 4.86 MW and Bulalo 116 adding 3.31 MW based on the tests conducted on June 2 and July 29, 2021 respectively. In total, two additional new make-up wells will be contributing to the generation of APRI's 234 MW geothermal power facility in Tiwi, Albay and the six remaining new make-up wells will be contributing to the 394.8 MW Makiling-Banahaw geothermal power facility in Laguna (the "Tiwi-MakBan Geothermal Facilities") for a total of 12 new make-up wells under the SPEC program within 2021 -2023.

APRI was granted a RES license on February 18, 2020 which is valid until February 17, 2025.

Solar

Maaraw San Carlos Holdings, Inc. (Maaraw San Carlos) and San Carlos Sun Power Inc. (SacaSun)

SacaSun owns and operates the 59-megawatt peak (MWp) solar photovoltaic (PV) power generation plant located in the San Carlos Ecozone, Barangay Punao, San Carlos City, Negros Occidental (the "SacaSun Plant"). The project was inaugurated on April 19, 2016.

SacaSun was incorporated on July 25, 2014, initially as a Joint Venture between ARI and SunEdison Philippines. On December 4, 2017, AboitizPower acquired 100% effective equity ownership in SacaSun.

As of January 31, 2022, the energy generated from the SacaSun Plant benefited more than 33,891 homes within the Visayas Grid and displaced the energy equivalent to 20,994,583 gallons of gasoline or approximately 206,222,535 pounds of coal burned.

Maaraw San Carlos is the holding company of SacaSun. It was incorporated on April 24, 2015, and is effectively owned by AboitizPower, through its wholly-owned Subsidiaries, ARI and AboitizPower International.

PV Sinag Power, Inc. (PV Sinag)

PV Sinag is the project company for the construction of the 94 MWp Cayanga solar project located in Cayanga, Bugallon, Pangasinan. PV Sinag issued a notice to proceed ("NTP") on September 15, 2021 for the construct of an access road, which is 84.50% completed as of January 27, 2022. A NTP to the EPC contractor for the power plant and transmission was issued on December 16, 2021 and pre-works are ongoing. Issuance of NTP signifies that the EPC contractor can start with its scope of work, which usually begins with the EPC contractor's issuance of a standby letter of credit, PV Sinag's payment of the advance payment, and other activities needed to start construction, such as the mobilization of personnel and equipment to site. The total project cost is estimated at ₱4.5 bn and will be funded through project finance and equity contributions. The project is expected to commence commercial operations by December 2022, in line with PV Sinag's power supply agreement with a retail customer.

PV Sinag was incorporated on October 1, 2013, and is wholly-owned by ARI.

SEC FORM 20-IS (INFORMATION STATEMENT)

Sinag Naraw Power Inc. (Sinag Naraw)

Sinag Naraw was incorporated on June 19, 2020 as a joint venture between ARI and Okeelanta Corporation. Sinag Naraw is the project company for an 11MWp solar project in Pampanga currently under development.

As of January 31, 2022, ARI owned 44% of Sinag Naraw.

Aboitiz Power Distributed Energy, Inc. (APX1) and Aboitiz Power Distributed Renewables Inc. (APX2)

APX1 and APX2 (collectively, "APX") are the project companies engaged in the business of operating rooftop PV solar systems in the distributed energy space. APX1 and APX2 are wholly-owned Subsidiaries of AboitizPower through ARI. APX1 and APX2 were incorporated in November 2016 and May 2002, respectively.

APX1 is a registered Philippine Economic Zone Authority (PEZA) company intended to serve customers operating within PEZA zones.

As of January 31, 2022, APX has approximately 4.3 MWp of rooftop solar projects, operating under a Power Purchase Agreement, a turnkey solution for customers, or about to start construction/installation. The on-going rooftop solar PV developments are expected to go online within the first half of 2022.

Renewables Pipeline

SN Aboitiz Power-Generation, Inc. (SN Aboitiz Power-Gen)

SN Aboitiz Power-Gen implements the SN Aboitiz Power Group's Business Development Program, which aims to grow SN Aboitiz Power Group's renewable energy portfolio by looking at potential power projects in the Philippines, primarily within its current host communities in Northern Luzon.

In 2021, SN Aboitiz Power-Gen continued to explore and develop various renewable energy projects in order to contribute to SN Aboitiz Power Group's growing renewable energy portfolio.

On the hydropower front, SN Aboitiz Power-Gen continued to develop and execute pertinent activities for the proposed 390-MW Alimit hydropower complex in Ifugao, which consists of the 120-MW Alimit Hydroelectric Power Plant (HEPP), the 250-MW Alimit Pumped Storage Facility, and the 20-MW Olilicon HEPP. However, only limited groundwork activities have been completed in 2021 due to COVID-19 pandemic restrictions.

SN Aboitiz Power-Gen is likewise venturing into the commercial floating solar front through the Magat Floating Solar Project, proposed to be located in Ramon, Isabela. This 67-MW project is currently in the Feasibility Phase. In 2021, securing the necessary permits from the Department of Energy (DOE) and engaging with regulatory bodies such as the National Irrigation Administration (NIA) were the focus of the Project.

SN Aboitiz Power-Gen continues to explore and assess other greenfield and brownfield opportunities, not only in the field of hydropower and floating solar, but also in the field of energy storage, ground-mounted solar, and wind power as well.

SN Aboitiz Power-Gen was incorporated on March 10, 2011. As of January 31, 2022, 60% equity interest in the company is owned by MORE, with the remaining 40% owned by SN Power Philippines.

SEC FORM 20-IS (INFORMATION STATEMENT)

Non-Renewable Energy

Therma Power, Inc. (TPI)

AboitizPower's investments and interests in various non-renewable energy projects are held primarily through its wholly-owned Subsidiary, TPI and its Subsidiary power generation companies. TPI was incorporated on October 26, 2007. As of January 31, 2022, AboitizPower, by itself, through and/or with TPI, owned equity interests in the following:

Generation Company	Percentage Ownership	Plant Name (Location)	Project Type	Net Sellable Capacity (MW)	Attributable Net Sellable Capacity (MW)	Off-takers
Coal Group						
TLI	100%	Pagbilao (Luzon)	Coal-fired	700	700	Bilaterals/WESM
PEC	50%	Pagbilao 3 (Luzon)	Coal-fired	388.4	194.2	Bilaterals
TSI	100%	TSI Plant (Mindanao)	Coal-fired	260	260	Bilaterals
TVI	80%	TVI Plant (Visayas)	CFB	300	240	Bilaterals/WESM
Cebu Energy	26.4%	Cebu Energy (Visayas)	CFB	216	57	Bilaterals/WESM
GMEC	78.32%	Mariveles Project (Luzon)	Coal-fired	632	495	Bilaterals/WESM
STEAG Power**	34%	STEAG Power Plant (Mindanao)	Coal-fired	210	71.4	NPC (2031)
Oil Group						
CPPC**	60%	CPPC Plant (Visayas)	Bunker-C fired	64	38.40	WESM
EAUC	100%	EAUC Plant (Visayas)	Bunker-C fired	43.5	43.5	Bilaterals
SPPC**	20%	SPPC Plant (Mindanao)	Bunker-C fired	55	11	N/A
TMI	100%	Power Barge Mobile 1 (Mindanao)	Barge-mounted	96	96	Bilaterals/ASPA
		Power Barge Mobile 2 (Mindanao)	Barge-mounted	96	96	Bilaterals/ASPA
TMO	100%	Power Barges Mobile 3-6 (Luzon)	Barge-mounted	200	200	WESM/ASPA
TPVI	100%	TPVI Plant (Visayas)	Bunker-C fired	39.3	39.3	WESM
WMPC**	20%	WMPC Plant (Mindanao)	Bunker-C fired	100	20	Bilaterals
Cotabato Light**	99.94%	Bunker Cotabato (Mindanao)	Bunker-C fired	4.45	4.45	N/A
Total				3,404.6	2,566.2*	

* Sum figures will differ due to rounding effect

** Directly owned by AboitizPower

Oil Group

Therma Marine, Inc. (TMI)

TMI, a wholly-owned Subsidiary of TPI, owns and operates Power Barges Mobile 1 (previously known as PB 118) and Power Barges Mobile 2 (previously known as PB 117), which have a total generating capacity of 200 MW. Power Barges Mobile 1 is currently moored at Barangay San Roque, Maco, Davao De Oro, while Power Barges Mobile 2 is moored at Barangay Sta. Ana, Nasipit, Agusan del Norte. The company was incorporated on November 12, 2008.

SEC FORM 20-IS (INFORMATION STATEMENT)

The 192 MW dependable capacities of TMI are currently contracted with the NGCP in an Ancillary Services Procurement Agreement (ASPA). TMI is now registered as a WESM Trading Participant beginning January 8, 2020, in anticipation of WESM in Mindanao.

TMI Hybrid BESS is one of two battery energy storage system projects of AboitizPower. Located in Maco, Davao de Oro, TMI Hybrid BESS has a storage capacity of 49 MW and is intended to be used for ancillary services. Development activities are ongoing to integrate the battery energy storage system with TMI's Power Barge Mobile 1. The TMI Hybrid BESS project is expected to commence commercial operations sometime in 2022.

Therma Mobile, Inc. (TMO)

TMO, a wholly-owned Subsidiary of TPI, operates four barge-mounted power plants located at the Navotas Fish Port, Manila, which it acquired on May 27, 2011. The barge-mounted power plants have an installed generating capacity of 231 MW. TMO operates with a net available capacity of 165 MW. The company was incorporated on October 20, 2008.

On January 7, 2019, TMO notified Meralco that it will physically disconnect from Meralco's system and will deregister as a Trading Participant in the WESM effective February 5, 2019. After evaluating the circumstances and the options available, TMO decided to preserve its bunker C-fired diesel power plants. Notices were also sent to PEMC, DOE, ERC, and IEMOP, following applicable legal notice requirements. Afterwards, TMO signed a one-year PSA with Meralco that expired on April 25, 2020.

Thereafter on July 14, 2020, TMO and NGCP entered into ASPAs for Reactive Power Support and Dispatchable Reserve. Both ASPAs have been provisionally approved by the ERC.

East Asia Utilities Corporation (EAUC)

EAUC, a wholly-owned Subsidiary of TPI, is the owner and operator of a 44-MW Bunker C-fired power plant within MEPZ I, Lapu-Lapu City, Cebu. The company supplies the power requirements of the MEPZ I locators, and began supplying power through the WESM on December 26, 2010. EAUC was incorporated on February 18, 1993.

EAUC has received awards by the DENR-EMB for its commendable role in the Metro Cebu Airshed Governing Board, and by IEMOP for its exemplary compliance in the spot market.

Therma Power-Visayas, Inc. (TPVI)

TPVI, a wholly-owned Subsidiary of TPI, is the company that was awarded the winning bid for the privatization of the 25.3-hectare Naga Power Plant Complex (NPPC) located at Naga City, Cebu. The company was incorporated on October 8, 2007.

Following protracted legal proceedings, on May 23, 2018, PSALM issued a Certificate of Effectivity of the Notice of Award originally issued on April 30, 2014 in favor of TPVI. Thereafter, PSALM and TPVI executed the Asset Purchase Agreement and Land Lease Agreement of the NPPC.

On July 16, 2018, the NPPC was physically turned over and accepted by TPVI from PSALM. TPVI embarked on the rehabilitation of the 44-MW diesel plant right after, which DOE has endorsed as a committed power project. On August 7, 2020, TPVI commenced commercial operations and was first dispatched based on an offer into the WESM on August 26, 2020.

Cebu Private Power Corporation (CPPC)

CPPC owns and operates a 70-MW Bunker C-fired power plant located in Cebu City, one of the largest diesel-powered plants on the island of Cebu. The company was incorporated on July 13, 1994.

SEC FORM 20-IS (INFORMATION STATEMENT)

Commissioned in 1998, the CPPC plant was constructed to supply 62 MW of power to Visayan Electric. CPPC is currently trading in the WESM.

CPPC is a Joint Venture between AboitizPower and the Vivant Group. As of January 31, 2022, AboitizPower beneficially owned 60% of CPPC.

Southern Philippines Power Corporation (SPPC)

SPPC owns a Bunker C-fired power plant with installed capacity of 61.72MW and net capacity of 55MW located in Alabel, Sarangani, a municipality outside General Santos City in Southern Mindanao. SPPC's 18-year "Build-Operate-Own" (BOO) arrangement with the National Power Corporation (NPC) expired on April 28, 2016. The company was incorporated on March 15, 1996.

As of January 31, 2022, AboitizPower has a 20% equity interest in SPPC, a Joint Venture among AboitizPower, Alsing Power Holdings, Inc., and Tomen Power (Singapore) Pte. Ltd.

SPPC has been on asset preservation status since the expiration of its Power Supply Agreements (PSA) with Davao Light and Cotabato Light on April 28, 2018. The plant's last operation was in July 2018.

Western Mindanao Power Corporation (WMPC)

WMPC owns and operates a Bunker C-fired power station with installed capacity of 112-MW and net capacity of 100MW located in Zamboanga City, Zamboanga Peninsula in Western Mindanao. It was operated as a merchant plant after WMPC's 18-year BOO arrangement with the NPC expired in December 2015. The company was incorporated on March 15, 1996.

WMPC has an Ancillary Services Procurement Agreement (ASPA) NGCP which took effect on April 26, 2019 for 50-MW non-firm Dispatchable Reserve and Reactive Power Support and Blackstart Support Services. It has been issued an Ancillary Services (AS) Certificate by NGCP effective September 20, 2021 to September 19, 2023. WMPC is also supplying electricity to Zamboanga City Electric Cooperative Inc., and has been registered with the WESM effective April 23, 2020.

As of January 31, 2022, AboitizPower has a 20% equity interest in WMPC, a Joint Venture among AboitizPower, Alsing Power Holdings, Inc., and Tomen Power (Singapore) Pte. Ltd.

Coal Group

Therma Luzon, Inc. (TLI)

TLI, a wholly-owned Subsidiary of TPI, was the first IPPA in the country, and assumed the role of the registered trader of the contracted capacity of the 700-MW net (2x350 MW net) coal-fired power plant located in Pagbilao, Quezon (the "Pagbilao Plant"). TLI was incorporated on October 20, 2008.

As the IPPA, TLI is responsible for procuring the fuel requirements of, and selling the electricity generated by, the Pagbilao Plant. The Pagbilao Plant is currently owned and operated by TeaM Energy Corporation (TeaM Energy). Under the IPPA agreement, TLI has the right to receive the transfer of Pagbilao Unit 1 and Unit 2 at the end of the Energy Conversion Agreement. Over the years, TLI's capacity was contracted to various cooperatives, private distribution utilities, directly connected customers, and to affiliate RES. TLI was granted a RES license on August 12, 2020, which is valid until August 11, 2025.

Pagbilao Energy Corporation (PEC)

PEC owns and operates the 400-MW Unit 3 coal-fired power plant (Pagbilao Unit 3) within the Pagbilao Power Station, located in Pagbilao, Quezon. PEC is a Joint Venture between AboitizPower and TeaM Energy, through their respective Subsidiaries, TPI and TPEC Holdings Corporation. Pagbilao Unit 3 is not

SEC FORM 20-IS (INFORMATION STATEMENT)

covered by either TLI's IPPAA with PSALM or TeaM Energy's BOT contract with NPC, and commenced operations in March 2018.

Through TPI, AboitizPower has 50% equity interest in PEC, while TPEC Holdings Corporation owned the remaining 50% as of January 31, 2022.

The output of Pagbilao Unit 3 is sold to TLI and TPEC.

Therma South, Inc. (TSI)

TSI, a wholly-owned Subsidiary of TPI, owns and operates the 300-MW net (2x150MW net) circulating fluidized bed (CFB) coal-fired power plant located in Davao City and Sta. Cruz, Davao del Sur. TSI was incorporated on November 18, 2008. Commercial operations for Unit 1 and Unit 2 began in September 2015 and February 2016, respectively.

TSI was granted a Provisional Authority to Operate (PAO), which was initially valid from September 1, 2020 until August 31, 2021. The PAO was extended for one year, effective September 1, 2021 until August 31, 2022.

TSI contributes to the continuing growing power requirements of Mindanao by providing stable and cost-effective base load power. TSI supplies power to various private distribution utilities and energy cooperatives. TSI seeks to sustain the positive impact it has brought to its host communities through various educational, livelihood, and enterprise development programs, benefitting children, students, small and medium enterprise owners, and its employees.

Therma Visayas, Inc. (TVI)

TVI owns and operates the 300-MW net (2x150 MW net) CFB coal-fired power plant located in Toledo City, Cebu. Commercial operations for Unit 1 and Unit 2 began in April and August 2019, respectively.

AboitizPower, through TPI, effectively owned an 80% equity interest in TVI as of January 31, 2022. The remaining 20% is held by the Vivant Group.

TVI supplies power to Visayan Electric and its RES Affiliates – AESI, AdventEnergy, and Prism Energy, Inc. (Prism Energy).

Abovant Holdings, Inc. (Abovant) and Cebu Energy Development Corporation (Cebu Energy)

Abovant is a Joint Venture between AboitizPower and the Vivant Group as the holding company for shares in Cebu Energy. The company was incorporated on November 28, 2007.

Cebu Energy was incorporated on December 5, 2008 by Abovant and Global Formosa Power Holdings, Inc. (Global Formosa), a Joint Venture between Global Business Power Corporation and Flat World Limited. The company owns the 3x82-MW CFB coal-fired power plant situated within the Toledo Power Complex in Barangay Daanlungsod, Toledo City, Cebu. The first unit was commissioned in February 2010, while the second and third units were commissioned in the second and fourth quarters of 2010, respectively. Cebu Energy declared commercial operations on February 26, 2011, and is the first commercial clean-coal facility in the country.

Cebu Energy consistently ensures delivery of the highest level of service, and actively undertakes accreditations on Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015), and Occupational Health and Safety Management System (OHSAS 18001:2007). The company provides power to the province of Cebu and its neighboring province, Bohol. Likewise, Cebu Energy has an existing ASPA with NGCP to help maintain a reliable electric Grid system.

As of January 31, 2022, Abovant has a 44% equity interest in Cebu Energy, while Global Formosa owned

SEC FORM 20-IS (INFORMATION STATEMENT)

the remaining 56%. Consequently, AboitizPower, through TPI, holds a 26.4% effective ownership interest in Cebu Energy.

Redondo Peninsula Energy, Inc. (RP Energy)

RP Energy was incorporated on May 30, 2007 to construct, own, and operate the 2x300-MW (net) coal-fired power plant located in the Redondo Peninsula of Subic Bay within the Subic Bay Freeport Zone (SBFZ), Subic, Zambales.

RP Energy was originally a Joint Venture between AboitizPower and TCIC. MPGC acquired a majority interest in RP Energy by virtue of a share purchase agreement with TPI on July 22, 2011. As of January 31, 2022, AboitizPower, through TPI, and TCIC each retained a 25% stake in RP Energy.

STEAG State Power Inc. (STEAG Power)

Incorporated in December 19, 1995, STEAG Power is the owner and operator of a 210 MW (net) coal-fired power plant located in PHIVIDEC Industrial Estate in Misamis Oriental, Northern Mindanao. The STEAG Power Plant consisting of two units was built under a BOT arrangement and started commercial operations on November 15, 2006. It has a 25-year PPA with NPC backed by a Performance Undertaking issued by the Philippine government.

As of January 31, 2022, AboitizPower has 34% equity interest in STEAG Power following the purchase of said equity from Evonik Steag GmbH (now STEAG). STEAG and La Filipina Uy Gongco Corporation (LFUGC) currently hold the remaining 51% and 15% equity, respectively, in STEAG Power.

On January 29, 2021, STEAG Power applied for the renewal of its ERC COC which expired last August 29, 2021. ERC issued a Provisional Authority to Operate valid until August 29, 2022.

From December 2020 to May 13, 2021, one of its two power plant units was required to be in economic shutdown by NPC/PSALM in accordance with the PPA after consideration of the following factors: (i) grid demand, and (ii) high water level of hydrowater plants aggravated by the pandemic quarantine effects. Both power plant units have since resumed normal operations, save only during the long plant maintenance schedule which ran from June 30 to August 9, 2021. The same request for economic shutdown of one unit was raised by PSALM for the period October 31, 2021 to January 31, 2022. In a letter dated January 21, 2022, PSALM shortened the unit's economic shutdown to January 24, 2022. The two power plant units have resumed normal operations since.

STEAG Power entered into two coal supply agreements in December 2019 that secured the plant's fuel requirements for the next three years on a fixed base and option tonnage. Last December 15, 2021, SPI amended one of its existing coal supply agreements for the inclusion of clauses allowing shortfalls in shipments to be added at the end of the contract and extension of the contract for such purpose. The Company entered into a Charter Party Agreement, as amended, for the transportation of coal in bulk from January 1, 2020 to December 31, 2025.

AA Thermal, Inc.

On May 2, 2019, AboitizPower completed its acquisition of 49% voting stake and 60% economic stake in AA Thermal, AC Energy Inc.'s (AC Energy) thermal platform in the Philippines.

The AA Thermal platform initially consists of AC Energy's limited partnership interests in GMEC and GNPD, where AboitizPower, through TPI, already holds direct partnership interests.

GNPower Mariveles Energy Center Ltd. Co. (GNPower Mariveles or GMEC)

GMEC, formerly known as GNPower Mariveles Coal Plant Ltd. Co., is a private limited partnership organized on May 13, 2007 and established to undertake the development, construction, operation,

SEC FORM 20-IS (INFORMATION STATEMENT)

and ownership of an approximately 2x345 MW (gross) pulverized coal-fired power plant located in Mariveles, Bataan, Philippines (the “Mariveles Project”). GMEC registered its Amended Articles of Partnership to reflect GMEC’s change in partnership name and a change in its principal place of business from Pasig City to Mariveles, Bataan, which were approved by the SEC on October 14, 2020 and January 28, 2022, respectively.

The Mariveles Project is located within an industrial zone on a 60-hectare coastal site near the port of Mariveles, Bataan. The project site lies near the northern entrance to Manila Bay, providing easy and safe shipping access from the West Philippine Sea. The Mariveles Project commenced on January 29, 2010 and was declared commercially available in 2014.

The electricity produced by the Mariveles Project is exported through a 230kV high voltage transmission line from Mariveles to Hermosa substation. The transmission line is owned, operated, and maintained by NGCP. Substantially all of the capacity of the Mariveles Project is contracted under long term PPAs with highly-rated distribution utilities and Contestable Customers, through its designated RES, GNPowder Ltd. Co.

In October 2016, TPI acquired the partnership interests held by the affiliated investment funds of The Blackstone Group L.P. in World Power Holdings, L.P. (currently registered as Therma Mariveles Holdings L.P.) and Sithe Global Power, L.P. (currently registered as Therma Dinginin L.P.). Following its receipt of the necessary approvals from the Board of Investments (BOI) and PCC, TPI completed the acquisition of GMEC and GNPD interests on December 27, 2016. On March 7, 2018, AboitizPower completed the restructuring of its share ownership structure in GMEC by transferring its direct ownership of GMEC from the offshore subsidiaries of TPI to TPI itself, and the eventual dissolution and liquidation of the offshore intermediary subsidiaries that used to own the GMEC shares.

In 2021, GMEC informed AboitizPower of an unscheduled outage of the Mariveles Project’s Unit 1 (“GMEC Unit 1”) attributable to damage found in a portion of GMEC Unit 1’s boiler. Actual repairs to the boiler were completed on August 12, 2021 while, parallel to these repair works, GMEC Unit 1 went on general maintenance outage. With the extended outage activities, GMEC returned to service from these incidents on October 18, 2021. In view of the resulting business interruption, GMEC has initiated an insurance claim for the outage. The Mariveles Project represents approximately [8.96%] of the total gross capacity under AboitizPower’s market control of 3,850 MW. GMEC Unit 1 delivers a net sellable capacity of 316 MW, which represents approximately 9.06% of AboitizPower’s net sellable capacity of 3,494 MW.

Effectively, the partnership interests in GMEC are owned by:

- (i) TPI;
- (ii) ACE Mariveles Power Ltd. Co., a joint venture between (a) AA Thermal, Inc., a wholly-owned subsidiary of AC Energy and Infrastructure Corporation and AboitizPower, and (b) Power Partners Ltd. Co. (“Power Partners”); and,
- (iii) Power Partners.

As of January 31, 2022, AboitizPower has a 78.3% effective partnership interest in GMEC.

GNPower Dinginin Ltd. Co. (GNPower Dinginin or GNPD)

GNPD is a limited partnership organized and established on May 21, 2014 with the primary purpose of developing, constructing, operating, and owning a 2x724.965 MW (gross) supercritical coal-fired power plant to be located in Mariveles, Bataan.

GNPD started the construction of Unit 1 in September 2016, the commissioning and testing of which is currently on-going and is expected to be completed around February to March 2022. With GNPD finally receiving Unit 1’s Certificate of Compliance from the ERC, Unit 1 began servicing its PSAs from the unit’s own generation beginning December 26, 2021. The partnership also proceeded with the expansion of the power plant and achieved its financial closing for Unit 2 in December 2017, with the target date for

SEC FORM 20-IS (INFORMATION STATEMENT)

Unit 2's initial synchronization scheduled in the second quarter of 2022, from which GNPD Unit 2 may start earning revenues.

GNPD's construction is conducted in two phases: (i) the first phase is for Unit 1 and its associated ancillary facilities, as well as, the balance of plant, and (ii) the second phase is for Unit 2, an additional identical 668MW (net) unit, and its associated ancillary facilities. The electricity that will be produced by Unit 1 of GNPD will be initially exported through the existing 230kV high voltage transmission line owned and operated by NGCP. Once NGCP's 500kV high voltage transmission line is completed, energy from both GNPD's Unit 1 and Unit 2 will be exported through the same.

On December 27, 2016, TPI completed the acquisition of the partnership interests held by the affiliated investment funds of The Blackstone Group, L.P. in World Power Holdings, L.P. (currently registered as Therma Mariveles Holdings L.P.) and Sithe Global Power, L.P. (currently registered as Therma Dinginin L.P.). AboitizPower's sharing percentage on GNPD's (i) profits and losses and (ii) distributions therein, through its general and limited partners, was eventually reduced to 40%.

In 2018, AboitizPower, through TPI, restructured its share ownership structure in GNPD and transferred direct ownership of GNPD from the offshore subsidiaries of TPI to TPI itself, resulting in TPI directly owning a 45% partnership interest in GNPD by December 31, 2018.

In February 2019, GNPD secured the Certificate of Energy Project of National Significance from the DOE.

As an Authority of the Freeport Area of Bataan (AFAB) Registered Enterprise, GNPD is entitled to the incentives granted under Republic Act No. 9728, the organic law creating the AFAB. To date, GNPD has signed numerous Power Purchase and Sale Agreements with highly-rated distribution utilities and RES.

GNPD is co-developed by Power Partners, AC Energy, and TPI. As of January 31, 2022, AboitizPower owned a 70% effective partnership interest in GNPD.

Other Generation Assets

As of January 31, 2022, Cotabato Light maintains a stand-by maximum capacity of 4.45-MW Bunker C-fired power plant capable of supplying approximately 13.26% of its requirements.

Future Projects

AboitizPower assesses the feasibility of any new power generation project. Factors taken into consideration include the proposed project's land use requirements, access to a power grid, energy yield analysis, fuel supply arrangements, availability of water, local requirements for permits and licenses, acceptability of the project to the communities and people it will affect, ability of the project to generate electricity at a competitive cost, and the existence of potential purchasers of the electricity generated. For the development of a new power project, the Company, its partners, and its suppliers are required to obtain all national and local permits and approvals before the commencement of construction and commercial operations, including those related to the project site, construction, environment, land use planning/zoning, operations licenses, and similar approvals.

DISTRIBUTION OF ELECTRICITY

The Aboitiz Group has more than 85 years of experience in the Philippine power distribution sector.

With ownership interests in nine Distribution Utilities, the Company believes that it is currently one of the largest electricity distributors in the Philippines. AboitizPower's Distribution Utilities collectively supply electricity to franchise areas covering a total of 18 cities and municipalities and five economic zones across Luzon, Visayas, and Mindanao.

In 2020, the wholly-owned Distribution Utilities and Visayan Electric completed a rebranding initiative to

SEC FORM 20-IS (INFORMATION STATEMENT)

modernize the look and feel of the brands and visually show their relation to AboitizPower.

The Distribution Utilities' earnings contribution to AboitizPower's business segments in 2020 was equivalent to 28.03%. The Distribution Utilities had a total customer base of 1,106,783 as of year-end 2021. This was 1,068,820 as of year-end 2020, and 1,030,726 as of end-2019.

The table below summarizes the key operating statistics of the Distribution Utilities for each of the past three years:

Company	Electricity Sold (MWh)			Peak Demand (MW)			No. of Customers		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Davao Light	2,597,592	2,476,991	2,633,920	459	452	454	458,498	440,304	420,666
Cotabato Light	178,535	170,363	173,114	34	31	31	47,098	45,044	43,449
Visayan Electric	3,144,768	3,119,850	3,500,781	554	583	601	477,732	462,699	450,088
SFELAPCO	716,888	686,694	714,948	147	134	140	118,806	116,293	112,091
Subic Enerzone	267,047	262,393	329,633	50	56	62	3,581	3,477	3,473
Mactan Enerzone	107,541	99,927	117,433	21	21	22	87	87	87
Balamban Enerzone	85,813	92,771	101,885	25	28	27	28	29	34
Lima Enerzone	296,780	242,455	249,394	56	49	44	940	882	834
Malvar Enerzone	1,458	158	51	1.28	0.12	0.06	13	5	4
Total	7,396,423	7,151,601	7,821,159	1,347	1,355	1,382	1,106,783	1,068,820	1,030,726

Visayan Electric Company, Inc. (Visayan Electric)

Visayan Electric is the second largest privately-owned distribution utility in the Philippines in terms of customer size and annual MWh sales. The company supplies electricity to a region covering 674 square kilometers (sq. km.) on the island of Cebu with a population of approximately 1.7 mn. Visayan Electric has 19 power substations and one mobile substation that serve the electrical power needs of various cities, municipalities, and barangays in the island and province of Cebu.

Visayan Electric is the Aboitiz Group's first involvement in the power industry, with the acquisition by some family members of 20% ownership interest in the early 1900s. Directly and through its predecessors-in-interest, the company has been in the business of distributing electricity in Cebu since 1905. In 1928, Visayan Electric Company, S.A. was granted a 50-year distribution franchise by the Philippine Legislature. The franchise was renewed in September 2005 for a period of 25 years or until September 2030.

As of January 31, 2022, Visayan Electric's total systems loss is at 11.90%. This includes a feeder loss level of 8.91%, which appears higher than the government-mandated feeder loss cap in 2021 of 5.50%. This is due to the disruption of operations, including meter reading and billing, due to Typhoon Odette in December 2021.

Visayan Electric has energized 100% of all the barangays, and electrified 99.77% of all the households within its franchise area. A goal of 100% total electrification is set for December 31, 2022, in line with the national goal set by the DOE.

Visayan Electric is true to its vision of becoming a world-class electric utility by implementing innovations such as the implementation of a full digital substation using IEC 61850 station and process bus for its

SEC FORM 20-IS (INFORMATION STATEMENT)

Paknaan substation. The newest application for distribution automation, fault location, isolation, and service restoration (FLISR), is an ongoing project to be applied to four feeders within the franchise.

Visayan Electric's Underground Distribution System (UDS) project, which began in 2013, aims to convert overhead conductors to underground cables along Cebu City's Sinulog Route with a total length of approximately five kilometers (km). As of January 31, 2022, approximately 3.6 kms have been completed.

Visayan Electric has reinforced and improved the existing capacity and reliability of its 23kV West Cluster with the addition of another 33 MVA Power Transformer in the Calamba Substation. This will enhance electricity service for the increasing demand of both commercial and densely residential customers within its franchise area.

As of January 31, 2022, AboitizPower directly held a 55.26% equity interest in Visayan Electric. 34.81% is owned by the Vivant Group.

Davao Light & Power Company, Inc. (Davao Light)

Davao Light is the third largest privately-owned electric distribution utility in the country in terms of customer size and annual kWh sales. Its franchise area covers two cities and three municipalities in the Davao region, with a population of approximately 1.8 mn and a total area of 3,561 sq. kms.

Davao Light was incorporated on October 11, 1929, and was acquired by the Aboitiz Group in 1946. The company's original 50-year franchise, covering Davao City, was granted in November 1930 by the Philippine Legislature. Pursuant to RA No. 11515 which lapsed into law on December 26, 2020, Davao Light's franchise was extended for an additional 25 years from 2025, or until 2050.

The company's renewable energy power supply is sourced from hydropower plants of NPC-PSALM hydro, Hedcor Sibulan, Hedcor's Talomo plant, Hedcor-Bukidnon (Manolo Fortich).

The distribution network infrastructure of Davao Light is continuously upgraded to increase its capacity and adopts digital technology in its substations to enhance the reliability and flexibility in the sub-transmission and distribution network. Its P. Reyes substation has been upgraded to a fully digital substation, the first in the Philippines outside of Manila, with an additional 50MVA capacity. Its Buhangin substation was upgraded with an additional 33 MVA capacity to cater to the rapid load growth in the northern part of Davao City. Its underground cabling project along C.M Recto St. has improved the reliability of power and safety of the community and the aesthetics of the main downtown road.

As the challenges of the Covid-19 pandemic remain, Davao Light continues to serve its customers through its diverse digital channels and online facilities to provide ease of doing business such as payments, requests, and inquiries. The company maintains payment facilities to make bills payment more accessible to its customers. Its mobile application, MobileAP, allows customers to access their billing and accounts anytime and anywhere This was introduced in 2020 and has been upgraded with additional features and more access options to its users.

Davao Light retained its certification for the ISO 9001:2015, or the Quality Management System (QMS), and passed the surveillance audit for ISO 45001:2018 - Occupational Health and Safety (OH&S) Management System and ISO 14001:2015 – Environmental Management (EM) System.

As of January 31, 2022, Davao Light's total systems loss is at 8.37%. This included a feeder loss of 5.02%, which was below the government-mandated feeder loss cap for 2021 of 5.50%.

Cotabato Light and Power Company (Cotabato Light)

Cotabato Light supplies electricity to Cotabato City and portions of the municipalities of Sultan Kudarat, and Datu Odin Sinsuat, Maguindanao, with its franchise covering a land area of 191.20 sq. kms.

SEC FORM 20-IS (INFORMATION STATEMENT)

Incorporated in April 1938, Cotabato Light's original 25-year franchise was granted by the Philippine Legislature through RA No. 3341 in June 1939. The most recent renewal of the franchise was in June 2014 for a period of 25 years, or until 2039.

Cotabato Light also maintains a standby 4.45-MW Bunker C-fired plant capable of supplying approximately 13.26% of its franchise area requirements. The standby power plant, capable of supplying electricity in cases of supply problems with its power suppliers or NGCP and for the stability of voltage whenever necessary, is another benefit available to Cotabato Light's customers.

Cotabato Light's total systems as of January 31, 2022 is at 8%. This included a feeder loss of 6.32% which was above the government-mandated feeder loss cap in 2022 of 5.5%. Cotabato Light is continuously innovating its strategies and processes to reduce its system losses.

As of January 31, 2022 AboitizPower directly owned a 99.94% equity interest in Cotabato Light.

San Fernando Electric Light & Power Co., Inc. (SFELAPCO)

SFELAPCO was incorporated on May 17, 1927 and was granted a municipal franchise in 1927. The most recent renewal of its franchise was in March 2010 for a period of 25 years.

SFELAPCO's franchise in the City of San Fernando, Pampanga covers an area of 78.514 sq. kms. and the municipality of Floridablanca and Brgys. Talang and Ligaya, Municipality of Guagua, Pampanga with an estimated area of 175.5 sq. kms. As of September 30, 2021, it includes 641.42 circuit km 13.8-kV medium voltage lines and 1,038.29 circuit km of 240v low voltage distribution lines. For 2021, Sfelapco has a total of 276.2 MVA of substation capacity with a peak load of 146.5 MW including its 69kv customers.

SFELAPCO's total 12-month systems loss as of January 31, 2022 is 5.17%. This included a feeder loss of 3.51%, which was below the government-mandated feeder loss cap for 2021 of 5.50%.

As of January 31, 2022, AboitizPower had an effective equity interest of 43.727% in SFELAPCO.

Subic Enerzone Corporation (Subic Enerzone)

On June 3, 2003, Subic Enerzone was incorporated as a Joint Venture owned by a consortium including Davao Light, AEV, and SFELAPCO, among others, to undertake management and operation of the SBFZ power distribution utility.

Subic Enerzone serves a total of 3,552 customers, consisting of 80 industrial locators, 1,293 commercial locators, 2,056 residential customers, 101 streetlights and 22 industrial locators under RES.

Subic Enerzone's total systems loss as of January 31, 2022 was 3.77%. This included a feeder loss of 2.02%, which was below the government-mandated feeder loss cap in 2021 of 5.50%.

As of January 31, 2022, AboitizPower owned, directly and indirectly through Davao Light, a 99.98% equity interest in Subic Enerzone.

Mactan Enerzone Corporation (Mactan Enerzone)

Mactan Enerzone was incorporated in February 2007 when AboitizLand spun off the power distribution system of its Mactan Export Processing Zone II (MEPZ II) project. The MEPZ II project, which was launched in 1995, was operated by AboitizLand under a BOT agreement with the Mactan-Cebu International Airport Authority (MCIAA).

Mactan Enerzone sources its power from Green Core Geothermal Incorporated and Power Sector Asset and Liabilities Management Corporation pursuant to the respective CSEE.

SEC FORM 20-IS (INFORMATION STATEMENT)

Mactan Enerzone serves a total of 47 captive industrial locators, 28 captive commercial locators, and 12 industrial locators under RES.

Mactan Enerzone's total system loss as of January 31, 2022 was 1.06%. This included a feeder loss of 0.48%, which was below the government-mandated feeder loss cap for 2021 of 5.50%.

As of January 31, 2022, AboitizPower owned a 100% equity interest in Mactan Enerzone.

Balamban Enerzone Corporation (Balamban Enerzone)

Balamban Enerzone was incorporated in February 2007 when CIPDI, a Joint Venture between AboitizLand and THC, spun off the power distribution system of the West Cebu Industrial Park – Special Economic Zone (WCIP-SEZ). WCIP-SEZ is a special economic zone for light and heavy industries located in Balamban, Cebu.

Balamban Enerzone serves a total of ten captive industrial customers, 12 captive commercial customers, and six contestable industrial customers.

Balamban Enerzone's total systems loss as of January 31, 2022 was 0.48%. This included a feeder loss of 0.16%, which is below the government-mandated feeder loss cap for 2021 of 5.50%.

As of January 31, 2022, AboitizPower directly owned a 100% equity interest in Balamban Enerzone.

Lima Enerzone Corporation (Lima Enerzone)

Lima Enerzone was incorporated as Lima Utilities Corporation on June 5, 1997 to serve and provide locators within the Lima Technology Center (LTC) with a reliable and stable power supply.

Lima Enerzone serves a total of 96 captive industrial locators, 18 captive commercial locators, 792 captive residential customers, eight street lamps, and 25 industrial locators under RES.

As of January 31, 2022, Lima Enerzone's total systems loss was 4.31%. This included a feeder loss of 0.90%, which was below the government-mandated feeder loss cap for 2021 of 5.50%.

As of January 31, 2022, AboitizPower directly owned a 100% equity interest in Lima Enerzone.

Malvar Enerzone Corporation (Malvar Enerzone)

Malvar Enerzone was incorporated on June 9, 2017 to serve and provide locators within the Light Industry & Science Park IV (LISP IV) in Malvar, Batangas. Malvar Enerzone will manage the operation and maintenance of the power distribution of LISP IV for 25 years. LISP IV has two 50MVA transformers to provide reliable and quality power to locators, which are mostly from manufacturers and exporters. Malvar Enerzone served a total of five captive industrial locators, six captive commercial locators and two streetlights.

As of January 31, 2022, Malvar Enerzone's total systems loss was 6.6% mostly due to locators still in construction phase and at very low load factor. This includes a feeder loss of 0.92%, which was below the government-mandated feeder loss cap for 2021 of 5.50%.

As of January 31, 2022, AboitizPower directly owned a 100% equity interest in Malvar Enerzone.

RETAIL ELECTRICITY AND OTHER RELATED SERVICES

One of the objectives of electricity reform in the Philippines is to ensure the competitive supply of electricity at the retail level. With the start of commercial operations of Open Access, large-scale

SEC FORM 20-IS (INFORMATION STATEMENT)

customers are allowed to obtain electricity from RES licensed by ERC. Advent Energy, AESI, and Prism Energy are registered under the Renewable Energy Market and were granted by the DOE operating permits, valid for five years, allowing them to participate in the GEOP.

Aboitiz Energy Solutions, Inc. (AESI)

AESI is engaged in the business of a retail energy supplier and energy consolidator. It was granted a license to act as a RES valid until October 28, 2022. The company was incorporated on August 11, 1998.

AESI served 42 customers at the start of commercial operations of Open Access on June 26, 2013. In 2021, AESI supplied retail electricity to a total of 205 customers, with total energy consumption of 2,058.94 mn kWh. As of January 31, 2022, AboitizPower owned a 100% equity interest in AESI.

Adventenergy, Inc. (AdventEnergy)

AdventEnergy was specifically formed to serve Contestable Customers who are located in economic zones. It was granted a license to act as a RES valid until June 17, 2022. The company was incorporated on August 14, 2008.

AdventEnergy differentiates itself from competition by sourcing most of its electricity requirements from a renewable source. As a result, an increasing number of companies are opting to source a part, if not the majority, of their electricity supply from AdventEnergy as an environmental initiative.

In 2021, AdventEnergy supplied retail electricity to 109 customers with a total consumption of 1,562.86 mn kWh.

As of January 31, 2022, AboitizPower owned a 100% equity interest in AdventEnergy.

Prism Energy, Inc. (Prism Energy)

Prism Energy was incorporated in March 2009 as a Joint Venture between AboitizPower and Vivant Corporation. It was granted a license to act as a RES valid until May 22, 2022.

Prism Energy is envisioned to serve Contestable Customers in the Visayas region. As a RES, Prism Energy provides its customers with contract options for electricity supply that is based on their operating requirements. In 2021, Prism Energy supplied retail electricity to 53 customers with a total energy consumption of 182.10 mn kWh.

As of January 31, 2022, AboitizPower directly owned a 60% equity interest in Prism Energy.

SN Aboitiz Power – Res, Inc. (SN Aboitiz Power - RES)

SN Aboitiz Power-RES is a Retail Electricity Supplier that caters and offers energy supply and solutions tailored to the needs and preferences of customers under the Retail Competition and Open Access (RCOA) market. Starting in February 2021, the RCOA market has lowered its threshold to Phase III, allowing electricity end-users with an average peak demand of at least 500kW to source their electricity requirements from their RES of choice.

SN Aboitiz Power-RES is the retail arm of the SN Aboitiz Power Group. It caters to Contestable Customers and electricity consumers using an average of at least 1 MW in the last twelve months across all industries under Open Access. It offers energy supply packages tailored to its customers' needs and preferences.

SEC FORM 20-IS (INFORMATION STATEMENT)

As of January 31, 2022, MORE owns a 60% equity interest in SN Aboitiz Power-RES, with the remaining 40% owned by SN Power Philippines.

Mazzaraty Energy Corporation (Mazzaraty)

Mazzaraty was incorporated on June 19, 2014 as a joint venture among Aboitiz Power, Pasudeco Corporation, L&R Development, Inc., and Alfecon Realty, Inc. It was granted a license to act as a RES until June 18, 2022. Mazzaraty supplies retail electricity customers with a total consumption of 2,903,311 kWh in 2021.

As of January 31, 2022, AboitizPower owned 44.87% of Mazzaraty.

(ii) Sales

The operations of AboitizPower and its Subsidiaries and Affiliates are based only in the Philippines.

Comparative amounts of revenue, profitability and identifiable assets are as follows:

	2021	2020	2019
Gross Income		₱110,377	₱125,635
Operating Income		26,880	28,856
Total Assets		₱397,925	₱410,469

Note: Values are in Million Pesos. Operating income is operating revenue net of operating expenses.

Comparative amounts of revenue contribution and corresponding percentages to total revenue by business group are as follows:

	2021		2020		2019	
Power Generation			₱74,647	55%	₱84,379	53%
Power Distribution			42,991	32%	47,448	30%
Retail Electricity Supply			16,477	12%	24,566	15%
Services			1,308	1%	1,965	1%
Total Revenue			135,423	100%	158,358	100%
Less: Eliminations			-25,046		-32,723	
Net Revenue			₱110,377		₱125,635	

Note: Values are in Million Pesos.

(iii) Distribution Methods of the Products or Services

Power Generation Business

The AboitizPower's Generation Companies sell their capacities and energy through bilateral PSAs with private distribution utilities, electric cooperatives, RES, other large end-users, and through the WESM. The Company has Subsidiaries and Affiliates that sell ancillary services through ASPAs with NGCP. The majority of AboitizPower's Generation Companies have transmission service agreements with NGCP for transmission of electricity to the Grid.

Distribution Utilities Business

Ancillary Services are necessary to help ensure a reliable and stable Grid, which co-exist with the energy market or WESM. NGCP signs ASPAs with AS-certified generators to fulfill specific ancillary service requirements per Grid. Currently, SN Aboitiz Power-Magat, SN Aboitiz Power-Benguet, TMI, TMO, TLI, APRI, Cebu Energy, and WMPC have ASPAs with NGCP. In the Luzon grid, the SN Aboitiz Power Group delivers regulating, contingency, and dispatchable reserves, blackstart service, and reactive power support through its Ambuklao, Binga, and Magat Plants. TMO, on the other hand, is located at the load center Metro Manila

SEC FORM 20-IS (INFORMATION STATEMENT)

and serves the necessary voltage support and dispatchable reserve. In addition, TLI's Pagbilao and APRI's Makban plants are delivering contingency reserves and Reactive Power Support AS, respectively. In Visayas, AboitizPower delivers Contingency Ancillary Service through Cebu Energy. TMI provides both contingency and dispatchable reserves requirements in Mindanao. As a recent development to the Ancillary Service Contracting Process, it was mandated by the Department of Energy that AS will now undergo Competitive Selection Process (CSP), the same as that of the Energy CSP. DOE's Department Circular No. DC 2021-10-0031, Prescribing the Policy for the Transparent and Efficient Procurement of Ancillary Services by the System Operator, details the provisions of the CSP which became effective October 29, 2021. This is a welcome development for a more transparent and efficient process and AboitizPower intends to actively participate to fulfill the most-needed AS requirements across the nation.

In addition, the Hedcor Tudaya Hydro 2, Hedcor Irisan Hydro 1, Hedcor Sabangan, Hedcor Manolo Fortich 1 & 2, and Hedcor La Trinidad Hydro plants, all in commercial operations, have been approved for inclusion in the FIT system. Hedcor, Hedcor Tudaya, Hedcor Sabangan, and Hedcor Bukidnon, the companies that own and operate the foregoing plants, have entered into Renewable Energy Payment Agreement (REPA) with Transco, in its capacity as FIT-Allowance ("FIT-All") Administrator, for the collection and payment of the FIT.

In the absence of WESM in Mindanao, Tudaya Hydro 2, and Manolo Fortich Hydro 1 and 2 have entered into Renewable Energy Supply Agreement (RESA) with their host DUs or electric cooperatives.

AboitizPower's Distribution Utilities have exclusive distribution franchises in the areas where they operate. Each Distribution Utility has a distribution network consisting of a widespread network of predominantly overhead lines and substations. Customers are classified according to voltage levels based on their electricity consumption and demand. Large industrial and commercial consumers receive electricity at distribution voltages of 13.8 kV, 23 kV, 34.5 kV, and 69 kV, while smaller industrial, commercial, and residential customers receive electricity at 240 V or 480 V.

With the exception of Malvar Enerzone, all of AboitizPower's Distribution Utilities have entered into transmission service contracts with NGCP for the use of NGCP's transmission facilities to receive power from PSALM to their respective independent power producers to their respective customers. All customers that connect to the Distribution Utilities' distribution lines are required to pay a tariff approved by ERC.

Retail Electricity Supply Business

AboitizPower's wholly-owned RES companies, AdventEnergy and AESI, have existing electricity supply contracts to ensure continuous supply of power to their customers. AdventEnergy and AESI maintain a portfolio of energy-based supply contracts from renewable and non-renewable sources to secure reliable and affordable electricity for its customers. These electricity supply contracts involve a mix of fixed rate and margin-based electricity fees that are updated year on year to ensure that supply is maintained at competitive rates. Prism Energy primarily serves contestable customers under the Visayan Electric franchise.

In addition, APRI and TLI were granted Retail Electricity Supplier licenses in 2020 and became registered members of the Renewable Energy Market last July 6, 2021.

(iv) New Products/Services

Other than the ongoing Greenfield and/or rehabilitation projects undertaken by AboitizPower's Generation Companies, AboitizPower and its Subsidiaries do not have any publicly announced new products or services as of January 31, 2022.

SEC FORM 20-IS (INFORMATION STATEMENT)

(v) Competition

Power Generation Business

AboitizPower continues to face competition in both the development of new power generation facilities and the acquisition of existing power plants. Competition for financing these activities, as well as the demand for use of renewable energy sources, remains to be a challenge to AboitizPower's growth and portfolio of assets. The drastic increase in coal prices also puts coal fired power assets at a significant disadvantage in terms of prices among competitors especially in the renewable space where prices are now more competitive and cost is not affected by commodities.

As of January 31, 2022, consumption of power has returned to the pre-pandemic levels and in certain areas has surpassed it. This, combined with the challenges in power supply across the country, means AboitizPower is positioned to benefit from higher spot prices in the market by managing and maintaining the availability of its power plants. AboitizPower also believes the Philippines' energy requirements will continue to grow as the country develops, attracting many competitors, including multinational development groups and equipment suppliers, to explore opportunities in power generation projects in the Philippines. Accordingly, competition for and from new power projects may increase in line with the expected long-term economic growth trajectory of the Philippines. With this opportunity, AboitizPower believes it is well-positioned to be play a significant role in this growth expansion, and to capitalize on the growing renewable energy space with its strategy to have 50% of its generating assets classified as renewable by the end of this decade, together with the ability to meet long term baseload requirements.

Based on ERC Resolution No. 05, Series of 2021, there are over 30 players representing a total installed capacity of 23,422 MW for the Philippine Grid. The largest is SMC Global Power (5,345 MW), a Subsidiary of San Miguel Corporation which was founded in 1890 and which, through time, has built strong stakeholder relationships and enjoyed long-running commercial success. AboitizPower is the second largest generation company by attributable installed capacity (3,882 MW). The third largest is First Gen Corporation (3,485 MW), which considers itself as one of the leading suppliers of renewable energy in the Philippines.

In particular, AboitizPower is expected to face competition from leading multinationals such as AES Corporation, Team Energy, The Electricity Generating Public Company Limited (EGCO), and Korea Electric Power Corporation, as well as power generation facilities owned or controlled by Filipino-owned companies such as Global Business Power Corporation, AC Energy, First Gen Corporation, DMCI Holdings, Inc., Meralco PowerGen Corporation, and SMC Global Power.

With the commencement of retail competition, Open Access, and lowering of thresholds for contestability, these foreign and local generation companies, and other independent RES players, have already set up their own RES business, which include Direct Power RES, and Ecozone Power Management Inc. RES. Of these, the largest player in terms of number of registered Contestable Customers is MPower RES.¹⁷ The main strength of this largest player is its association with the country's largest distribution utility, Meralco, and the goodwill that comes from its size and dominance.

Retail Electricity Supply Business

Based on ERC's Competitive Retail Electricity Market Monthly Statistical Data as of December 2021, there are 44 RES companies and 28 Local RES companies participating in the Open Access markets in Luzon and Visayas. MERALCO Group has the largest market share at 37.43%, with a contracted capacity of 1,663.72 MW. Its main strength is its affiliation as a subsidiary of the country's largest distribution utility, MERALCO, which has the financial and market strength, as well as goodwill, that comes from its size, long history, and dominance. AboitizPower, through its RES companies, has the second-largest market share at 18.91%,¹⁸

¹⁷ Based on ERC's Competitive Retail Electricity Market Report released in December 2021.

¹⁸ Excluding SFELAPCO which is 20.284% owned by AboitizPower.

SEC FORM 20-IS (INFORMATION STATEMENT)

with contracted capacity of 840.18 MW¹⁹ as of December 2021. The San Miguel Group has the third largest market share at 15.83%, with a contracted capacity of 703.66 MW.

The increase in the number of power plants, the number of RES companies, and volatile oil and coal prices have also increased the level of competition in the Open Access market. RES companies have resorted to both aggressive pricing and contractual concessions.

AboitizPower believes that its portfolio, consisting of different types of energy sources with a mix of renewables and non-renewables, allows it to be flexible in both pricing and reliability of supply, thus enhancing its competitiveness.

Distribution Utilities Business

Each of AboitizPower's Distribution Utilities currently have franchises to distribute electricity in the areas covered by its franchises.

(vi) Sources of Raw Materials and Supplies

Power Generation Business

The Generation Companies produce energy using the following fuel types based on attributable net selling capacity: 17% hydropower, 8% geothermal, 1% solar, 58% coal, and 16% oil. In 2021, renewable fuel sources comprised 27% of attributable net selling capacity, while thermal accounted for 73%.

AboitizPower's run-of-river hydropower facilities harness the energy from the flow of water from neighboring rivers to generate electricity. The hydroelectric companies on their own, or through NPC as in the case of LHC, possess water permits issued by National Water Resources Board (NWRB), which allow them to utilize the energy from a certain volume of water from the applicable source of the water flow.

APRI's steam requirement for its geothermal power generation continues to be supplied by PGPC. The terms of the steam supply are governed by a Geothermal Resources Supply and Services Agreement. Under the agreement, the price of steam is based on 50% of the Marketing Clearing Prices starting September 26, 2021. Prior to this date, the price of steam was ultimately indexed to the Newcastle Coal Index and the Japanese Public Utilities coal price. APRI and PGPC signed a new agreement on August 24, 2018 under which PGPC will drill 12 new production wells with a minimum of 50 MW aggregated individual well capacity by 2023.

Oil-fired plants use heavy fuel oil and automotive diesel oil to generate electricity. SPPC and WMPC source fuel from Pilipinas Shell Petroleum Corporation and Phoenix Petroleum, respectively. Each of EAUC, CPPC, TMI, TMO, and TPVI secure its fuel oil requirements from Pilipinas Shell, Phoenix Petroleum, and/or PTT Philippines Corporation. The fuel prices under these agreements are pegged to the Mean of Platts Singapore index.

TLI has long-term coal supply contracts for both the performance and blending coal requirements of Pagbilao Units 1 and 2. Likewise, Pagbilao Unit 3 has a long-term contract until 2025 for the majority of its annual requirement.

TVI entered into a long-term coal supply agreement with one of its established coal sources after its successful test firing while a contract with a second source has been entered into at the end of 2021 for supply during 2022.

TSI has extended its contract with its main supplier up to 2023. It applies the same sourcing strategy as that of TLI and TVI where evaluation of other potential coal sources is being conducted in order to establish the most competitive and optimum fuel supply mix.

¹⁹ Excluding SFELAPCO which is 20.284% owned by AboitizPower.

SEC FORM 20-IS (INFORMATION STATEMENT)

GNPD, GMEC, STEAG Power, and Cebu Energy also have long-term coal supply agreements.

Power Distribution Business

The rates at which the Distribution Utilities purchase electricity from affiliated Generation Companies are established pursuant to bilateral agreements. These agreements are executed after the relevant Generation Company has successfully bid for the right to enter into a PSA with a Distribution Utility. These agreements are entered into on an arms'-length basis, on commercially reasonable terms, and must be approved by the ERC. ERC's regulations currently restrict AboitizPower's Distribution Utilities from purchasing more than 50% of their electricity requirements from affiliated Generation Companies.

To address long-term power supply requirements, Davao Light and Cotabato Light entered into 25-year PSCs with TSI for 100 MW and 5 MW, respectively, and started drawing their contracted capacity in September 2015. In June 2016, Davao Light and TSI filed a Joint Manifestation with ERC stating that they agreed to supplement and modify their supply contract to 108 MW.

In anticipation of higher demand and lower allocation from PSALM, Davao Light entered into a 10-year PSC with San Miguel Consolidated Power Corporation (SMCPC) for a supply of 60MW in 2016. SMCPC began supplying the 60-MW contracted capacity in February 2018. Davao Light also renewed its CSEE with PSALM for a period of two years from 2021 to 2022 for 163 MW. To cover its peak demand requirement for 2018 to 2021, Davao Light conducted a Competitive Selection Process (CSP) for the Supply of 50MW which TMI won. Davao Light also addressed the projected increase in load for 2020 by entering into an Emergency PSC with SMCPC for 50MW with a term of one year while waiting for the commercial operations of the wholesale spot market in Mindanao.

To address long-term power supply requirements, Visayan Electric entered into a 25-year Electric Power Purchase Agreement (EPPA) with Cebu Energy in October 2009 for the supply of 105 MW. In December 2010, Visayan Electric signed a five-year PSA with GCGI for the supply of 60 MW at 100% load factor which was extended for another ten years in October 2014. Visayan Electric also has 15-year PSA with TVI for the supply of 150 MW beginning 2018.

Subic Enerzone conducted a CSP to reduce its WESM exposure. Masinloc Power Partners Co. Ltd. (MPPCL) won the 10MW PSA starting December 26, 2021.

Similarly, Lima Enerzone conducted its own CSP as replacement to its expiring contract. TLI won the contract at 7MW for five years starting in May 2021.

Malvar Enerzone sources its power supply from WESM to meet the ecozone's power requirements until its electricity demand is stable.

The provisions of the Distribution Utilities' PPAs are governed by ERC regulations. The main provisions of each contract relate to the amount of electricity purchased, the price, including adjustments for various factors such as inflation indexes, and the duration of the contract. Distribution Utilities also enter into PSAs with various generation companies.

Transmission Charges

AboitizPower's Distribution Utilities have existing Transmission Service Agreements (TSAs) with the NGCP for the use of the latter's transmission facilities in the distribution of electric power from the Grid to its customers, which are valid until the dates specified below:

Distribution Utility	Valid until
Lima Enerzone	July 25, 2022

SEC FORM 20-IS (INFORMATION STATEMENT)

Distribution Utility	Valid until
Cotabato Light	August 25, 2023
SFELAPCO	December 25, 2023
Davao Light	January 25, 2024
Visayan Electric	January 25, 2024
Mactan Enerzone	January 25, 2025
Balamban Enerzone	January 25, 2025
Malvar Enerzone	December 25, 2025

The Distribution Utilities have negotiated agreements with the NGCP in connection with the security deposit to secure their obligations to the NGCP under the TSAs. Mactan Enerzone has already applied and submitted the requirements for connection to the Grid.

(vii) Major Customers

Power Generation Business

As of January 31, 2022, out of the total electricity sold by AboitizPower's Generation Companies, approximately 89% is covered by bilateral contracts with, among others, private distribution utilities, electric cooperatives, and industrial and commercial companies. The remaining, approximately 11%, is sold by the Generation Companies through the WESM.

Retail Electricity Supply Business

As of December 31, 2021, AboitizPower's RES business has approximately 337 Contestable Customers with active contracts, from a wide number of industries, including property development, meat processing, semiconductors, steel, and cement. AboitizPower thus believes that this diversity will insulate its RES business from downturns in any one industry.

Power Distribution Utilities

AboitizPower's Distribution Utilities have wide and diverse customer bases. As such, AboitizPower believes that loss of any one customer is not expected to have a material adverse impact on the Company. The Distribution Utilities' customers are categorized into four principal categories:

- (a) *Industrial customers.* Industrial customers generally consist of large-scale consumers of electricity within a franchise area, such as factories, plantations, and shopping malls;
- (b) *Residential customers.* Residential customers are those who are supplied electricity for use in a structure utilized for residential purposes;
- (c) *Commercial customers.* Commercial customers include service-oriented businesses, universities, and hospitals; and
- (d) *Other customers.* Customers not falling under any of the above categories.

Government accounts for various government offices and facilities are categorized as either commercial or industrial depending on their load. Each Distribution Utility monitors government accounts separately and further classifies them to local government accounts, national government accounts, or special government accounts like military camps. Streetlights have a different rate category and are thus monitored independently.

(viii) Transactions with and/or Dependence on Related Parties

AboitizPower and its Subsidiaries (the "Group"), in their regular conduct of business, have entered into transactions with Associates and other related parties principally consisting of professional and technical

SEC FORM 20-IS (INFORMATION STATEMENT)

services, power sales and purchases, advances, various guarantees, construction contracts, aviation services, and rental fees. These are made on an arm's-length basis as of the time of the transactions.

Details of the significant account balances of the foregoing related party transactions of the Group can be found in the accompanying consolidated financial statements of the Company.

(ix) Patents, Copyrights and Franchises

AboitizPower and its Subsidiaries have secured all material permits required to operate its businesses. These are further discussed below.

Power Generation Business

Power generation is not considered a public utility operation under RA No. 9136 or the Electric Power Industry Act of 2001 (EPIRA). Thus, a franchise is not needed to engage in the business of power generation. Nonetheless, no person or entity may engage in the generation of electricity unless such person or entity has secured a COC from ERC to operate a generation facility and has complied with the standards, requirements, and other terms and conditions set forth in the said COC.

In its operations, a generation company is required to comply with technical, financial and environmental standards. It shall ensure that facilities connected to the Grid meet the technical design and operation criteria of the Philippine Grid Code, Philippine Distribution Code, and Philippine Electrical Code. It shall also conform with financial standards and comply with applicable environmental laws, rules and regulations.

Cotabato Light has its own generation facilities and is required under the EPIRA to obtain a COC. Davao Light's generation facility was decommissioned last November 26, 2018. For IPPAs such as TLI, the COCs issued to the IPPs of the relevant generation facilities are deemed issued in favor of the IPPAs. As such, the IPPAs are also bound to comply with the provisions of the Philippine Grid Code, Philippine Distribution Code, WESM rules, and applicable rules and regulations of ERC.

AboitizPower's HEPPs are required to obtain a water permit from NWRB for the water flow used to run their respective hydroelectric facilities. The permit specifies the source of the water, the allowable water volume, and the terms and conditions of its use. The water permit has no expiration date.

AboitizPower, its Subsidiaries, and Affiliates are in various stages of development of several projects. Some of these projects have been awarded renewable energy service contracts by DOE.

The Generation Companies and Cotabato Light, a Distribution Utility, possess COCs for their power generation plants, details of which are as follows:

Title of Document	Issued under the Name of	Power Plant					Economic Life/Term of COC	Date of Issuance
		Name	Type	Location	Capacity	Fuel		
COC No. 18-12-M-0030L	Hedcor, Inc.	Irisan 3	Hydroelectric Power Plant	Tadiangan, Tuba, Benguet	1.20 MW	Hydro	November 5, 2018 - November 4, 2023	December 11, 2018
COC No.18-12-M-00334L	Hedcor, Inc.	Bineng 3	Hydroelectric Power Plant	Bineng, La Trinidad, Benguet	5.625 MW	Hydro	November 5, 2018 - November 4, 2023	December 11, 2018
COC No. 18-12-M-00329L	Hedcor, Inc.	Ampohaw	Hydroelectric Power Plant	Banengbeng, Sablan, Benguet	8.00 MW	Hydro	November 5, 2018 - November 4, 2023	December 11, 2018

SEC FORM 20-IS (INFORMATION STATEMENT)

Title of Document	Issued under the Name of	Power Plant					Economic Life/Term of COC	Date of Issuance
		Name	Type	Location	Capacity	Fuel		
Provisional Authority to Operate	Hedcor, Inc.	La Trinidad	Hydroelectric Power Plant	La Trinidad, Benguet	20.4 MW	Hydro	October 5, 2021 - October 5, 2022	November 3, 2021
COC No. 18-12-M-00336L	Hedcor, Inc.	Sal-angan	Hydroelectric Power Plant	Ampucao, Itogon, Benguet	2.40 MW	Hydro	November 5, 2018 - November 4, 2023	December 11, 2018
COC No. 17-04-M-00032L	Hedcor, Inc.	Irisan 1	Hydroelectric Power Plant	Brgy. Tadiangan, Tuba, Benguet	3.89 MW	Hydro	April 30, 2017 – April 29, 2022	April 19, 2017
COC No. 20-08-M-00061M	Hedcor, Inc.	Talomo 1	Hydroelectric Power Plant	Brgy. Malagos, Davao City	1 MW	Hydro	February 16, 2020 - February 15, 2025	August 12, 2020
COC No. 20-08-M-00062M	Hedcor, Inc.	Talomo 2	Hydroelectric Power Plant	Brgy. Mintal, Davao City	0.6 MW	Hydro	February 16, 2020 - February 15, 2025	August 12, 2020
COC No. 20-08-M-00063M	Hedcor, Inc.	Talomo 2A	Hydroelectric Power Plant	Upper Mintal, Davao City	0.65 MW	Hydro	February 16, 2020 - February 15, 2025	August 12, 2020
COC No. 20-08-M-00064M	Hedcor, Inc.	Talomo 2B	Hydroelectric Power Plant	Upper Mintal, Davao City	0.3 MW	Hydro	February 16, 2020 - February 15, 2025	August 12, 2020
COC No. 20-08-M-00065M	Hedcor, Inc.	Talomo 3	Hydroelectric Power Plant	Catalunan, Pequeño, Davao City	1.92 MW	Hydro	February 16, 2020 - February 15, 2025	August 12, 2020
COC No. 18-12-M-00327L	Hedcor, Inc.	Ferdinand L. Singit Plant (FSL)	Hydroelectric Power Plant	Poblacion, Bakun, Benguet	6.40 MW	Hydro	November 5, 2018 - November 4, 2023	December 11, 2018
COC No. 18-12-M-00335L	Hedcor, Inc.	Lower Labay	Hydroelectric Power Plant	Ampusongan, Bakun, Benguet	2.40 MW	Hydro	November 5, 2018 - November 4, 2023	December 11, 2018
COC No. 18-12-M-00328L	Hedcor, Inc.	Lon-oy	Hydroelectric Power Plant	Poblacion, Bakun, Benguet	3.60 MW	Hydro	November 5, 2018 - November 4, 2023	December 11, 2018
Provisional Authority to Operate	Hedcor Sibulan, Inc.	Sibulan A – Unit 1	Hydroelectric Power Plant	Brgy. Sibulan, Sta. Cruz, Davao del Sur	8.164 MW	Hydro	February 9, 2021 - February 8, 2022*	November 4, 2020
		Sibulan A – Unit 2			8.164 MW			
Provisional Authority to Operate	Hedcor Sibulan, Inc.	Sibulan B – Unit 1	Hydroelectric Power Plant	Brgy. Sibulan, Sta. Cruz, Davao del Sur	13.128 MW	Hydro	November 23, 2020 - November 22, 2021*	November 4, 2020
		Sibulan B – Unit 2			13.128 MW			

SEC FORM 20-IS (INFORMATION STATEMENT)

Title of Document	Issued under the Name of	Power Plant					Economic Life/Term of COC	Date of Issuance
		Name	Type	Location	Capacity	Fuel		
COC No. 19-03-M-00346M	Hedcor Sibulan, Inc.	Tudaya 1	Hydroelectric Power Plant	Sta. Cruz, Davao del Sur	6.65 MW	Hydro	March 10, 2019- March 9, 2024	March 5, 2019
COC No. 18-06-M-00017L	Luzon Hydro Corporation	Bakun AC	Hydroelectric Power Plant	Amilongan, Aliilem, Ilocos Sur	74.80 MW	Hydro	July 30, 2018 – July 29, 2023	June 20, 2018
COC No. 19-03-M-00013M	Hedcor Tudaya, Inc.	Tudaya 2 – Unit 1	Hydroelectric Power Plant	Sta. Cruz, Davao del Sur	5.362 MW	Hydro	April 11, 2019-April 10, 2024	March 5, 2019
		Tudaya 2 – Unit 2			2.775 MW	Hydro		
Provisional Authority to Operate	Hedcor Sabangan, Inc.	Sabangan Hydro	Hydroelectric Power Plant	Brgy. Namatec, Sabangan, Mountain Province	14.139 MW	Hydro	September 29, 2021 - September 28, 2022	September 29, 2021
COC No. 19-06-M-00174M	Hedcor Bukidnon, Inc.	Manolo Fortich 1	Hydroelectric Power Plant	Brgy. Santiago, Manolo Fortich, Bukidnon	45.936 MW	Hydro	June 18, 2019-June 17, 2024	June 18, 2019
COC No. 19-06-M-00175M	Hedcor Bukidnon, Inc.	Manolo Fortich 2	Hydroelectric Power Plant	Brgy. Dalirig, Manolo Fortich, Bukidnon	27.387 MW	Hydro	June 18, 2019-June 17, 2024	June 18, 2019
COC No. 17-04-M-15911M	Cotabato Light and Power Company, Inc.	N/A	Bunker C-Fired Diesel Engine	CLPC Compound, Sinsuat Ave., Rosary Heights I, Cotabato City	9.927 MW	Diesel / Bunker C	January 10, 2017 - January 9, 2022*	April 19, 2017
			Blackstart		10 kW	Diesel		
COC No. 18-03-M-00002V	East Asia Utilities Corporation	N/A	Bunker C/Diesel Fired Power Plant	Barrio Ibo, MEPZ 1, Lapu-Lapu City, Cebu	49.60 MW	Bunker C/ Diesel	June 11, 2018 – June 10, 2023	March 27, 2018
COC No. 18-03-M-00001V	Cebu Private Power Corporation	N/A	Bunker C/Diesel Fired Power Plant	Old Veco Compound, Brgy. Ermita, Carbon, Cebu City	70.59 MW	Bunker C/ Diesel	June 4, 2018 – June 3, 2023	March 27, 2018
COC No. 18-12-M-00020M	Western Mindanao Power Corporation	N/A	Bunker C-Fired Power Plant	Malasugat, Sangali, Zamboanga City	112 MW	Bunker C/Diesel	August 27, 2018 – August 26, 2023	December 4, 2018
		N/A	Blackstart		160 kW	Diesel		
COC No. 18-12-M-00021M	Southern Philippines Power Corporation	N/A	Bunker C-Fired Diesel Power Plant	Brgy. Baluntay, Alabel, Sarangani Province	61.72 MW	Bunker C/ Diesel	August 27, 2018 – August 26, 2023	December 4, 2018
			Blackstart		160 kW	Diesel		
Provisional Authority to	SN Aboitiz Power – Magat, Inc. (Magat Hydroelectric	Magat Hydroelectric Power Plant – Unit 1	Hydroelectric Power Plant	Ramon, Isabela and A. Lista, Ifugao	90 MW	Hydro	November 29, 2021 - November 28, 2022	November

SEC FORM 20-IS (INFORMATION STATEMENT)

Title of Document	Issued under the Name of	Power Plant					Economic Life/Term of COC	Date of Issuance
		Name	Type	Location	Capacity	Fuel		
Operate	Power Plant)	Magat Hydroelectric Power Plant – Unit 2			90 MW			18, 2020
		Magat Hydroelectric Power Plant – Unit 3			90 MW			
		Magat Hydroelectric Power Plant – Unit 4			90 MW			
		Blackstart Diesel Generator Set	Blackstart	344 kW	Diesel	25 years		
COC No. 18-04-M-00150L	SN Aboitiz Power – Magat, Inc.	Maris Main Canal I Hydroelectric Power Plant	Hydroelectric Power Plant	Brgy. Ambatali, Ramon, Isabela	8.50 MW	Hydro	April 4, 2018 – April 3, 2023	April 4, 2018
Provisional Authority to Operate	SN Aboitiz Power – Benguet, Inc.	Binga Hydroelectric Power Plant – Unit 1	Hydroelectric Power Plant	Brgy. Tinongdan, Itogon, Benguet	35.02 MW	Hydro	March 12, 2022 - March 11, 2023	March 2, 2022
		Binga Hydroelectric Power Plant – Unit 2	Hydroelectric Power Plant		35.02 MW			
		Binga Hydroelectric Power Plant – Unit 3	Hydroelectric Power Plant		35.02 MW			
		Binga Hydroelectric Power Plant – Unit 4	Hydroelectric Power Plant		35.02 MW			
		Binga Hydroelectric Power Plant	Blackstart Generator Set		320 KW	Diesel		
		Binga Hydroelectric Power Plant	Diesel Auxiliary Generator Set		330.40 KW	Diesel		
Provisional Authority to Operate	SN Aboitiz Power – Benguet, Inc.	Ambuklao Hydroelectric Power Plant – Unit 1	Hydroelectric Power Plant	Brgy. Ambuklao, Bokod, Benguet	34.85 MW	Hydro	August 31, 2021 - August 30, 2022	September 1, 2021
		Ambuklao Hydroelectric Power Plant – Unit 2			34.85 MW			
		Ambuklao Hydroelectric Power Plant – Unit 3			34.85 MW			
		Ambuklao Hydroelectric Power Plant	Auxiliary Generator Set		320 KW	Diesel		
		Ambuklao Hydroelectric Power Plant	Blackstart Generator Set		314 KW	Diesel		

SEC FORM 20-IS (INFORMATION STATEMENT)

Title of Document	Issued under the Name of	Power Plant					Economic Life/Term of COC	Date of Issuance
		Name	Type	Location	Capacity	Fuel		
COC No. 16-06-M-00016M	STEAG State Power, Inc.	N/A	Coal Fired Power Plant	Phividec Industrial Estate,	232 MW	Coal	September 5, 2019 – September 4, 2024	June 13, 2016
			Emergency Generating Set	Balacanas, Villanueva, Misamis Oriental	1.25 MW	Diesel		
COC No. 15-03-S-00013M	STEAG State Power, Inc.	N/A	Diesel Engine	Phividec Industrial Estate, Balacanas, Villanueva, Misamis Oriental	400 kW	Diesel	September 5, 2019 - September 4, 2024	September 5, 2019
Provisional Authority to Operate	AP Renewables, Inc.	Makban – Bay, Plant A, Unit 1	Geothermal Power Plant	Brgy. Bitin, Bay, Laguna	63.2 MW	Geo-thermal Steam	December 1, 2021 to November 30, 2022	January 11, 2022
		Makban – Bay, Plant A, Unit 2			63.2 MW			
		Makban – Bay, Plant D, Unit 7			20.0 MW			
		Makban – Bay, Plant D, Unit 8			20.0 MW			
Provisional Authority to Operate	AP Renewables, Inc.	Makban – Calauan, Plant B, Unit 3	Geothermal Power Plant	Brgy. Limao, Calauan, Laguna	63.2 MW	Geo-thermal Steam	December 1, 2021 to November 30, 2022	January 11, 2022
		Makban – Calauan, Plant B, Unit 4			63.2 MW			
		Makban – Calauan, Plant C, Unit 5			55.0 MW			
		Makban – Calauan, Plant C, Unit 6			55.0 MW			
Provisional Authority to Operate	AP Renewables, Inc.	Makban – Sto. Tomas, Plant E, Unit 9	Geothermal Power Plant	Brgy. Sta. Elena, Sto. Tomas, Batangas	20.0 MW	Geo-thermal Steam	December 1, 2021 to November 30, 2022	January 11, 2022
		Makban – Sto. Tomas, Plant E, Unit 10			20.0 MW			
Provisional Authority to Operate	AP Renewables, Inc.	Plant A, Unit 1	Geothermal Power Plant	Brgy. Naga, Tiwi, Albay	60 MW	Geo-thermal Steam	December 12, 2020 - December 11, 2021*	July 28, 2021
		Plant A, Unit 2			60 MW			March 17, 2021
Provisional Authority to Operate	AP Renewables, Inc.	Plant C, Unit 5	Geothermal Power Plant	Brgy. Cale, Tiwi, Albay	57 MW	Geo-thermal Steam	December 12, 2020 - December 11, 2021*	March 17, 2021
		Plant C, Unit 6			57 MW			

SEC FORM 20-IS (INFORMATION STATEMENT)

Title of Document	Issued under the Name of	Power Plant					Economic Life/Term of COC	Date of Issuance
		Name	Type	Location	Capacity	Fuel		
Provisional Authority to Operate	AP Renewables, Inc.	MakBan Binary 1	Geothermal Power Plant	Brgy. Sta. Elena, Sto. Tomas, Batangas	7.0 MW	Brine	November 7, 2021 - November 6, 2022	November 12, 2021
Provisional Authority to Operate	San Carlos Sun Power Inc.	San Carlos Sun Power Inc.	Solar Power Plant	Brgy. Punao, San Carlos City, Negros Occidental	58.98 MWp DC	Solar	July 14, 2021 - July 13, 2022	July 7, 2021
COC No. 16-03-M-00286ggM	Therma Marine, Inc.	Mobile 1	Diesel Power Plant	Brgy. San Roque, Maco, Davao de Oro	100.33 MW	Diesel	25 years	March 30, 2016
			Blackstart		1.68 MW	Diesel	5 years	
COC No. 16-03-M-00286bbM	Therma Marine, Inc.	Mobile 2	Diesel Power Plant	Brgy. Sta. Ana, Nasipit, Agusan del Norte	100.33 MW	Diesel	25 years	March 30, 2016
			Blackstart		1.68 MW	Diesel	5 years	
COC No. 17-07-M-00305L	Therma Mobile, Inc.	Barge 1/ Mobile 3	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Navotas, Metro Manila	66 MW	Bunker C/ Diesel	July 9, 2017 - July 8, 2022	June 22, 2017
COC No. 17-07-M-00306L	Therma Mobile, Inc.	Barge 2/ Mobile 4	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Navotas, Metro Manila	56 MW	Bunker C/ Diesel	July 9, 2017 - July 8, 2022	June 22, 2017
COC No. 17-07-M-00307L	Therma Mobile, Inc.	Barge 3/ Mobile 5	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Navotas, Metro Manila	57 MW	Bunker C/ Diesel	July 9, 2017 - July 8, 2022	June 22, 2017
COC No. 17-07-M-00308L	Therma Mobile, Inc.	Barge 4/ Mobile 6	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Navotas, Metro Manila	52 MW	Bunker C/ Diesel	July 9, 2017 - July 8, 2022	June 22, 2017
Provisional Authority to Operate	Therma Power-Visayas, Inc.	Naga Oil-Fired Power Plant (NOPP)	Oil-Fired Power Plant	Brgy. Colon, Naga City, Cebu	44.58 MW	Bunker C	January 6, 2021 – January 5, 2022	December 16, 2020
		Blackstart Diesel Engine Generating Unit	Blackstart		440 kW	Diesel		
Provisional Authority to Operate	Therma South, Inc.	Unit 1	Coal Fired Power Plant	Brgy. Binugao, Toril District, Davao City	150.025 MW	Coal	September 1, 2021 - August 31, 2022	September 16, 2021
		Unit 2			150.025 MW	Coal		
COC No. 19-09-S-03902V	Therma Visayas, Inc.	N/A	Diesel Power Plant	Brgy. Bato, Toledo City, Cebu	1.275 MW	Diesel	September 20, 2019 - September 19, 2024	September 20, 2019
COC No. 19-06-M-00176V	Therma Visayas, Inc.	Therma Visayas Circulating Fluidized Bed Coal-Fired Power Plant	Circulating Fluidized Bed Coal-Fired Power Plant	Sitio Looc, Brgy. Bato, Toledo City, Cebu	353.94 MW	Coal	April 15, 2019 - April 14, 2024	June 26, 2019

SEC FORM 20-IS (INFORMATION STATEMENT)

Title of Document	Issued under the Name of	Power Plant					Economic Life/Term of COC	Date of Issuance
		Name	Type	Location	Capacity	Fuel		
COC No. 19-07-M-00040L	TeaM Energy Corporation	Pagbilao Coal Fired Power Plant	Coal Fired Thermal Power Plant	Isla Grande, Ibabang Polo, Pagbilao, Quezon	751.4 MW	Coal	July 20, 2019 - July 19, 2024	July 9, 2019
			Black Start		800 kW	Diesel		
COC No. 18-02-M-00145L	Pagbilao Energy Corporation	Pagbilao Unit 3 Coal Fired Thermal Power Plant	Coal Fired Thermal Power Plant	Isla Grande, Ibabang Polo, Pagbilao, Quezon	420 MW	Coal	February 20, 2018 – February 19, 2023	February 20, 2018
			Blackstart		1.04 MW	Diesel		
COC No. 17-11-M-00282L	GNPower Mariveles Coal Plant Ltd. Co.	Unit 1	Coal Fired Power Plant	Brgy. Alas-asin, Mariveles, Bataan	325.8 MW	Coal	December 3, 2017 – December 2, 2022	November 21, 2017
		Unit 2			325.8 MW			
		N/A	Blackstart		1.68 MW	Diesel		
COC No. 21-12-M-00203L	GNPower Dinginin Ltd. Co.	Unit 1	Supercritical Coal-Fired Power Plant	Coastal Area, Sitio Dinginin, Brgy. Alas-asin, Mariveles, Bataan	724.965 MW	Coal	December 2, 2021 - December 1, 2026	December 2, 2021
COC No. 21-04-S-04285L		N/A	Diesel	Sitio Dinginin, Brgy. Alas-asin, Mariveles, Bataan	2.400 MW	Diesel	Apr 30, 2021 to April 29, 2026	April 30, 2021

* With ERC Certification on the processing of the pending renewal of COC.

Distribution Utilities Business

Under EPIRA, the business of electricity distribution is a regulated public utility business that requires a franchise that can be granted only by Congress. In addition to the legislative franchise, a CPCN from ERC is also required to operate as a public utility. However, distribution utilities operating within economic zones are not required to obtain a franchise from Congress, but must be duly registered with PEZA in order to operate within the economic zone.

All distribution utilities are required to submit to ERC a statement of their compliance with the technical specifications prescribed in the Philippine Distribution Code, which provides the rules and regulations for the operation and maintenance of distribution systems, and the performance standards set out in the implementing rules of the EPIRA.

Shown below are the respective expiration periods of the Distribution Utilities' legislative franchises:

Distribution Utility	Franchise	Term	Expiry
Visayan Electric	RA No. 9339	25 years from effectivity of RA No. 9339. RA No. 9339 was approved on Sept. 1, 2005.	Valid until September 24, 2030

SEC FORM 20-IS (INFORMATION STATEMENT)

Distribution Utility	Franchise	Term	Expiry
	ERC Certificate No. CPCN-09-01 (ERC Decision dated January 26, 2009, ERC Case No. 2008-095 MC).	25 years, or from September 24, 2005 to September 24, 2030	
Davao Light	RA No. 8960	25 years from effectivity of RA No. 8960, or from September 7, 2000	September 7, 2025
	ERC CPCN Decision dated February 26, 2002, ERC Case No. 2001-792	25 years, or from September 7, 2000 to September 7, 2025	
	RA No. 11515	25 years from expiration of the term granted under RA No. 8960, or from September 7, 2025 to September 7, 2050 (Lapsed into law on December 26, 2020)	Valid until September 7, 2050
Cotabato Light	RA No. 10637	25 years from the effectivity of RA No. 10637, as amended. RA No. 10637 was approved on June 16, 2014.	Valid until June 16, 2039
	ERC Certificate No. CPCN-14-001 (ERC Decision dated December 9, 2019, ERC Case No. 2013-063 MC)	25 years, or from June 17, 2014 or until June 16, 2039	
SFELAPCO	RA No. 9967	25 years from effectivity of RA No. 9967 (Lapsed into law on Feb. 6, 2010)	Valid until March 23, 2035
	ERC Certificate No. CPCN-10-01 (ERC Decision dated August 31, 2010, ERC Case No. 2010-029 MC)	25 years, or from March 24, 2010 to March 23, 2035	
Subic Enerzone	Distribution Management Service Agreement (DMSA) between Subic Enerzone and Joint Venture of AEV- Davao Light	Notarized on May 15, 2003. Term of the DMSA is 25 years.	Valid until May 15, 2028.

Mactan Enerzone, Balamban Enerzone, Lima Enerzone, and Malvar Enerzone which operate the power distribution utilities in MEPZ II, WCIP, LTC, and LISP IV respectively, are duly registered with PEZA as Ecozone Utilities Enterprises.

Retail Electricity Supply Business

Like power generation, the business of supplying electricity is not considered a public utility operation under EPIRA, but is considered a business affected with public interest. As such, EPIRA requires all suppliers of electricity to end-users in the contestable market, other than distribution utilities within their franchise areas, to obtain a license from ERC. With the implementation of Open Access in 2013, AboitizPower's RES Subsidiaries and Generation Companies with RES licenses, AESI, AdventEnergy, APRI, SN Aboitiz Power – Magat, SN Aboitiz Power – RES, Prism Energy, and TLI, have all obtained separate licenses to act as RES and Wholesale Aggregator.

Trademarks

AboitizPower and its Subsidiaries own, or have pending applications for the registration of, intellectual property rights for various trademarks associated with their corporate names and logos. The following table


SEC FORM 20-IS (INFORMATION STATEMENT)

sets out information regarding the trademark applications the Company and its Subsidiaries have filed with the Philippine Intellectual Property Office (Philippine IPO), and their pending trademark applications abroad.

Philippine IPO

Trademarks/ Description	Owner	Registration No./ Date Issued	Status
"A Better Future" word mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004383/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"Better Solutions" word mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004384/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"AboitizPower" word mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004385/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"AboitizPower Spiral and Device" device mark with color claim (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004380/ February 10, 2011 Trademark was renewed on February 10, 2021.	Registered
"Cleanergy" word mark (Class No. 40)	Aboitiz Power Corporation	4-2001-007900/ January 13, 2006 Trademark was renewed on January 13, 2016.	Registered
"Cleanergy" word mark for the additional goods and services (Class Nos. 39 and 42)	Aboitiz Power Corporation	4-2019-000850/ June 9, 2019	Registered
"Cleanergy Get It and Device" device mark with color claim (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004381/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"Cleanergy Got It and Device" device mark (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004382/ November 11, 2010 Trademark was renewed on November 11, 2020.	Registered
"AboitizPower and Device" device mark with color claim (Class Nos. 39, 40 and 42)	Aboitiz Power Corporation	4-2010-004379/ February 10, 2011 Trademark was renewed on February 10, 2021.	Registered
Subic EnerZone Corporation and Logo trademark (Class No. 39)	Subic EnerZone Corporation	4-2006-007306/ August 20, 2007 Trademark was renewed on August 20, 2017.	Registered
Subic EnerZone Corporation and Logo Word mark and device (Class No. 39)	Subic EnerZone Corporation	4-2006-007305/ August 20, 2007 Trademark was renewed on August 20, 2017.	Registered
"Subic EnerZone Corporation" word mark (Class No. 39)	Subic EnerZone Corporation	4-2006-007304/ June 4, 2007 Trademark was renewed on June 4, 2017.	Registered
"Cotabato Light" Logo (Class No. 39)	Cotabato Light and Power Corporation	4-2019-502915/ October 20, 2019	Registered

SEC FORM 20-IS (INFORMATION STATEMENT)

Trademarks/ Description	Owner	Registration No./ Date Issued	Status
"Davao Light" Logo (Class No. 39)	Davao Light and Power Corporation	4-2019-502917/ October 20, 2019	Registered
"Balamban Enerzone" Logo (Class No. 39)	Balamban Enerzone Corporation	4-2019-502910/ February 10, 2020	Registered
"Mactan Enerzone" Logo (Class No. 39)	Mactan Enerzone Corporation	4-2019-502911/ February 20, 2020	Registered
"Lima Enerzone" Logo (Class No. 39)	Lima Enerzone Corporation	4-2019-502912/ February 10, 2020	Registered
"Malvar Enerzone" Logo (Class No. 39)	Malvar Enerzone Corporation	4-2019-502913/ February 10, 2020	Registered
"Subic Enerzone" Logo (Class No. 39)	Subic Enerzone Corporation	4-2019-502914/ October 20, 2019	Registered
"Visayan Electric" Logo (Class No. 39)	Visayan Electric Company, Inc.	4-2019-015288/ December 29, 2019	Registered
"MORE" Logo (Class 35)	Manila-Oslo Renewable Enterprise, Inc.	4-2018-00018077/February 21, 2019	Registered
"SN ABOITIZ POWER" Logo GROUP (Class 35 & 40)	Manila-Oslo Renewable Enterprise, Inc., SN Aboitiz Power-Magat, Inc., and SN Aboitiz Power-Benguet, Inc.	4-2018-00018076/ February 5, 2019	Registered
"SN ABOITIZ POWER-BENGUET, INC." Logo	SN Aboitiz Power-Benguet, Inc.	4-2014-00005209/ December 29, 2016	Registered
"SNAP ABOITIZ POWER-MAGAT, INC." Logo	SN Aboitiz Power-Magat, Inc.	4-2014-00005208/ March 9, 2017	Registered
 Logo	SN Aboitiz Power-Magat, Inc.	4-2017-00018969/ June 7, 2018	Registered

SEC FORM 20-IS (INFORMATION STATEMENT)

International Trademarks (Madrid Protocol)

AboitizPower has the following registered international trademarks:

Trademarks	Country of Application
Cleanergy	Indonesia
AboitizPower	Myanmar
Aboitiz Power and Device	Myanmar
Cleanergy	Myanmar
Cleanergy Get It	Myanmar
Cleanergy Got It	Myanmar

The abovementioned trademarks are also in the process of being registered in Malaysia.

International Trademarks Application (Madrid Protocol)

AboitizPower has the following registered international trademarks from applications under the Madrid Protocol:

Trademarks	Country of Application
AboitizPower Word Mark (Class Nos. 39, 40, 42)	World Intellectual Property Office (WIPO)
AboitizPower A Better Future (Class Nos. 39, 40, 42)	Vietnam
Cleanergy Word Mark (Class Nos. 39, 40, 42)	WIPO
Cleanergy Get It Device (Class Nos. 39, 40, 42)	WIPO
Cleanergy Get It Device (Class Nos. 39, 40, 42)	Vietnam
Cleanergy Got It Device (Class Nos. 39, 40, 42)	WIPO

AboitizPower also has the following pending international trademark applications under the Madrid Protocol:

Trademarks	Country of Application
AboitizPower Word Mark (Class Nos. 39, 40, 42)	Vietnam
AboitizPower Word Mark (Class Nos. 39, 40, 42)	Indonesia
AboitizPower A Better Future (Class Nos. 39, 40, 42)	WIPO
AboitizPower A Better Future (Class Nos. 39, 40, 42)	Indonesia
Cleanergy Word Mark (Class Nos. 39, 40, 42)	Vietnam
Cleanergy Get It Device (Class Nos. 39, 40, 42)	Indonesia
Cleanergy Got It Device (Class Nos. 39, 40, 42)	Vietnam
Cleanergy Got It Device (Class Nos. 39, 40, 42)	Indonesia

(x) Government Approvals

The discussion on the need for any government approval for any principal products or services of the Company and its Subsidiaries, including COCs obtained by the Generation Companies and franchises obtained by the Distribution Utilities, is included in item (ix) Patents, Copyrights and Franchises.

(xi) Effect of Existing or Probable Government Regulations on the Business

AboitizPower and its Subsidiaries are subject to the laws generally applicable to all Philippine corporations, such as corporation law, securities law, tax laws, and the Local Government Code. All Philippine corporations are also subject to labor laws and social legislation, including RA No. 11199 or the Social Security Act of 2018, RA No. 10606 or the National Health Insurance Act of 2013, RA No. 11223 or the Universal Health Care Act, RA No. 9679 or the Home Development Mutual Fund Law of 2009, The Philippine Labor Code and its implementing rules, and other labor-related laws, regulations, and DOLE mandated work-related programs.

SEC FORM 20-IS (INFORMATION STATEMENT)

The Aboitiz Group closely monitors its compliance with the laws and government regulations affecting its businesses.

1. The Tax Reform for Acceleration and Inclusion (TRAIN Law)

RA No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (“TRAIN Law”) was signed into law by President Duterte on December 19, 2017, and took effect on January 1, 2018. Its declared policies are to: (a) enhance the progressivity of the tax system through the rationalization of the Philippine internal revenue tax system, thereby promoting sustainable and inclusive economic growth; (b) provide, as much as possible, an equitable relief to a greater number of taxpayers and their families in order to improve levels of disposable income and increase economic activity; and (c) ensure that the government is able to provide better infrastructure, health, education, jobs, and social protection for the people.

One of the major provisions of the TRAIN Law is the staggered increase in oil and coal excise taxes. Under the TRAIN Law, rates will be adjusted gradually between 2018 and 2020. For coal, the rates will increase from ₱10 per metric ton to ₱50, ₱100, and ₱150 per metric ton, respectively, in 2018, 2019, and 2020, covering both domestic and imported coal.

Furthermore, the TRAIN Law repeals Section 9 of RA No. 9511 or the National Grid Corporation of the Philippines Act, which removes VAT exemptions on transmission charges and sale of electricity by cooperatives duly registered under the Cooperative Development Authority.

Another major change introduced by the TRAIN Law is the refund mechanism of zero-rated sales and services under the enhanced VAT refund system. Upon the successful establishment and implementation of an enhanced Value Added Tax (VAT) refund system, refunds of creditable input tax shall be granted by the BIR within 90 days from filing of the VAT refund application with BIR, provided that all pending VAT refund claims of the taxpayer as of December 31, 2017 shall be fully paid in cash by December 31, 2019.

Finally, the TRAIN Law doubled the documentary stamp tax (DST) on almost all covered instruments, except debt instruments where the increase is 50%. Only the DST on instruments pertaining to property insurance, fidelity bonds, other insurance, indemnity bonds, and deeds of sale and conveyance remain unchanged.

The TRAIN law is the first package of the Comprehensive Tax Reform Program of the Duterte administration.

2. Corporate Recovery and Tax Incentives for Enterprises Act

RA No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion (“TRAIN Law”) was signed into law by President Duterte on December 19, 2017, and took effect on January 1, 2018. Its declared policies are to: (a) enhance the progressivity of the tax system through the rationalization of the Philippine internal revenue tax system, thereby promoting sustainable and inclusive economic growth; (b) provide, as much as possible, an equitable relief to a greater number of taxpayers and their families in order to improve levels of disposable income and increase economic activity; and (c) ensure that the government is able to provide better infrastructure, health, education, jobs, and social protection for the people.

One of the major provisions of the TRAIN Law is the staggered increase in oil and coal excise taxes. Under the TRAIN Law, rates will be adjusted gradually between 2018 and 2020. For coal, the rates will increase from ₱10 per metric ton to ₱50, ₱100, and ₱150 per metric ton, respectively, in 2018, 2019, and 2020, covering both domestic and imported coal.

Furthermore, the TRAIN Law repeals Section 9 of RA No. 9511 or the National Grid Corporation of the Philippines Act, which removes VAT exemptions on transmission charges and sale of electricity by cooperatives duly registered under the Cooperative Development Authority.

Another major change introduced by the TRAIN Law is the refund mechanism of zero-rated sales and services under the enhanced VAT refund system. Upon the successful establishment and implementation

SEC FORM 20-IS (INFORMATION STATEMENT)

of an enhanced Value Added Tax (VAT) refund system, refunds of creditable input tax shall be granted by the BIR within 90 days from filing of the VAT refund application with BIR, provided that all pending VAT refund claims of the taxpayer as of December 31, 2017 shall be fully paid in cash by December 31, 2019.

Finally, the TRAIN Law doubled the documentary stamp tax (DST) on almost all covered instruments, except debt instruments where the increase is 50%. Only the DST on instruments pertaining to property insurance, fidelity bonds, other insurance, indemnity bonds, and deeds of sale and conveyance remain unchanged.

The TRAIN law is the first package of the Comprehensive Tax Reform Program of the Duterte administration.

3. Revised Corporation Code and Related SEC Circulars

The Revised Corporation Code was signed into law on February 20, 2019 and took effect on February 23, 2019. Among the salient features of the Revised Corporation Code are:

- (a) Corporations are granted perpetual existence, unless the articles of incorporation provide otherwise. Perpetual existence shall also benefit corporations whose certificates of incorporation were issued before the effectivity of the Revised Corporation Code, unless a corporation, upon a vote of majority of the stockholders of the outstanding capital stock notifies SEC that it elects to retain its specific corporate term under its current articles of incorporation.
- (b) A corporation vested with public interest must submit to its shareholders and to SEC an annual report of the total compensation of each of its directors or trustees, and a director or trustee appraisal or performance report and the standards or criteria used to assess each director, or trustee. Banks, quasi-banks, pawnshops, non-stock savings and loan associations, and corporations engaged in money service business, preneed trust and insurance companies, and other financial intermediaries, must have at least 20% independent directors in the Board, in accordance with the Securities and Regulation Code. This requirement also applies to other corporations engaged in businesses imbued with public interest, as may be determined by the SEC. To date, SEC has not issued a definition of what businesses are considered 'imbued with public interest'.
- (c) Material contracts between a corporation and its own directors, trustees, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity must be approved by at least two-thirds (2/3) of the entire membership of the Board, with at least a majority of the independent directors voting to approve the same.

SEC Circular No. 10-2019 provides for the rules for material related party transactions (RPT) of publicly-listed corporations. These rules regulate RPTs amounting to 10% or higher of a company's total assets. Compliance with these rules is mandatory for all publicly-listed companies.

- (d) Allowing the creation of a "One Person Corporation" (OPC) except for banks and quasi-banks, preneed, trust, insurance, public and publicly-listed companies, among others. This restriction also applies with respect to close corporations.
- (e) The right of stockholders to vote in the election of directors or trustees, or in shareholders meetings, may now be done through remote communication or *in absentia* if authorized by the corporate by-laws. This manner of voting is deemed available for stockholders of corporations vested with public interest, even if not expressly stated in the corporate bylaws. The shareholders who participate through remote communication or *in absentia* are deemed present for purposes of quorum. When attendance, participation and voting are allowed by remote communication or *in absentia*, the notice of meetings to the stockholders must state the requirements and procedures to be followed when a stockholder or member elects either option.

SEC has issued several circulars implementing this provision, as follows:

SEC FORM 20-IS (INFORMATION STATEMENT)

1. *Memorandum Circular No. 3-2020 on Notice of the Regular Meeting of Stockholders* - A written notice of regular meetings of stockholders shall be sent at least 21 days before the meeting and must contain all information and deadlines relevant to a shareholders' participation in the meeting and exercise of the right to vote remotely;

2. *SEC Memorandum No. 6-2020 on the Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and Other Persons of Corporations in Regular and Special Meetings through Teleconferencing, Video Conferencing, and Other Remote or Electronic Means of Communication* - Stockholders may now participate in their respective meetings and vote, whether by remote communication or in absentia. The corporation shall also issue its own internal procedures and mechanics for voting via remote communication or in absentia;

3. *SEC Memorandum Circular No. 14-2020*. - Allows stockholders who, alone or together, own at least 5% of outstanding capital stock of a publicly-listed company to include items in the agenda prior to a regular or special stockholders' meeting;

4. *SEC Memorandum Circular No. 7-2021*. - Provides that stockholders holding at least 10% of the outstanding capital stock of a publicly-listed corporation has the right to call for a special stockholders' meeting. The purpose must affect the legitimate interest of stockholders but should not include the removal of any director.

- (f) A favorable recommendation by the appropriate government agency is required for banks or banking institutions, building and loan associations, trust companies, insurance companies, public utilities, and other corporations governed by special laws, before the SEC approves any merger or consolidation; or any voluntary dissolution involving these entities.
- (g) In case of transfer of shares of listed companies, the SEC may require that these corporations whose securities are traded in trading markets and which can reasonably demonstrate their capability to do so, to issue their securities or shares of stock in uncertificated or scripless form in accordance with the Rules of the SEC.

The Revised Corporation Code refers to the Philippine Competition Act in case of covered transactions under said law involving the sale, lease, exchange, mortgage, pledge, or disposition of properties or assets; increase or decrease in the capital stock; incurring creating or increasing bonded indebtedness; or mergers or consolidations covered by the Philippine Competition Act thresholds.

4. The Philippine Competition Act

Pursuant to Bayanihan 2 Act, which was signed into law on September 11, 2020, all mergers and acquisitions with transaction values below ₱50 bn shall be exempt from compulsory notification under the Philippine Competition Act if entered into within a period of two years from the effectivity of Bayanihan 2 Act. As of September 14, 2021, mergers and acquisitions entered into during the effectivity of the Bayanihan 2 Act are already subject to the PCC *motu proprio* review power.

Any voluntary notification shall constitute a waiver to the exemption from review. With the Bayanihan 2 Act, the thresholds are as follows:

Test	New Threshold (effective September 15, 2020 until September 22, 2022)
Size of Party Test	₱50 bn
Size of Transaction Test	₱50 bn

This means that the value of the assets or revenues of the UPE of at least one of the parties must exceed ₱50 bn instead of ₱6 bn. The UPE is the entity that, directly or indirectly, controls a party to the transaction,

SEC FORM 20-IS (INFORMATION STATEMENT)

and is not controlled by any other entity. In addition, the value of the assets or revenues of the acquired, target or merged entity must exceed ₱50 bn instead of ₱2.4 bn. Both thresholds must be breached in order for the compulsory notification requirement to apply.

5. Foreign Investments Act of 1991²⁰

RA No. 7042, as amended, otherwise known as the Foreign Investments Act of 1991 (“FIA”), liberalized the entry of foreign investment into the Philippines. Under the FIA, in domestic market enterprises, foreigners can own as much as 100% equity except in areas specified in the Eleventh Regular Foreign Investment Negative List (the “Negative List”). This Negative List enumerates industries and activities which have foreign ownership limitations under the FIA and other existing laws. Nationalized activities include, among others, land ownership, telecommunications, mining, and the operation of public utilities.

In connection with the ownership of private land, the Philippine Constitution states that no private land shall be transferred or conveyed except to citizens of the Philippines or to corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning buildings and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40%. A corporation with more than 40% foreign equity may be allowed to lease land for a period of 25 years, renewable for another 25 years.

In addition, under the Philippine Constitution, only citizens of the Philippines or corporations or associations organized under the laws of the Philippines at least 60% of whose capital is owned by such citizens may engage in activities relating to the exploration, development and utilization of natural resources, which covers the utilization of natural resources for the operation of renewable energy power plants.

For the purpose of complying with nationality laws, the term “Philippine National” is defined under the FIA as any of the following:

- (a) a citizen of the Philippines;
- (b) a domestic partnership or association wholly-owned by citizens of the Philippines;
- (c) a corporation organized under the laws of the Philippines of which at least 60% of the capital stock outstanding and entitled to vote is owned and held by citizens of the Philippines;
- (d) a corporation organized abroad and registered to do business in the Philippines under the Revised Corporation Code, of which 100% of the capital stock outstanding and entitled to vote is wholly-owned by Filipinos; or
- (e) a trustee of funds for pension or other employee retirement or separation benefits, where the trustee is a Philippine National and at least 60% of the fund will accrue to the benefit of Philippine Nationals.

In SEC Memorandum Circular No. 08 dated May 20, 2013, or the “*Guidelines on Compliance with the Filipino-Foreign Ownership Requirements Prescribed in the Constitution and/or Existing Laws by Corporations Engaged in Nationalized and Partly Nationalized Activities*”, it is provided that for purposes of determining compliance with the nationality requirement, the required percentage of Filipino ownership shall be applied both to: (a) the total number of outstanding shares of stock entitled to vote in the election of directors, and (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors. A *Petition for Certiorari* questioning the constitutionality of SEC Memorandum Circular

²⁰ On March 2, 2022, President Duterte signed into law RA 11647, “An Act Promoting Foreign Investments, Thereby Amending Republic Act 7042 Otherwise Known as the Foreign Investments Act of 1991, as Amended and For Other Purposes.” (the “Amended FIA”). Under this law, foreign nationals are now allowed to engage in a domestic market enterprise with a minimum capital requirement of US\$100,000.00 provided that the enterprise: (a) utilizes advanced technology as determined by the Department of Science and Technology; (b) endorsed as a start-up or start-up enabler under RA No. 11337 or the Innovating Startup Act; or (3) composed of a majority of Filipino employees, which shall not be less than 15. Other salient features of the Amended FIA include: (a) a required understudy or skills development program by registered foreign enterprises to ensure skills and technology transfer to Filipinos; (b) allowing 100% foreign investment in a domestic enterprise unless participation of foreigners is limited to a smaller percentage; and (c) allowing 100% foreign investment in an export enterprise provided that the products or services do not fall under the Foreign Investments Negative List.

SEC FORM 20-IS (INFORMATION STATEMENT)

No. 8 dated May 20, 2013 was filed in June 2013. In *Jose M. Roy III v. Chairperson Teresita Herbosa* (G.R. No. 207246) dated April 18, 2017, SC affirmed the validity of SEC Memorandum Circular No. 08 dated May 20, 2013.

In the 2014 case of *Narra Nickel Mining and Development Corporation, et.al vs. Redmont Consolidated Mines Corp.* (G.R. No. 195580) and its corresponding motions for reconsideration (the “Narra Nickel Case”), the SC affirmed that the Grandfather Rule, wherein shares owned by corporate shareholders are attributed either as Filipino or foreign equity by determining the nationality not only of such corporate shareholders, but also such corporate shareholders’ own shareholders, until the nationality of shareholder individuals is taken into consideration, is to be used jointly and cumulatively with the Control Test, which merely takes into account the nationality of the listed shareholders of the corporation. Such joint and cumulative application shall be observed as follows: (i) if the corporation’s Filipino equity falls below 60%, such corporation is deemed foreign-owned, applying the Control Test; (ii) if the corporation passes the Control Test, the corporation will be considered a Filipino corporation only if there is no doubt as to the beneficial ownership and control of the corporation; and (iii) if the corporation passes the Control Test but there is doubt as to the beneficial ownership and control of the corporation, the Grandfather Rule must be applied.

6. Data Privacy Act of 2012

The Data Privacy Act of 2012 is a comprehensive and strict privacy legislation aimed to protect the fundamental human right of privacy by: (i) protecting the privacy of individuals while ensuring free flow of information; (ii) regulating the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure, or destruction of personal data; and (iii) ensuring that the country complies with international standards set for data protection through the National Privacy Commission.

Intended to protect the privacy of individuals, it mandates companies to inform individuals about their basic rights to privacy and how their personal information is collected and processed. It also ensures that all personal information must be: (i) collected and processed with lawful basis, which includes consent, and only for reasons that are specified, legitimate, and reasonable; (ii) handled properly, ensuring its accuracy and retention only for as long as reasonably needed; and (iii) discarded properly to avoid access by unauthorized third parties.

Its implementing rules and regulations (“Data Privacy Act IRR”) took effect on September 9, 2016, mandating all Philippine companies to comply with the following: (i) appointment of a Data Protection Officer; (ii) conduct of a privacy impact assessment; (iii) adoption of a privacy management program and privacy policy; (iv) implement privacy and data protection measures; and (v) establish a breach reporting procedure. In addition, companies with at least 250 employees or access to sensitive personal information of at least 1,000 individuals are required to register their data processing systems with the National Privacy Commission. The Data Privacy Act IRR furthermore provides the only instances when data sharing is allowed, to wit: (a) data sharing is authorized by law, provided that there are adequate safeguards for data privacy and security, and processing adheres to principles of transparency, legitimate purpose and proportionality; (b) in the private sector, data sharing for commercial purposes is allowed upon: (i) consent of data subject, and (ii) when covered by a data sharing agreement; (c) data collected from parties other than the data subject for purpose of research shall be allowed when the personal data is publicly available; and (d) data sharing among government agencies for purposes of public function or provision of a public service shall be covered by a data sharing agreement.

In 2017, AboitizPower launched its data privacy compliance program which is aligned to the implementation of the Information Security Management System (ISMS) for the entire Aboitiz Group. This includes the development and implementation of Data Privacy policies, manuals, supporting guidelines, and procedures. Since then, AboitizPower and its Business Units have been able to establish a fundamental awareness of data privacy principles and the related ISMS philosophies, through various learning channels. The Company maximized the use of e-learning modules, online training platforms, and webinars during the COVID-19 pandemic to minimize the need for physical meetings.

SEC FORM 20-IS (INFORMATION STATEMENT)

In 2020, AboitizPower rolled out an integrated 1AP Incident Management process, which provides uniform governance across its Business Units on: (a) incident notification, (b) assessment, (c) resolution, (d) verification and stand-down, (e) evidence handling, (f) post-event investigation, (g) business recovery, and (h) incident wrap-up. It includes, among other incident types, information security and data privacy breaches. AboitizPower builds and continues to improve business continuity resilience, especially with regard to Information Security and Data Breach Management.

AboitizPower's Data Privacy Statement has been updated in 2021 and shared in its official website. This this statement, the Company declares its commitment toward fair and legal processing of personal data.

7. Registration with the Board of Investments (BOI)

Under Executive Order (EO) No. 226, otherwise known as the Omnibus Investments Code, as amended, a BOI-registered enterprise enjoy certain incentives, both financial and non-financial, provided such enterprise invests in preferred areas of investment enumerated in the Investment Priorities Plan annually prepared by the Government. However, prior to registration with BOI, the enterprise must first satisfy the minimum equity required to finance the project applied equivalent to 25% of the estimated project cost, or as may be prescribed by BOI. Such incentives include: (i) income tax holiday; (ii) exemption from taxes and duties on imported spare parts; (iii) exemption from wharfage dues and export tax, duty, impost and fees; (iv) reduction of the rates of duty on capital equipment, spare parts and accessories; (v) tax exemption on breeding stocks and genetic materials; (vi) tax credits; (vii) additional deductions from taxable income; (viii) employment of foreign nationals; (ix) simplification of customs procedure; and (x) unrestricted use of consigned equipment.

8. Labor Laws

The Philippine Labor Code and other statutory enactments provide the minimum benefits that employers must grant to their employees, which include certain social security benefits, such as benefits mandated by the Social Security Act of 1997 (RA No. 8282), the National Health Insurance Act of 1995 (RA No. 7875), as amended, and the Home Development Fund Law of 2009 (RA No. 9679). On the other hand, the Occupational Safety and Health Law (RA No. 11058) reinforces the existing Occupational Safety and Health Standards, which sets out, among others, the guidelines applicable to different establishments intended for the protection of every working man against the dangers of injury, sickness or death through safe and healthful working conditions.

DOLE is the Philippine government agency mandated to implement policies, programs and services, and serves as the policy-coordinating arm of the executive branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws, such as the Labor Code of the Philippines and the Occupational Safety and Health Law and Standards, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

(a) Social Security System, PhilHealth and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under the Social Security Act of 2018 (RA No. 11199) to ensure coverage of employees following procedures set out by the law and the Social Security System ("SSS"). Under the said law, an employer must deduct from its employees their monthly contributions in an amount corresponding to his salary, wage, compensation or earnings during the month in accordance with the monthly salary credits, the schedule and the rate of contributions as may be determined and fixed by the Social Security Commission, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations. This enables the employees or their dependents to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity-leave benefits.

Employers are likewise required to ensure enrolment of its employees in a National Health Insurance Program administered by the Philippine Health Insurance Corporation, a government corporation attached

SEC FORM 20-IS (INFORMATION STATEMENT)

to the Department of Health tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of RA No. 10606, the National Health Insurance Act of 2013.

On February 20, 2019, the Universal Health Care Act (RA No. 11223), was enacted, which amended certain provisions of the National Health Insurance Act of 2013. Under the said law, all Filipino citizens are now automatically enrolled into the National Health Program. However, membership is classified into two types, direct contributors and indirect contributors. Direct contributors refer to those who have the capacity to pay premiums, are gainfully employed and are bound by an employer-employee relationship, or are self-earning, professional practitioners, migrant workers, including their qualified dependents, and lifetime members. On the other hand, indirect contributors refer to all others not included as direct contributors, as well as their qualified dependents, whose premium shall be subsidized by the national government including those who are subsidized as a result of special laws. Every member is also granted immediate eligibility for health benefit package under the program.

Under the Home Development Mutual Fund Law of 2009 (RA No. 9679), all employees who are covered by SSS must also be registered with and covered by the Home Development Mutual Fund (HDMF, more commonly referred to as the "Pag-IBIG Fund"). It is a national savings program as well as a fund to provide for affordable shelter financing to Filipino workers. Except for foreign expatriates, coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2% of the employee's monthly compensation, up to a maximum of ₱5,000.00, and likewise make a counterpart contribution of 2% of the employee's monthly compensation, and remit the contributions to the HDMF.

(b) The Labor Code

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private-sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private-sector employees without a retirement plan, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month's salary for every year of service, with a fraction of at least six months being considered as one whole year. For the purpose of computing the retirement pay, "one-half month's salary" shall include all of the following: fifteen days' salary based on the latest salary rate; in addition, one-twelfth of the thirteenth month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

The Philippine Labor Code and other statutory enactments provide the minimum benefits that employers must grant to their employees, which include certain social security benefits, such as benefits mandated by the Social Security Act of 1997 (RA No. 8282), the National Health Insurance Act of 1995 (RA No. 7875), as amended, and the Home Development Fund Law of 2009 (RA No. 9679). On the other hand, the Occupational Safety and Health Law (RA No. 11058) reinforces the existing Occupational Safety and Health Standards, which sets out, among others, the guidelines applicable to different establishments intended for the protection of every working man against the dangers of injury, sickness or death through safe and healthful working conditions.

DOLE is the Philippine government agency mandated to implement policies, programs and services, and serves as the policy-coordinating arm of the executive branch in the field of labor and employment. The DOLE has exclusive authority in the administration and enforcement of labor and employment laws, such as the Labor Code of the Philippines and the Occupational Safety and Health Law and Standards, and such other laws as specifically assigned to it or to the Secretary of the DOLE.

(c) Social Security System, PhilHealth and the Pag-IBIG Fund

An employer or any person who uses the services of another person in business, trade, industry or any undertaking is required under the Social Security Act of 2018 (RA No. 11199) to ensure coverage of employees following procedures set out by the law and the Social Security System ("SSS"). Under the said

SEC FORM 20-IS (INFORMATION STATEMENT)

law, an employer must deduct from its employees their monthly contributions in an amount corresponding to his salary, wage, compensation or earnings during the month in accordance with the monthly salary credits, the schedule and the rate of contributions as may be determined and fixed by the Social Security Commission, pay its share of contribution and remit these to the SSS within a period set by law and/or SSS regulations. This enables the employees or their dependents to claim their pension, death benefits, permanent disability benefits, funeral benefits, sickness benefits and maternity-leave benefits.

Employers are likewise required to ensure enrolment of its employees in a National Health Insurance Program administered by the Philippine Health Insurance Corporation, a government corporation attached to the Department of Health tasked with ensuring sustainable, affordable and progressive social health insurance pursuant to the provisions of RA No. 10606, the National Health Insurance Act of 2013.

On February 20, 2019, the Universal Health Care Act (RA No. 11223), was enacted, which amended certain provisions of the National Health Insurance Act of 2013. Under the said law, all Filipino citizens are now automatically enrolled into the National Health Program. However, membership is classified into two types, direct contributors and indirect contributors. Direct contributors refer to those who have the capacity to pay premiums, are gainfully employed and are bound by an employer-employee relationship, or are self-earning, professional practitioners, migrant workers, including their qualified dependents, and lifetime members. On the other hand, indirect contributors refer to all others not included as direct contributors, as well as their qualified dependents, whose premium shall be subsidized by the national government including those who are subsidized as a result of special laws. Every member is also granted immediate eligibility for health benefit package under the program.

Under the Home Development Mutual Fund Law of 2009 (RA No. 9679), all employees who are covered by SSS must also be registered with and covered by the Home Development Mutual Fund (HDMF, more commonly referred to as the “Pag-IBIG Fund”). It is a national savings program as well as a fund to provide for affordable shelter financing to Filipino workers. Except for foreign expatriates, coverage under the HDMF is compulsory for all SSS members and their employers. Under the law, an employer must deduct and withhold 2% of the employee’s monthly compensation, up to a maximum of ₱5,000.00, and likewise make a counterpart contribution of 2% of the employee’s monthly compensation, and remit the contributions to the HDMF.

(d) The Labor Code

The Philippine Labor Code provides that, in the absence of a retirement plan provided by their employers, private-sector employees who have reached 60 years of age or more, but not beyond 65 years of age, the compulsory retirement age for private-sector employees without a retirement plan, and who have rendered at least five years of service in an establishment, may retire and receive a minimum retirement pay equivalent to one-half month’s salary for every year of service, with a fraction of at least six months being considered as one whole year. For the purpose of computing the retirement pay, “one-half month’s salary” shall include all of the following: fifteen days’ salary based on the latest salary rate; in addition, one-twelfth of the thirteenth month pay and the cash equivalent of five days of service incentive leave pay. Other benefits may be included in the computation of the retirement pay upon agreement of the employer and the employee or if provided in a collective bargaining agreement.

Policies and Regulations Relating to the Power Industry

1. WESM in Mindanao

On May 4, 2017, the DOE issued Department Circular No. DC 2017-05-0009 entitled “*Declaring the Launch of WESM in Mindanao and Providing Transition Guidelines*”. This DOE Circular took effect on June 7, 2017, with the following pertinent provisions:

- (a) Establishment of Mindanao WESM Transition Committee, which will be one of the committees under the PEMC Board;

SEC FORM 20-IS (INFORMATION STATEMENT)

- (b) Launch of WESM in Mindanao on June 26, 2017, with the commencement of full commercial operations dependent on various conditions precedent, including installation of metering facilities, approval of the Price Determination Methodology by ERC, and trial operations of the WESM, among others;
- (c) Conduct of the Trial Operation Program for the WESM;
- (d) Automatic termination of IMEM; and
- (e) Implementation of an Interim Protocol to govern the dispatch and scheduling of power generation plants, while the WESM is still not operational.

WESM in Mindanao was originally targeted to start in October 2018, but was deferred because some conditions precedent for full commercial operations were not yet complied. Trial operations were conducted starting 2018 to ensure the readiness of eventual WESM participants in Mindanao. DOE has released a draft Department Circular initially announcing December 26, 2021 as the target commercial operation date with transition provisions and conditions. As of January 31, 2022, WESM Mindanao is still not commercially operating.

2. Independent Electricity Market Operator (IEMOP)

On February 4, 2018, DOE issued Department Circular No. DC2018-01-0002, setting the policy governing the establishment of an independent market operator (IMO) of the WESM. The policy on IMO outlines the mandates of DOE and ERC over the IMO, its guiding principles, composition, including a board composed of at least five members, its functions, WESM's new governing and governance structure, and the conditions for transition.

The IMO transition plan called for the formation of a new company called the IEMOP as an independent market operator, with PEMC remaining as WESM's governing body. Previously, the PEMC oversaw both the operations and governance functions of WESM. The transition also entails the reconstitution of the PEMC Board, with the DOE Secretary relinquishing his chairmanship, paving the way for a PEMC independent of government.

On September 26, 2018, IEMOP formally took over operations of the WESM from PEMC. IEMOP facilitates the registration and participation of generating companies, distribution utilities, directly connected customers or bulk users, suppliers and contestable customers in the WESM. It also determines the hourly schedules of generating units that will supply electricity to the Grid, as well as the corresponding spot-market prices of electricity via its Market Management System.

Currently, the IEMOP is under legislative review by the House Committee on Energy specifically on its roles and functions as well as the legal basis for its establishment. This is in response to several House Resolutions calling for the review of the IEMOP in aid of legislation.

On October 22, 2020, the DOE promulgated Department Circular No. DC2020-10-0021, which adopted amendments to the WESM Rules for the implementation of an Independent Market Operator.

3. Proposed Amendments to the EPIRA

Since the enactment of the EPIRA in 2001, members of Congress have proposed various amendments to the law and its IRR. A summary of the significant proposed amendments are as follows:

- (a) Classification of power projects as one of national significance and imbued with public interest;
- (b) Exemption from VAT on the sale of electricity by generation companies;
- (c) Modification of the definition of the term "Aggregator," which is proposed to refer to a person or entity engaged in consolidating electric power demands of end-users of electricity in the contestable market, for the purpose of purchasing, reselling, managing for optimum utilization of the aggregated demand, or simply pooling the tendering process in looking for a supply of electricity on a group basis;
- (d) Requirement for distribution utilities to conduct public and competitive selection processes or Swiss challenges for the supply of electricity and to fully or adequately contract their future and current energy and demand requirements;

SEC FORM 20-IS (INFORMATION STATEMENT)

- (e) Grant of access to electric cooperatives over the missionary electrification fund collected through universal charges;
- (f) Exclusion of the following items from the rate base charged by Transco and distribution utilities to the public: corporate income tax, value of the franchise, value of real or personal property held for possible future growth, costs of over-adequate assets and facilities, and amount of all deposits as a condition for rendition and continuation of service;
- (g) Regulation of generation, transmission, distribution, and supply rates to allow Return-on-Rate-Base (RORB) up to 12%;
- (h) Classification of power generation and supply sectors as public utilities, which would be required to secure legislative franchises;
- (i) Prohibition of cross-ownership between generation companies and distribution utilities or any of their subsidiaries, affiliates, stockholders, officials or directors, or the officials, directors, or other stockholders of such subsidiaries or affiliates, including the relatives of such stockholders, officials or directors within the fourth civil degree of consanguinity;
- (j) Prohibition against or restriction on distribution utilities from sourcing electric power supply requirements, under bilateral electric power supply contracts, from a single generation company or from a group of generating companies wholly-owned or controlled by the same interests;
- (k) Lowering of the allowable extent of ownership, operation and control of a company or related groups as determined from the installed generating capacity of the Grid and/or nationally installed generating capacity;
- (l) Exemption or deferral of the privatization of some assets of NPC, such as the Unified Leyte (Tongonan) Geothermal Complexes, Agus and Polangui Complexes, and Angat Dam;
- (m) Expansion of the definition of host communities to include all barangays, municipalities, cities and provinces or regions where hydro generation facilities are located and where waterways or water systems that supply water to the dam or hydroelectric power generating facility are located;
- (n) Prohibition on distribution utilities, except rural electric cooperatives to recover systems losses and placing a 5% cap on recoverable system loss;
- (o) Imposition of a uniform franchise tax for distribution utilities equivalent to 3% of gross income in lieu of all taxes;
- (p) Grant of authority for NPC to generate and sell electricity from remaining assets;
- (q) Removal of the requirement of a joint congressional resolution before the President may establish additional power generating capacity in case of imminent shortage of supply of electricity
- (r) Creation of a consumer advocacy office under the organizational structure of ERC; and
- (s) Extension of lifeline rates.

As of January 31, 2022, the proposed amendments are still pending in Congress.

4. Implementation of the Performance-based Rating-setting Regulation (PBR)

On December 13, 2006, ERC issued the Rules for Setting Distribution Wheeling Rates (RDWR) for privately-owned distribution utilities entering Performance-based Regulation (PBR) for the second and later entry points, setting out the manner in which this new PBR rate-setting mechanism for distribution-related charges will be implemented. PBR replaces the RORB mechanism, which has historically determined the distribution charges paid by customers. Under PBR, the distribution-related charges that distribution utilities can collect from customers over a four-year regulatory period is set by reference to projected revenues which are reviewed and approved by ERC and used by ERC to determine the distribution utility's efficiency factor. For each year during the regulatory period, the distribution utility's distribution-related charges are adjusted upwards or downwards taking into consideration the utility's efficiency factor as against changes in overall consumer prices in the Philippines.

ERC has also implemented a Performance Incentive Scheme (PIS) whereby annual rate adjustments under PBR will take into consideration the ability of a distribution utility to meet or exceed service performance targets set by ERC, such as the: (a) average duration of power outages; (b) average time of restoration to customers; and (c) average time to respond to customer calls, with utilities being rewarded or penalized depending on their ability to meet these performance targets.

SEC FORM 20-IS (INFORMATION STATEMENT)

The second regulatory period of Cotabato Light ended on March 31, 2013, while that of Visayan Electric and Davao Light ended on June 30, 2014. In addition, the second regulatory period of Subic Enerzone and SFELAPCO ended on September 30, 2015. The reset process for the subsequent regulatory period, however, has been delayed due to the issuance by ERC in 2013 of an Issues Paper on the Implementation of PBR for distribution utilities under RDWR. Said paper aims to revisit various matters relating to the reset process. ERC has solicited comments from industry participants and has been holding public consultations on the Issues Paper.

On December 22, 2015, *Matuwid na Singil sa Kuryente* Consumer Alliance, Inc. (MSK) filed a petition for rulemaking entitled In the Matter of Petition for Rules Change in Rate Setting Methodology for Distribution Wheeling Rate - Repeal of the Performance- Based Rate Making (PBR) Regulation and Return to Previous Return-on-Rate-Base (RORB) with Modification, docketed as ERC Case No. 2015-008RM. Public consultations were held on various dates in Metro Manila, Cebu, and Davao. ERC also conducted Power 101 and PBR briefing sessions to various other consumer groups who said that they cannot intelligently comment on the PBR rules without understanding the concepts.

Through ERC Resolution No. 25 Series of 2016 dated July 12, 2016, ERC adopted the Resolution Modifying the RDWR for Privately Owned Distribution Utilities Entering PBR. Based on said Resolution, the Fourth Regulatory Period shall be as follows:

- (a) Cotabato Light: April 1, 2017 to March 31, 2021
- (b) Davao Light and Visayan Electric: July 1, 2018 to June 30, 2022
- (c) SEZ and SFELAPCO: October 1, 2019 to September 30, 2023

On November 21, 2016, ERC posted for comments the draft Regulatory Asset Base (RAB) Roll Forward Handbook for Privately Owned Electricity Distribution Utilities. Public consultations were conducted on said document.

The reset process for the fourth regulatory period has not yet started for all private distribution utilities as the abovementioned ERC rules have not been published yet for its effectivity.

In June 2019, ERC posted for comments its draft Rules for Setting Distribution Wheeling Rates and Issues Paper for the Regulatory Reset of the First Entry Group (Meralco, Cagayan de Oro Electric and Dagupan Electric). Various public consultations were held in the month of July 2019. However, during the July 29, 2019 PBR public consultation, MSK called the attention of ERC to act first on its 2015 petition on rate methodology before proceeding with the reset process. ERC issued its Decision dated September 24, 2020 on MSK's petition denying its petition to revert to RORB, without prejudice to its right to submit its comments in the revision of the rules during the next rate reset process of the distribution utilities.

Due to the rules change on PBR, all AboitizPower Distribution Utilities have not undergone regulatory reset starting from the third regulatory period. In January 2020, ERC requested private distribution utilities to submit actual or historical expenditure covering the lapsed period. Due to the lockdown and quarantine restrictions, as well as unresolved clarifications as to what has to be provided to the ERC raised by the distribution utilities to the ERC through clarificatory meetings, private distribution utilities were not able to provide the data within the timeframe given by ERC.

In relation to this, the ERC issued show cause orders, all dated October 29, 2020, against Cotabato Light (docketed as ERC Case No. 2020-097 SC), Visayan Electric (docketed as ERC Case No. 2020-098 SC), Davao Light (docketed as ERC Case No. 2020-104 SC), and Subic Enerzone (docketed as ERC Case No. 2020-107 SC), requesting the foregoing distribution utilities to explain why they should not be penalized for the incomplete submission of the data requested by the ERC for its actual expenditure review. On January 7, 2021, the foregoing distribution utilities submitted their respective explanations, including a manifestation that all required data has been submitted as of December 29, 2020. ERC has yet to resolve these cases. If found liable, penalty for violation is ₱50,000.00 per distribution utilities, pursuant to ERC Resolution No. 03, series of 2009.

SEC FORM 20-IS (INFORMATION STATEMENT)

On December 2, 2021, the ERC issued Resolution No. 10, series of 2021, modifying the Rules for Setting the Distribution Wheeling Rates (RDWR) for private distribution utilities, and Resolution No. 11, series of 2021, adopting a Regulatory Asset Base (RAB) Roll Forward Handbook. The RDWR and the RAB Handbook as adopted in these resolutions shall be applied in the next regulatory reset of AboitizPower Distribution Utilities.

5. ERC Regulation on Systems Loss Cap Reduction

In April 2018, ERC issued Resolution No. 10, Series of 2018 entitled “A Resolution Clarifying the System Loss Calculation Cap and Providing the Effectivity of the Rules for Setting the Distribution Loss Cap”. This set of rules provide for the new Distribution System Loss (DSL) cap that can be recovered and charged by distribution utilities to its customers, beginning in the May 2018 billing period.

Under the ERC resolution, the DSL cap for private utilities was set at 6.5% for 2018, 6.25% for 2019, 6.00% for 2020, and 5.50% for 2021. The aforementioned caps are exclusive of sub-transmission and substation losses. The aforementioned rules also provide for a performance incentive scheme (PIS), which is a price-linked reward for distribution utilities, with the goal of reducing the DSL passed on to customers and to promote efficiency in distribution systems in the long term.

The rules allow distribution utilities to use an alternative method in determining an individualized DSL cap that it shall apply subject to the approval of ERC. The individualized cap has two components: one for technical loss (determined using load flow simulations on the distribution utilities’ reference distribution system) and another for non-technical loss (which represents the level of non-technical loss that minimizes the costs to consumers). In determining the reasonable level of the individualized DSL cap, costs and benefits must be analyzed from the viewpoint of the customer.

In 2018, Cotabato Light filed an Application for the Individualized Distribution System Loss Cap, requesting, among others, that it be exempted from the 6.5% cap pending the filing and approval of its application for Individualized DSL cap of 7.48% in Technical Loss and 1.77% in Non-Technical Loss and sought approval to use the previous 8.5% DSL cap instead. The case is still pending with ERC as of January 31, 2022.

In December 16, 2021, ERC issued Resolution No. 12, Series of 2021 entitled “A Resolution Clarifying the Applicable Distribution Feeder Loss Cap for Private Distribution Utilities by 2022 Onwards”. The said Resolution amended the Distribution Feeder Loss Cap stated in ERC Resolution No. 10, series of 2018, maintaining the 2021 Distribution Feeder Loss Cap of 5.50% for the year 2022 onwards until such time that a new feeder loss cap is promulgated by the ERC.

6. Competitive Selection Process

On June 11, 2015, DOE promulgate Department Circular No. DC2015-06-0008 (“2015 DOE Circular”) which mandated all distribution utilities to undergo competitive selection processes (“CSP”) in securing PSAs after the effectivity of the said circular. The 2015 DOE Circular also authorized ERC to adopt a set of guidelines for the implementation of the CSP. The 2015 DOE Circular took immediate effect following its publication on June 30, 2015.

On October 20, 2015, ERC issued Resolution No. 13, Series of 2015, entitled, “A Resolution Directing All Distribution Utilities (DUs) to Conduct a Competitive Selection Process (CSP) in the Procurement of their Supply to the Captive Market” (“ERC CSP Rules”). This resolution provides that a PSA shall be awarded to a winning Generation Company following a competitive selection process or by direct negotiation, after at least two failed CSPs. For PSAs which were already executed but were not yet filed with the ERC and those that were still in the process of negotiation during the time of the effectivity of the ERC CSP Rules, the relevant distribution utility already had to comply with the CSP requirement before its PSA application would be accepted by the ERC. The ERC CSP Rules took immediate effect following its publication on November 7, 2015.

SEC FORM 20-IS (INFORMATION STATEMENT)

ERC Resolution 13, Series of 2015, was restated in ERC Resolution No. 1, Series of 2016, entitled, “A Resolution Clarifying the Effectivity of ERC Resolution No. 13, Series of 2015.” ERC Resolution No. 1, Series of 2016, extended the date of the effectivity of the CSP requirement from November 7, 2015 to April 30, 2016. It further stated that all PSAs executed on or after the said date would be required, without exception, to comply with the provisions of the ERC CSP Rules.

On February 1, 2018, DOE promulgated DC No. DC2018-02-0003 (“2018 DOE Circular”) entitled “Adopting and Prescribing the Policy for the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreements for the Captive Market.” Through this Circular, DOE issued its own set of guidelines (“DOE CSP Rules”) for the procurement by distribution utilities of PSAs for the Captive Market.

Under the DOE CSP Rules, all PSAs shall be procured through CSP, except for the following instances: (1) generation project owned by the distribution utility funded by grants or donations; (2) negotiated procurement of emergency power supply; (3) provision of power supply by any mandated Government-Owned and Controlled Corporation for off-grid areas prior to, and until the entry of New Power Providers (NPP); and (4) provision of power supply by the PSALM through bilateral contracts. A PSA may also be entered into by direct negotiation if the CSP fails twice. The DOE CSP Rules took effect upon its publication on February 9, 2018.

The validity of ERC CSP Rules and ERC Resolution No. 1, Series of 2016, was challenged before the SC on the ground that ERC, in issuing the said resolutions, amended the 2015 DOE Circular and effectively postponed the date of effectivity of the CSP requirement. Consequently, on May 3, 2019, the SC in the case of *Alyansa Para sa Bagong Pilipinas, Inc. v. ERC (G.R. No. 227670)*, declared the first paragraph of Section 4 of the ERC CSP Rules and ERC Resolution No. 1, Series of 2016, as void *ab initio*. The SC further ruled that all PSAs submitted to ERC on or after June 30, 2015 shall comply with the CSP and that upon compliance with the CSP, the power purchase cost resulting from such compliance shall retroact to the date of the effectivity of the complying PSA, but in no case earlier than June 30, 2015, for purposes of passing on the power purchase cost to the consumers.

On September 24, 2021, the DOE promulgated Department Circular No. DC-2021-09-0030, amending the 2018 DOE Circular on the Competitive Selection Process in the Procurement by the Distribution Utilities of Power Supply Agreement for the Captive Market. The new circular included a new exemption from the CSP process and introduced a mechanism of subjecting unsolicited proposals to competitive bidding. The Circular was published on October 14, 2021 and was effective on October 29, 2021.

7. Adopting a General Framework Governing the Provision and Utilization of Ancillary Services in the Grid

On December 4, 2019, DOE issued Department Circular No. DC2019-12-0018 entitled “*Adopting a General Framework governing the utilization of Ancillary Services (AS) in the Grid*” (“AS Circular”). The policy seeks to ensure the reliability, quality and security of the supply of electricity by adhering to principles that will provide the safe and reliable operation of the grid by taking into account the entry of emerging technologies and the intermittency of variable renewable energy generating resources.

Included in the policy is the creation of an Ancillary Services Technical Working Group (AS-TWG) that will render technical assistance and advice to DOE in developing further policies on AS. One of the main functions of the AS-TWG is to review the Philippine Grid Code (PGC) (2016 edition) to address issues on the implementation of new AS categories and Primary Response requirement. Section 5 of the circular required the System Operator to ensure optimal procurement of the required Ancillary Services.

Pending the harmonization of AS-related issuances and review of the relevant provisions of PGC 2016, the classification and required levels of AS shall be in accordance with the AS categories prior to PGC 2016.

According to the AS Circular, prior to the commercial operation of the Reserve Market, the SO shall ensure compliance with its obligation to procure the required level and specifications of AS in line with the following

SEC FORM 20-IS (INFORMATION STATEMENT)

- (a) Regulating, Contingency, and Dispatchable Reserves shall be procured through firm contracts only;
- (b) Reactive Power Support AS and Black Start AS shall be procured through firm contracts only; and
- (c) The protocol for the central scheduling of energy and contracted reserves in the WESM shall still apply, in accordance with the WESM Rules and relevant Market Manuals.

Upon the commercial operation of the Reserve Market, the following rule shall govern the procurement of AS:

- (a) SO shall procure Regulating, Contingency, and Dispatchable Reserves through firm contracts and the Reserve Market provided that the contracted levels per reserve region shall be as follows:
 - (i) Regulating Reserve - Equivalent to 50% of the Regulating Reserve requirement;
 - (ii) Contingency Reserve - Equivalent to 50% of the dependable capacity of the largest generating unit;
 - (iii) Dispatchable Reserve - Equivalent to 50% of the dependable capacity of the second largest generating unit.

On June 21, 2021, the DOE issued an “Advisory on the Implementation of Department of Energy (DOE) Circular No. DC2019-12-0018”. The advisory directed the National Grid Corporation of the Philippines to expedite the procurement of the required AS in accordance with Department Circular No. DC2019-12-0018, and to convert NGCP’s non-firm ASPAs into firm ASPAs.

On May 13, 2021, the DOE promulgated Department Circular No. DC2021-03-0009 entitled “Adopting a General Framework Governing the Operationalization of the Reserve Market in the Wholesale Electricity Spot Market and Providing Further Policies to Supplement DC2019-12-00178”. The policy mandates the SO to ensure adequate and least cost procurement of AS through combination of AS contract and the reserve market.

On October 4, 2021 the DOE issued Department Circular No. DC2021-10-0031 for the Transparent and Efficient Procurement of Ancillary Services (AS CSP) by the System Operator (SO) that pushed a process similar to the CSP for Distribution Utilities, but this time for AS to be procured, for all non-firm ASPA be converted to ASPA, and that the Market Operator (MO) can step in to help SO to avoid delays.

8. Ancillary Services Pricing and Cost Recovery Mechanism

Reserves are forms of ancillary services that are essential to the management of power system security. The provision of reserves facilitates orderly trading and ensures the quality of electricity.

On December 2, 2014, DOE issued Circular No. 2014-12-0022, otherwise known as the Central Scheduling and Dispatch of Energy and Contracted Reserves. The circular aims to prepare the market participants in the integration of ancillary reserves into the WESM. The ancillary service providers will be paid based on their respective ASPAs with NGCP, while the scheduling of capacity and energy will be based on market results.

On September 14, 2018, NGCP filed a Petition seeking the Commission’s approval of its proposed amendments to the Ancillary Services – Cost Recovery Mechanism, docketed as ERC Case No. 2018-005 RM. Currently, the existing cost-recovery mechanism for Ancillary Services shall continue to be implemented until a new mechanism is recommended by the AS-TWG and adopted by ERC.

On February 8, 2022, the ERC posted its call for comments on the Draft Ancillary Services Rules (AS Rules) under ERC Case Nos. 2017-005 RM and 2018-005 RM with submission deadline of February 22, 2022. It has forwarded again the transition to its new types and definitions of Ancillary Services, with its own specifications and technical requirements, a percentage of procurement of AS, for testing be done only by the SO, and a cost recovery mechanism.

SEC FORM 20-IS (INFORMATION STATEMENT)

9. Energy Efficiency and Conservation Act

RA No. 11285 or the Energy Efficiency and Conservation Act (“EEC”) was signed into law on April 12, 2019. Apart from prescribing efficient use of energy standards and labeling requirements for energy-consuming products, EEC establishes certain obligations on the part of energy consumers who reach a certain annual energy consumption threshold (“designated establishments”). These obligations include, among others, reporting to the DOE of annual energy consumption, and energy consumption record keeping.

Under the law, all government agencies, including government-owned corporations, are directed to ensure the efficient use of energy in their respective offices, facilities, transportation units, and in the discharge of their functions. DOE will also be authorized to develop a Minimum Energy Performance standard for the commercial, industrial, and transport sectors, and energy-consuming products including appliances, lighting, electrical equipment, and machinery, among others. DOE is also tasked to prescribe labeling rules for all energy-consuming products, devices, and equipment.

DOE will develop and enforce a mandatory energy efficiency rating and labeling system for energy-consuming products, such as air conditioners, refrigeration units, and television sets, to promote energy-efficient appliances and raise public awareness on energy saving. The law also calls for fuel economy performance labeling requirements for vehicle manufacturers, importers, and dealers. LGUs are tasked to implement the Guidelines on Energy Conserving Design on Buildings for the construction of new buildings.

Under the Energy Efficiency and Conservation Act’s IRR dated November 22, 2019, DOE can visit designated establishments to inspect energy-consuming facilities, evaluate energy-management systems and procedures, identify areas for efficiency improvement, and verify energy monitoring records and reports and other documents related to the compliance requirements within office hours and with an authorized representative of the establishment present. The IRR also calls for the commissioning of a certified conservation officer and energy manager to ensure compliance and be responsible for managing energy consumption, administering programs, and other responsibilities under the law.

Other Department Circulars promulgated by the DOE in relation to the Energy Efficiency and Conservation Act are as follows:

- (a) Department Circular No. DC2020-06-0015 “*Prescribing the Guidelines of the Philippine Energy Labeling Program (PELP) for Compliance of Importers, Manufacturers, Distributors and Dealers of Electrical Appliances and other Energy-Consuming Products (ECP)*”, which aims to empower consumers in choosing energy efficient products at the point of sale, help realize energy savings and reduction of energy consumption/bills through the use of energy efficient products; and reduce greenhouse gas emissions.
- (b) Department Circular No. DC2020-06-0016 “*Prescribing the Minimum Energy Performance for Products (MEPP) covered by the Philippine Energy Labeling Program (PELP) for Compliance of Importers, Manufacturers, Distributors, Dealers and Retailers of Energy-Consuming Products*”, which aims to eliminate the entry and sale of inefficient and substandard products in the local market; and reduce greenhouse gas emissions;
- (c) Department Order No. 2020-01-0001 “*Organizing the Inter-Agency Energy Efficiency and Conservation Committee (IAEECC)*”;
- (d) Department Circular No. DC2020-12-0026 “*Adoption of the Guidelines for Energy Conserving Design of Buildings*”, aims to encourage and promote the energy conserving design of buildings and their services to reduce the use of energy with due regard to the cost effectiveness, building function, and comfort, health, safety, and productivity of the occupants; and
- (e) Department Circular No. DC2021-05-0011 “*Guidelines for the Endorsement of Energy Efficient Projects to the Board of Investments for Fiscal Incentives*”, establishes the rules and procedures in the endorsement of energy efficiency projects to avail fiscal incentives from the BOI.

10. Energy Virtual One-Stop Shop Act

RA No. 11234 or the Energy Virtual One-Stop Shop Act (“EVOSS Act”) was signed into law by President Duterte on March 8, 2019 and became effective on March 29, 2019. DOE issued the IRR on June 24, 2019. Under the EVOSS Act, prospective power generation, transmission, or distribution companies can apply, monitor, and receive all the necessary permits, and even pay for charges and fees, through the online platform called Energy Virtual One-Stop Shop (EVOSS) once it takes effect, cutting down the lengthy permitting process for the development of power projects. The DOE already began the implementation of the EVOSS Online Platform.

The EVOSS Online Platform applies to all new generation, transmission, and distribution projects throughout the country as well as government agencies and other relevant entities involved in the permitting process. The system provides a secure and accessible online processing system; recognizes the legal effect, validity, and enforceability of submitted electronic documents; and develops an online payment system for all fees for securing permits or certifications. The system enables government agencies involved in pending power projects to operate under a streamlined permitting process utilizing a uniform application template and in compliance with mandated processing timelines as identified in the law. The entire system utilizes electronic documents and monitors permit status via an online system.

On June 5, 2020, DILG-DOE Joint Memorandum Circular 2020-01 or the Guidelines for LGUs to Facilitate the Implementation of Energy Projects was published. The Guidelines direct the streamlining by LGUs of their processes in issuing the necessary permits for energy-related projects, in accordance with the energy regulatory reforms provided in the EVOSS Law.

On July 2, 2021, President Rodrigo Duterte created the Energy Virtual One-Stop Shop Task Group through Executive Order No. 143, to ensure the increasing operationalization of the EVOSS.

11. Net Metering

The DOE promulgated Department Circular No. DC 2020-10-0022 or the Net Metering Program for Renewable Energy System, which aims to encourage and further promote electricity End-Users’ participation in the Net Metering Program by enhancing the current policies and commercial arrangements while ensuring the economic and technical viability of the distribution utility.

Pertinent provisions include:

- (a) Banking of Net-Metering Credits - All Net Metering Credits shall be banked for a maximum of one calendar year. Any excess of balance Net-Metering credits at the end of each calendar year shall be forfeited.
- (b) Application to Off-Grids or Isolated Grid Systems - The Net Metering Program for End-User shall be allowed even in areas not connected to the country’s three major national electrical transmission grids.
- (c) Publication of Hosting Capacities for Net-Metering - The Distribution Utilities shall publish in their website the respective Net-Metering programs, processes, and procedures, including hosting capacities on a per feeder or sector basis.
- (d) Responsibility of the LGUs - All LGUs are enjoined to strictly comply with the provisions of EVOSS Law, RA No. 11032 (Ease of Doing Business and Efficient Government Service Delivery Act of 2018) in processing permits and licenses related to applications for Net-Metering arrangements.
- (e) Responsibility of the National Electrification Administration (NEA) - The NEA shall provide the necessary assistance in promoting the Net-Metering Program to all electric cooperatives nationwide.
- (f) Development of Net Metering Guidebook - A guidebook on procedures and standards shall be developed by the DOE to be used by all stakeholders. The Renewable Energy Management Bureau shall prepare the Net Metering Guidebook, within six months from the effectiveness of this circular.

SEC FORM 20-IS (INFORMATION STATEMENT)

The foregoing Net Metering Program became effective on December 18, 2020. A draft of Net Metering Guidebook was already sent out for comments on April 2021 and AboitizPower is monitoring for its publishing.

12. Reliability Performance Indices

On December 16, 2020, the ERC published on its website Resolution No. 10, Series of 2020, entitled "*A Resolution Adopting the Interim Reliability Performance Indices and Equivalent Outage Days Per Year of Generating Units*".

This resolution aims to monitor the reliability performance of all Generating Units at operations and maintenance level; regularly determine and specify the reliability performance of the Grid; aid the power industry in evaluating reliability and availability of Generating Plants; and promote accountability of Generation Companies in order to achieve greater operation and economic efficiency. It applies to all Generation Companies with Conventional and Non-Variable Renewable Energy Generating Plants connected to the Grid, including Embedded Generating Plants, which have an aggregated capacity of 5MW and above. It includes the requirement for the System Operator and Transmission Network Provider to utilize the allowable planned outage days in Table 1 of the Resolution as a guide in preparing the Grid Operating and Maintenance Program. If the System Operator and Transmission Network Provider shall utilize unplanned outages beyond what is allowed in Table 1, the same shall provide a report as to the reason for such consideration as well as arrange the replacement.

ERC Resolution No. 10, Series of 2020 became effective on January 3, 2021.

In relation to this, the ERC issued a consolidated show cause order dated June 14, 2021, against Hedcor Bukidnon, requesting the latter to explain why it should not be held liable for violation of Article V of ERC Resolution No. 10, Series of 2020 for the alleged excess unplanned outages for Hedcor Bukidnon's Manolo Fortich 1 Units 2, 3, and 4 (ERC Case Nos. 2021-075 SC, 2021-076 SC, and 2021-077 SC).

On July 8, 2021, Hedcor Bukidnon submitted its verified explanation, with attached documents to prove that the cause of the outage is a force majeure event or a planned outage, both of which should not be included in counting unplanned outage days. On August 25, 2021, Hedcor Bukidnon, Inc. manifested developments and submissions relating to the resumption of Manolo Fortich 1's operations. The case has yet to be resolved by the ERC.

13. Prescribing Revised Guidelines for Qualified Third Party

On November 22, 2019, DOE promulgated Department Circular No. DC 2019-11-0015 also known as the "*Revised Guidelines for Qualified Third Party*". The Qualified Third Party (QTP) Guideline Policy is an initiative that was prescribed in the EPIRA, which shall assist the distribution utilities in ensuring and accelerating the total electrification of the country.

The policy provides revisions to the existing guidelines covering the qualifications and participation of QTPs in the provision of electric services to "Unviable Areas" within the respective franchise areas of distribution utilities and electric cooperatives. As part of the Scope of the Revised QTP Guidelines, the policy shall apply to the provision of electricity services in locations defined as Unviable Areas, which include unserved and underserved electricity customers, within the franchise areas of distribution utilities.

In view of the QTP Guideline Policy, as of January 31, 2022, the ERC is working on its amendments to the 2006 Rules on the Regulation of Qualified Third Parties Performing Missionary Electrification in Areas Declared Unviable by the DOE.

On January 21, 2022, the President approved RA No. 11646, or the Microgrid Systems Act, which converts all QTPs as microgrid system providers. The law also provides a new framework for the use of microgrid systems or a group of interconnected loads and a generation facility or decentralized power generation that

SEC FORM 20-IS (INFORMATION STATEMENT)

acts as an integrated power generation and distribution system, to electrify both “underserved” and “unserved” areas in the country.

14. Providing a Framework for Energy Storage System in the Electric Power Industry

On September 18, 2019, DOE promulgated Department Circular No. DC2019-08-0012 also known as “*Providing a Framework for Energy Storage System in the Electric Power Industry*”, which governs the regulation and operation of energy storage systems (ESS). The increasing penetration of Variable Renewable Energy (VRE) in the country has prompted the need for the recognition of ESS as one of the technologies to manage intermittent operations of the VRE-generating plants' output thereby ensuring system stability. The issuance of the circular further hastens the entry of ESS as part of the modernization of the Philippine power sector. It finally answers questions relating to who should own and operate energy storage systems in the Philippines. The circular addresses policy gaps by providing a framework for the implementation and roll out of ESS in the country.

The circular applies to power industry participants, including power generation companies owning and/or operating ESS. The covered technologies include battery energy storage system; compressed air energy storage; flywheel energy storage; pumped-storage hydropower; and other emerging technologies that may be identified, qualified, and approved by DOE as ESS. The rules are also applicable to customers and end-users owning and/or operating ESS, which include distribution utilities; and directly connected customers. The circular also applies to qualified third parties, transmission network providers, system operators, market operators, and PEMC.

15. Guidelines Governing the Issuance of Operating Permits to Renewable Energy Suppliers Under the Green Energy Option Program

On July 18, 2018, DOE issued Department Circular No. DC2018-07-0019 also known as the “*Rules Governing the Establishment of the Green Energy Option Program (GEOP) in the Philippines.*” This sets the guidelines for consumers or end-users, renewable energy suppliers, and network service providers, among other stakeholders, in facilitating and implementing such energy sources under the EPIRA.

GEOP is a renewable energy policy mechanism issued pursuant to RA No. 9513 or the RE Law that provides end-users the option to choose renewable resources as their sources of energy.

Under this issuance, all end-users with a monthly average peak demand of 100kW and above for the past 12 months may opt to voluntarily participate in the GEOP. Those with an average peak demand below 100 kW may also participate in the GEOP, but only after DOE, in consultation with NREB and industry stakeholders, is able to determine that the technical requirements and standards are met by the end-user. End-users with new connections can also opt to participate in the Program and choose renewable energy resources for their energy/electricity needs, provided their average peak demand meets the threshold provided in the GEOP Rules.

The participation of the end-users in the GEOP will be governed by a supply contract between the end-user and the renewable energy supplier, and conform with ERC rules on distributed energy resources and generation facilities.

GEOP is presently available to end-users in Luzon and Visayas only, until such time that DOE, in consultation with the NREB and industry stakeholders, determines the readiness of the Mindanao market.

Other provisions of the GEOP include the establishment of the GEOP Oversight committee, as well as the ERC issuing regulatory framework particularly in setting the technical and interconnection standards and wheeling fees, to affect and achieve the objectives of GEOP. With regard to the billing mechanism, the GEOP Rules provide that a “dual billing system” may be adopted by the end-user availing of the program.

SEC FORM 20-IS (INFORMATION STATEMENT)

On April 22, 2020, the DOE issued the Guidelines governing the issuance of Operating Permits to RE Suppliers under the GEOP (DC No. 2020-04-0009), which sets rules and procedures in the issuance, administration, and revocation of GEOP Operating permits to RE suppliers

On August 16, 2021, the ERC promulgated Resolution No. 08. Series of 2021, entitled “A Resolution Adopting the Rules for the Green Energy Option Program (GEOP)” approving and adopting the GEOP rules issuing the framework to operationalize GEOP and is now effective.

In November 2021, the Central Registration Body announced that the registration for Green Energy Option (GEOP) customers will start on December 3, 2021. IEMOP will release an advisory soon regarding the timelines for WESM switching from captive distribution utilities to GEOP.

16. Promulgating the Renewable Energy Market Rules

On December 4, 2019, DOE issued Department Circular No. DC2019-12-0016, entitled “*Promulgating the Renewable Energy Market (REM) Rules*”, thereby officially starting the Renewable Portfolio Standards (RPS) compliance process.

The REM Rules establishes the basic rules, requirements and procedures that govern the operation of the Renewable Energy Market, which seeks to:

- (a) Facilitate the efficient operation of the REM;
- (b) Specify the terms and conditions entities may be authorized to participate in the REM;
- (c) Specify the authority and governance framework for the REM;
- (d) Provide for adequate sanctions in cases of breaches of the REM Rules; and
- (e) Provide timely and cost-effective framework for resolution of disputes among REM Members and the Renewable Energy Registrar (“Registrar”).

The REM is a market for the trading of Renewable Energy Certificates (RECs) in the Philippines, intended as a venue for Mandated Participants obligated by RPS to comply with their RPS requirements. REM's objective is to accelerate the development of the country's renewable energy resources.

The RPS Transition Period defines Year 0 as 2018 and the RPS Compliance Year 1 shall be the year 2020, and the intervening period shall be the Transition Period.

The REM Rules will be administered and operated by the Renewable Energy Registrar. Moving forward, operational issues may still arise on who will be the RE Registrar.

As of January 31, 2022, the DOE is asking for public participation in the drafting of the REM Registration Manual, REM Manual (Allocation of RE Certificates for FIT-Eligible RE Generation), REM Enforcement and Compliance Manual (REM Investigation Procedures and Penalty Manual), and the REM Manual Dispute Resolution.

The REM's target implementation is within 2021, but AboitizPower continues to monitor for the actual start.

17. Feed-in-Tariff System

Pursuant to the RE Law, the FIT system is an energy supply policy aimed to accelerate the development of emerging renewable energy sources by providing incentives, such as a fixed tariff to be paid for electricity produced from each type of renewable energy resource over a fixed period not less than 12 years.

The ERC issued Resolution No. 16, Series of 2010, otherwise known as “Resolution Adopting the Feed-In Tariff Rules” (the “FIT Rules”) which establishes the FIT system and regulates the method of establishing and approving the FITs and the FIT-All.

SEC FORM 20-IS (INFORMATION STATEMENT)

The FIT Rules are specific for each emerging renewable energy technology and to be applied only to generation facilities which enter into commercial operation after effectivity of the FIT Rules or to such parts of such existing facilities which have been substantially modified or expanded as provided under the FIT Rules.

Under the FIT Rules, the FITs are specific for each eligible renewable energy plants, which are those power facilities with COCs issued to them that utilize emerging renewable energy resources or to such parts of such existing facilities that have been substantially modified or expanded, which enter into commercial operation after effectivity of the FIT Rules. These include facilities intended for their owners' use, which are connected to the transmission or distribution networks and are able to deliver to such networks their generation or parts thereof but FIT shall only be paid for such amount of electricity actually exported to the distribution or transmission network and not utilized for their own use.

In Resolution No. 10, Series of 2012, ERC adopted the following FIT and degression rates for electricity generated from biomass, run-of-river hydropower, solar, and wind resources:

	FIT Rate (₱/kWh)	Degression Rate
Wind	8.53	0.5% after year 2 from effectivity of FIT
Biomass	6.63	0.5% after year 2 from effectivity of FIT
Solar	9.68	6% after year 1 from effectivity of FIT
Hydro	5.90	0.5% after year 2 from effectivity of FIT

In line with the increase in installation target for solar energy from 50 MW to 500 MW and wind energy from 200 MW to 400 MW, ERC issued Resolution No. 6 Series of 2015 approving the Solar FIT2 rate of ₱8.69/kWh for the second set of installation target. On October 6, 2015, ERC issued Resolution No. 14, Series of 2015 adopting the Wind FIT2 rate of ₱7.40/kWh. In Resolution No. 1, Series of 2017, ERC set the degressed FIT rates for hydro and biomass plants at ₱5.8705/kWh and ₱6.5969/kWh, respectively. Through a letter dated February 23, 2018, DOE informed ERC of its resolution extending the FIT for Biomass and ROR Hydro until December 31, 2019.

As the fund administrator of the FIT-All, Transco filed an application before the ERC asking for provisional authority to implement a FIT-All rate of ₱0.2278/kWh for Calendar Year ("CY") 2020. On January 28, 2020, ERC released a decision authorizing Transco to collect a FIT-All rate of ₱0.0495/kWh, lower than the applied ₱0.2471/kWh rate for CY2019. Prior to this decision, the last approved FIT-All rate is ₱0.2226/kWh for CY2018.

On May 26, 2020, the ERC promulgated its Resolution No. 6, series of 2020, wherein the ERC resolved to approve and adopt FIT adjustments for the years 2016, 2017, 2018, 2019, and 2020, using 2014 as the base year for the CPI and forex, to be recovered for a period of five years.

On August 4, 2020, TransCo filed its Application for the FIT-All rate of CY2021 of ₱0.1881/kwh, effective the January 2021 billing period. In the alternative, it asked for a FIT-All rate of ₱0.2008/kWh based on a lower Forecast National Sales to account for the impact of COVID-19 to electricity consumption. Similarly on July 29, 2021, TransCo filed its Application for the FIT-All rate for CY2022 of ₱0.3320/kwh, effective the January 2022 billing period, or in the alternative, ₱0.3165/kwh based on an increase in kWh sales in 2021 due to the anticipated economic recovery from the COVID-19 pandemic. Both cases remain pending before the ERC.

18. Revisions to the Guidelines for the Financial Standards of Generation Companies

On February 16, 2021, the ERC issued Resolution No. 03, Series of 2021, entitled "*A Resolution Adopting the Revised Guidelines for the Financial Capability Standards of Generation Companies*".

The Revised Financial Guidelines aim to set out the minimum financial standards of 1.25x Debt Service Capability Ratio ("DSCR") to ensure that GenCos meet these standards to protect the public interest as required under Section 43, b(ii) of the EPIRA and provided by Appendix 1, FS.A 1.3 of the Philippine Grid

SEC FORM 20-IS (INFORMATION STATEMENT)

Code. A generation company failing to comply with the set financial standards shall submit to ERC a program to comply within 60 days of receipt of an ERC directive.

19. Green Energy Auction Policy

On July 14, 2020, the DOE issued guidelines on the Green Energy Auction Policy (Department Circular No. DC 2020-07-0017) which set the framework for which the DOE shall facilitate the procurement of supply from RE projects by the mandated participants under the RPS on-grid rules through a competitive process for compliance with the RPS program and as applicable for their long-term power supply requirements. The process involves a regular auction process (notice every 15th of June) to be implemented by the Green Energy Auction Committee (GEAC). The Contracting Customers and the Winning Bidders will execute a Green Energy Implementation Agreement (GEIA), which involves the Market Operator (MO) as the entity to allocate energy and calculate corresponding payments. The ERC will approve the GEIA template and the Green Energy Auction Reserve (GEAR) Price. Each Winning Bidder will have its own Green Energy Tariff (pay-as-bid), which shall not be higher than the GEAR Price. On the other hand, the Contracted Customers will pay the average price, subject to the allocation/calculation of MO, per trading interval.

On November 3, 2021, the DOE issued DC2021-11-0036 providing the Revised GEAP Guidelines listing out the Green Energy Auction steps for the competitive selection process, adopting the FIT framework as the mechanism for RE compensation and introducing an Opt-In mechanism for the Mandated Participants.

The Opt-In Guidelines shall still be promulgated by DOE. Its issuance shall not delay the first GEAP Auction round.

The GEAP also includes the determination of GEAR Price. The GEAR Price (max price offer) is used as ceiling price for each auction round. The ERC shall issue the GEAR Price within 60 days after the Notice of Auction has been published in a newspaper of general circulation. The Notice of Auction has been posted on the DOE website and published February 9, 2022 in the Daily Tribune.

With the revised GEAP DC, the first auction is expected in the middle of 2022.

20. Retail Competition and Open Access

Through a Decision dated March 2, 2021, the Supreme Court of the Philippines acted on several petitions regarding the implementation of Retail Competition and Open Access. These petitions were brought by Philippine Chamber of Commerce and Industry, Siliman University, and Batangas II Electric Cooperative (docketed as G.R. No. 228588, 229143, and 229453), among other petitioners and intervenors, against the DOE and the ERC. The Supreme Court struck down Department of Energy Circular No. DC2015-06-0010, series of 2015, and ERC Resolutions No. 5, 10, 11, and 28, all series of 2016, primarily for mandating contestability and prohibiting distribution utilities from participating in the contestable market. It likewise directed the ERC to promulgate guidelines on the DOE's Department Circular Nos. DC2017-12-0013 and DC2017-12-0014 for being more aligned with the objective of the EPIRA to promote robust competition among retail electricity suppliers.

21. The Open Access Transmission Service (OATS) Rules

The Open Access Transmission Service (OATS) Rules describe the requirements and services provided by the Transmission Network Provider (TNP) that operates the high voltage backbone transmission system. The OATS Rules outline the responsibilities of the TNP and the functions of the System Operator (SO) as specified in the Philippine Grid Code (PGC) and the Wholesale Electricity Spot Market (WESM) Rules. It also sets out the responsibilities accepted by transmission customers as a condition of receiving the services. The OATS Rules aims to ensure the development of an appropriate, equitable and transparent electricity market, along with the safe, reliable, and efficient operation of the power system.

The ERC has posted the draft Amendments to the OATS Rules on February 9, 2022 and the deadline for

SEC FORM 20-IS (INFORMATION STATEMENT)

submission of comments is on February 22, 2022.

22. Amendments to Public Service Act

Commonwealth Act No. 146, otherwise known as the Public Service Act, is a law governing the regulation of public services, which originally included “electric light, heat and power”. On February 2, 2022, the Philippine Senate and the House of Representative consolidated House Bill No. 78 and Senate Bill No. 2094, which involved amendments to the Public Service Act. The amendments introduced included the classification of certain public services as public utilities, which included both the distribution and transmission of electricity. The amendments also provided for revisions in the regulatory authorities of administrative agencies, but also provided that nothing in the Public Service Act shall be construed as amending or repealing laws and administrative regulations deregulating or delisting services, industries and/or rates.

(xii) Amount Spent on Research and Development Activities

AboitizPower and its Subsidiaries do not allot specific amounts or fixed percentages for research and development. All research and development activities are done by AboitizPower’s Subsidiaries and Affiliates on a per project basis. The allocation for such activities may vary depending on the nature of the project.

(xiii) Costs and Effects of Compliance with Environmental Laws

AboitizPower’s generation and distribution operations are subject to extensive, evolving, and increasingly stringent safety, health, and environmental laws and regulations. These laws and regulations address concerns relating to, among other things, air emissions; wastewater discharges; the generation, handling, storage, transportation, treatment and disposal of toxic or hazardous chemicals, materials, and waste; workplace conditions; and employee’s exposure to hazardous substances. Standard laws and regulations that govern business operations include Clean Air Act (RA No. 9003), Ecological Solid Waste Management Act (RA No. 9003), Clean Water Act (RA No. 9275), Toxic Chemical Substances and Hazardous and Nuclear Wastes Control Act (RA No. 6969), Philippine Environmental Impact Statement System (PD No. 1586), and Occupational Safety and Health Standards (RA No. 11058). The RE Law also added new and evolving measures that must be complied with. These laws usher in new opportunities for the Company and set competitive challenges for the businesses covered. Additional regulations such as DOE’s Energy Regulation No. 1-94 require companies to allocate funds for the benefit of host communities for the protection of the natural environment and for the benefit of the people living within the area. Further, funds are set for the management of carbon sinks and watershed areas through a nationwide reforestation program.

The Safety Health Environment and Security (SHES) group of AboitizPower oversees the SHES programs and activities within its operational control from the corporate center, business units, to facility teams. This includes the accounting of all environmental impacts. For the Generation Group, the facilities include: (1) APRI’s Tiwi-MakBan plants, (2) SacaSun’s San Carlos plant, (3) the Benguet, Bakun, Sabangan, Sibulan A, B, and Tudaya A, Tudaya B, Manolo Fortich, and Talomo HEPPs of the Hedcor Group, (4) SN AboitizPower Group’s Ambuklao, Magat, and Maris plants, (5) the Oil Group’s Cebu, Mactan, Mobile 1, Mobile 2, Mobile 3-6, and Naga plants, (6) Coal Group’s Davao and Toledo plants. For the Distribution Utilities, the facilities include: Cotabato Light, Davao Light, Visayan Electric, Balamban Enerzone, Mactan Enerzone, Lima Enerzone, Malvar Enerzone, and Subic EnerZone.

AboitizPower and its Subsidiaries have allocated budgets for environmental expenditures covering costs for waste disposal, remediation, pollution control, environmental initiatives and programs. All facilities are in compliance with regulatory requirements, thus noting zero spending for remediation costs.

AboitizPower and its Subsidiaries remain committed to alignment with international best practices in all power plants and distribution utilities. This is exemplified with the achievement of ISO certification for the management systems of Quality, Environment, Occupational Health and Safety. However due to the impact of the COVID-19 pandemic in 2021, a few of the AboitizPower subsidiaries in Power Generation which were ready for their recertification or surveillance audit have decided to defer it to 2022. Meanwhile, the Power

SEC FORM 20-IS (INFORMATION STATEMENT)

Distribution maintained its certifications on ISO 9001:2015 Quality Management Systems, ISO 45001 Occupational Health & Safety or OHSAS 18001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System.

In 2021, continuous improvement in managing environmental impacts is evident, as seen in the increased total environmental management expenses at ₱154.5 mn, which is a 115% increase compared with previous year (₱71.8 mn). This consists of ₱28.5 mn for APRI, ₱14.6mn for Hedcor, ₱61.7 mn for the Coal Group, ₱13 mn for the SN AboitizPower Group; ₱34 mn for the Oil Group, and a total of ₱2.4 mn for the Distribution Utilities.

Of the ₱154.5 mn total environmental management expenses, ₱24.8 mn was allocated for capital expenditure (capex) aimed at improving pollution prevention and control. The following projects were implemented: (1) APRI Makban's purchase of new unit of Continuous Ambient Monitoring Station (CAMS) upwind and downwind; (2) APRI Tiwi's installation of data acquisition system and updating of existing CAMS and meteorological sensors; (3) the Oil Group's installation of air quality monitoring station in Mobile 2; (4) the Coal group's improvement of Domestic Wastewater Treatment Facility and Project BRICK at its Davao plant and improvement of sewage treatment facility through installation of wetland and hypochlorination system and installation of online Continuous Emission Monitoring System at its Toledo plant.

Operation expenditure (opex) projects were also implemented to improve environmental management practices on site, such as: (1) APRI Makban's rehabilitation of its hazardous waste storage area, improvement of the composting facility and installation of greenhouse farm/agriculture at storage facility, asbestos management and assessment; (2) the SN AboitizPower Group's modification of its sewage treatment facility; (3) the Coal Group's installation of Continuous Ambient Air Quality Monitoring System in Toledo City, Cebu and bamboo tree planting for carbon dioxide sequestration and noise suppression in Barangay Bocalor, Toledo City; (4) the Oil Group's improvement of sewage treatment facility and oil water separators at Mobile 3-6, (5) the Distribution Utilities' gradual replacement program of Compact Fluorescent Lights to less hazardous LED lights.

AboitizPower also supports environmental initiatives that go beyond its compliance requirements. The Company takes part in AEV's A-Park program, various coastal and river clean-up activities, and biodiversity initiatives. In the year 2021, the Company has planted a total of 288,112 trees at an expanse of 1,152 hectares with the help of almost 859 volunteers. AboitizPower organized and conducted 25 coastal and river clean-up activities, wherein over 15,000 kilograms of wastes were collected. Furthermore, AboitizPower supports a number of biodiversity initiatives, such as (1) the Adopt Tigas River, Adopt Visitang Naga River and Mt. Malinao biodiversity assessment supported by APRI, (2) Hedcor's Dino Dolig Coffee agroforestry project in Sabangan, Mt. Province and watershed management program in Bakun, Benguet; (3) SN AboitizPower-Magat HEPP's partnership in Uplifting Upland Natural Resources Livelihood and Assets (PUNLA) for the Upper Magat Watershed Management Program in Ifugao Province; (4) SN AboitizPower-Benguet partnership with NPC for 2.5km radius Technical Cooperation Agreement on forest fire protection in Ambuklao and Binga reservoir, (5) the Coal group's Adopt-an-Estero water body program at Inawayan River, Brgy. Inawayan, Sta. Cruz, Davao del Sur and Coastal Resource Management Program in Toledo City, Cebu; (6) Davao Light's Adopt-an-Estero for San Isidro creek and the Cleanergy park located in Punta Dumalag, Davao City; and (7) Visayan Electric's mangrove plantation project in Panadtaran, San Fernando, Cebu.

AboitizPower and its Subsidiaries received a total of 74 awards, certifications and citations in 2021 in relation to SHES. To highlight a few: (1) APRI Makban Plant's Bronze Corporate Safety and Health Excellence Award from the Safety & Health Association of the Philippine Energy Sector, Inc. (SHAPES); (2) APRI Tiwi Plant's Platinum Corporate Safety and Health Excellence Award; (3) SN AboitizPower-Magat's Outstanding Safety and Health Professionals Award, Corporate Safety and Health Excellence award - Gold. In addition, the Coal Group received a special citation from DENR-EMB Region VII for highly esteemed contributions over the years in Implementing sustainable air quality management.

In 2021, AboitizPower and its Subsidiaries did not incur any major sanctions for violation of environmental standards and law. AboitizPower continues to be cognizant of new opportunities to comply with regulatory

SEC FORM 20-IS (INFORMATION STATEMENT)

requirements and improvement of systems to promote safety and prevent adverse impacts to the environment or affected ecosystems.

(xiv) Employees

At the parent company level, AboitizPower has a total of 446 employees as of January 31, 2022. These include executives, managers, supervisory, and rank-and-file staff employees. There is no existing Collective Bargaining Agreement (CBA) covering AboitizPower employees.

The following table provides a breakdown of total employee headcount on a per business group basis, according to employees' function, as of January 31, 2022:

Business Group	Number of Employees				Rank & File	Unionized Employees	Expiry of CBA
	Total	Executives	Managers	Supervisors			
Aboitiz Power	446	90	74	86	196	0	N/A
Generation Companies							
Run-of-River Hydros	392	12	17	46	317	104	September 19, 2022 (Hedcor)
Large Hydros	188	21	39	69	59	0	N/A
Geothermal	247	11	17	46	173	11	February 28, 2022 (APRI)
Solar	5	0	0	2	3	0	N/A
Oil	405	13	35	202	155	0	N/A
Coal	1,084	19	66	236	763	0	N/A
RES	4	0	0	1	3	0	N/A
Distribution Utilities	776	16	66	137	557	316	December 31, 2016 ²¹ (Visayan Electric) June 30, 2024 (Cotabato Light) June 16, 2026 (Davao Light) May 9, 2024 (SFELAPCO)
Total No. of Employees	3,547	182	314	825	2,226	431	

The Company does not anticipate any significant increase in manpower within the next 12 months unless new development projects and acquisitions would materially require an increase.

(xv) Major Risk/s Involved in the Business

An integral part of AboitizPower's Enterprise Risk Management (ERM) efforts is to anticipate, understand, and address the risks that the Company may encounter in its businesses.

Risk management is integrated in the Company's strategic and operational planning and decision-making processes. Management and operating teams identify and assess the risk areas that may impact the Company's strategic objectives and day-to-day business operations. In addition, the Company develops key risk treatment plans to address the drivers of the Company's top risks, as well as emerging risks that may also significantly impact its business and stakeholders. The risk management processes, which include ESG focus areas, business continuity management, and risk transfer strategies, are also embedded in the

²¹ The Secretary of Labor and Employment (SOLE), in its resolution dated January 11, 2022 denied with finality, Visayan Electric's Motion for Reconsideration. The parties are directed to submit their compliance within 15 days from receipt, a copy of their signed CBA incorporating the salary increase awarded retroactive to the expiration of the CBA or January 1, 2017. Visayan Electric filed its Joint Motion for Extension with VECEU last January 31, 2022 requesting to be given until March 11, 2022 to submit the signed CBA implementing the retroactivity of the salary increase.

SEC FORM 20-IS (INFORMATION STATEMENT)

organizational planning and risk management processes. Business continuity management (BCM) and risk finance are the other pillars of the ERM approach that are actively being implemented and continuously developed by AboitizPower.

Risk management planning in Aboitiz Power is an iterative process that is conducted at least semi-annually for strategic risks. Most of the top or strategic risks that are captured at the corporate or AboitizPower level originated from risks reported by the corporate support and business units. The Company's business units review operational risks and implement mitigation measures as part of day-to-day operations.

Following the completion of the 2021 year-end strategic risk consolidation at AboitizPower, the following top or strategic risks have been identified and reported to the senior management executives:

1. Project Delays

AboitizPower has identified delay in project completion as a top risk as it continues to grow its power generation portfolio, in particular, with the construction and commissioning of the GNPowr Dinginin (GNPD) Project. The risk is currently driven by issues related to the management of COVID-19 onsite, issues with the EPC contractor, unresolved technical issues related to the boiler and steam turbine, and regulatory issues.

COVID-19-related travel restrictions, mandatory quarantine protocols, and on-site infections have delayed the achievement of the project milestones in 2021 and early 2022. Short term suspension of works by the EPC contractor became unavoidable as a preventive measure to arrest widespread transmission inside the facility. Implementation of stricter workplace protocols and improvement in business continuity plans and administration of vaccines to the workers were done to mitigate the COVID-19 threat.

Unresolved issues with the EPC contractor have started to emerge as a major risk driver as Unit 1 of GNPD completes performance testing and rectification of defects. These issues, which are typical of negotiations between owners and contractors during the turnover phase, are managed through active stakeholder engagement not just by the joint venture operator but, likewise, directly by AboitizPower's own project development team and third-party experts as part of the Company's key risk treatment plan. The contractor currently remains committed to working closely with the plant operator and AboitizPower.

Boiler combustion and turbine vibration issues remain as a threat to continuous generation of Unit 1. As of January 31, 2022, Unit 1 has been running on full load with occasional deration due to boiler slagging. The contractor continues to supervise the operation of the unit to monitor parameters. There have been improvements in the performance of the boiler due to the support of specialist contractors who were engaged to resolve technical issues as part of the mitigation plans. The same approach of consulting third party experts in close coordination with the contractor will be pursued until the technical issues are resolved.

Regulatory issues are related to the delivery of the transmission assets owned by the NGCP in order to dispatch full capacity from GNPD. The delivery of the transmission assets is no longer at the critical path. Nevertheless, AboitizPower continues to work with NGCP to ensure the transmission assets are ready when Units 1 and 2 begin commercial operations. Operational readiness reviews are performed to ensure that new generating units are ready for full commercial operations. Project post-mortem reviews are also conducted to determine key learnings that can be applied to ongoing and future projects.

As an overall risk mitigation plan, project risk management plans are thoroughly defined and regularly reviewed for each project in order to track issues related to quality, safety, compliance, schedule, and resources. This ensures that identified risk control measures and recovery actions are implemented. Appropriate project insurance coverage, as well as periodic performance reviews of selected partners, reputable contractors, and third-party suppliers, are also in place.

SEC FORM 20-IS (INFORMATION STATEMENT)

2. Sustainability

Investments are at risk if these are not able to sustain a viable economic return due to a combination of technology, regulatory, and/or market changes. Among these changes, ESG strategies continue to be the trend in the global community where investors are seeking to mitigate exposure to fossil-based fuel and diversifying portfolio to prioritize renewable energy. In the event that future laws or contracts are enacted imposing restrictions on operations and refinancing, particularly in relation to power plants utilizing fossil fuels, certain capital expenditures or operating expenses or financing costs may not be fully recoverable.

The growing multi-sectoral negative action against coal has led many financial institutions to restrict investments in coal projects. The following are important considerations of the Company's existing portfolio and strategic project pipeline, where coal concentration will significantly be reduced by the year 2030:

- (a) Difficulty in insurance procurement or renewal, where insurers' policy on coal underwriting and investing are also aligned with the same global trends on sustainability and ESG issues. While insurers are still willing to cover coal plants, the resulting impact is significantly higher premium rates for coal insurance year on year. Inability to fill up 100% capacity due to the reluctance or withdrawal of some insurance markets to insure coal plants has prompted the Company to resort to self-insurance. Other noteworthy risk drivers are the hardening of the insurance market aggravated by the global economic impact of the COVID-19 pandemic, and any significant losses on damage to critical assets and related business interruptions;
- (b) Financing and refinancing risks in terms of the Company's inability to borrow money to fund future projects due to current investments in coal. While banks are still willing to lend, the cost of project financing tends to be more expensive;
- (c) Withdrawal of technical support by critical contractors and suppliers from construction and/or maintenance thermal power plants in line with global trends on sustainability; and
- (d) Sourcing of fuel (coal and oil) due to global price volatility because of supply and demand fundamental affected by pressure on the continued operation of mines and transshipment of fuel due to the International Maritime Organization (IMO) 2020 regulations which will have the effect of increasing freight costs for coal and oil.

The Philippines is a party to the 2015 Paris Agreement signed by almost 200 nations. The Paris Agreement aims to keep the increase in global average temperature to well below 2°C above pre-industrial levels and to limit the increase to 1.5°C, since this would substantially reduce the risks and effects of climate change. As a party to the agreement, the Philippines may impose more stringent regulations, particularly on coal-fired power plant emissions, requiring expensive pollution controls on coal-fired power plants, among other measures. These measures may significantly increase costs of coal-fired power plants and, at the same time, increase the cost competitiveness of renewable energy.

Recently promulgated implementing rules and regulations by the DOE on "Renewable Portfolio Standards" also mandate electric power industry participants (such as generation companies, distribution utilities and electric cooperatives) to source or produce a portion of their electricity requirements from eligible renewable energy resources and undertake CSPs in sourcing renewable energy. A significant portion of the captive market may shift away from coal and other hydrocarbon fuels, which may expose the coal-fired power plants of the Company to stranded-asset risk (i.e., hazard of an asset suffering from an unanticipated write-down, devaluation, or conversion to liability).

AboitizPower is cognizant of the regulatory and market drivers in the shift towards green and sustainable business transformations. AboitizPower and its Subsidiaries are guided by its sustainability framework that looks into environmental, social and governance risks including climate-related risks of its value chains. Its strategy has long considered environmental sustainability as one of its key pillars and, to date, together with its partners, the Company is the largest private renewable energy operator in the country with 1,589 MW in installed capacity as of October 31, 2021.

SEC FORM 20-IS (INFORMATION STATEMENT)

AboitizPower's growth strategy remains aligned with the energy trilemma – balancing the three pillars of energy security, energy equity, and environmental sustainability. Over the last decade, the growth in energy demand has necessitated a focus on energy security and energy equity - the provision of reliable, and affordable energy for a growing economy. Having addressed energy security and energy equity via the presence of sufficient baseload capacity, AboitizPower has begun to shift focus back to environmental sustainability, and rebalancing its energy portfolio. This transition is included in the Company's sustainability agenda, with the Company targeting a mix of 50% thermal and 50% renewable energy capacity by 2030 from its current mix of 74% thermal (which are conventional or combustion power plants such as coal or fuel fired plants), and 26% renewable (which do not rely on fossil fuels).

Further, to properly assess the potential and extent of the above-mentioned risks, AEV and AboitizPower signed up to become the first Philippine supporters of the international Task Force on Climate-Related Financial Disclosures ("TCFD") in early 2020. This is a voluntary commitment to adopt a defined governance structure on identifying and addressing physical and transition risks associated with climate change, as well uncovering opportunities, and improving disclosures to provide clear and reliable information to stakeholders. Under SEC Memorandum Circular No. 4, series of 2019 on the Sustainability Reporting Guidelines for Publicly-Listed Companies ("PLCs"), there is a three-year period under which PLCs can comply, which includes the adoption of the TCFD reporting template.

3. Regulatory

The electric power industry is characterized by a constantly evolving regulatory environment. Any shortcoming in regulatory compliance poses negative consequences in both the net income and reputation of each Business Unit and the Group. Further, the Company's results of operations and cash flow could be adversely affected by the inability to predict, influence, or respond appropriately to changes in law or regulations, including any inability or delay in obtaining expected or contracted increases in electricity tariff rates or tariff adjustments for increased expenses, or any inability or delay in obtaining or renewing permits for any facilities, could adversely impact results of operations and cash flow. The Company's business could also be adversely affected by any changes in laws or regulations, or changes in the application or interpretation of laws or regulations in jurisdictions where power projects are located, could adversely affect the Company's business, including, but not limited to:

- (a) adverse changes in tax laws including misinterpretation of statutory incentives granted to developers;
- (b) changes in the timing of tariff increases or in the calculation of tariff incentives;
- (c) change in existing subsidies and other changes in the regulatory determinations under the relevant concessions or grants;
- (d) other changes related to licensing or permitting which increase capital or operating costs or otherwise affect the ability to conduct business affecting both the generation and distribution utility business; or
- (e) other changes that have retroactive effect and/or take account of revenues previously received and expose power projects to additional compliance costs or interfere with our existing financial and business planning.

Any of the above events may result in lower margins for the affected businesses, which could adversely affect AboitizPower's results of operations.

For renewable assets, pricing is fixed by regulatory arrangements which operate instead of, or in addition to, contractual arrangements. To the extent that operating costs rise above the level approved in the tariff, the Business Units that are subject to regulated tariffs would bear the risk. During the life of a project, the relevant government authority may unilaterally impose additional restrictions on the project's tariff rates, subject to the regulatory frameworks applicable in each jurisdiction. Future tariffs may not permit the project to maintain current operating margins, which could have a material adverse effect on the Business Unit or the Group, financial condition, results of operations and prospects. Withholding of adjustment in feed-in-tariff rates for qualified plants under the portfolio of AboitizPower

SEC FORM 20-IS (INFORMATION STATEMENT)

are risks that are being monitored and addressed through active stakeholder engagement with similarly situated developers and the ERC.

To anticipate and proactively respond to changes in regulations, the Regulatory Affairs and External Relations teams of AboitizPower constantly collaborates with the DOE and the ERC to work towards a sound and sustainable regulatory and policy environment. Similarly, the AboitizPower SHES Team keeps abreast with environmental laws and coordinates with DENR on matters pertaining to environmental compliance.

These teams, among others, actively participate in consultative processes and public consultations to provide feedback and positions on proposed laws and regulations. The Company's participation likewise ensures that its interpretation of such laws and regulations is aligned with the regulators. This is done in cooperation with organized power industry groups such as the Philippine Independent Power Producers Association (PIPPA) and Philippine Electric Plant Owners Association (PEPOA). Regular dialogues are conducted with host communities, media, non-government organizations, and the academe, to educate and update various groups about the power industry.

AboitizPower has likewise transitioned its Legal Team to strategically focus on compliance and to continually align with the Aboitiz Group's overall compliance processes. The Company is institutionalizing a compliance framework across the different business and corporate support units, and is formalizing compliance reporting requirements among the Group's compliance officers.

4. Financial

In the course of its operations, AboitizPower and its Subsidiaries are exposed to the following financial risks:

- (a) Interest rate risks resulting from the increasing cost to borrow money as a result of inflation; and;
- (b) Forex risks in terms of forex fluctuations that may significantly affect its foreign currency-denominated placements, transactions, and borrowings. This risk is currently driven by the global COVID-19 crisis, given the impact it has on general currency markets; and the amount of natural hedge flows which may decline.

These risks constrain any expansion and growth projects. Furthermore, defaulting on existing loans and other financial obligations will consequently put the Company's reputation at risk.

To address these risks, the Company carries out regular monitoring of the Company's cash position and at the same time maintaining good relationships with the banks. AboitizPower is implementing the Group's Financial Risk Management Framework, which is a collaboration of the Group Risk and Treasury teams and designed to ensure a consistent approach in identifying, assessing, quantifying, and mitigating financial risks across the Group.

5. Reputation

AboitizPower recognizes that its reputation is its single most valuable asset, a competitive advantage that allows the Company to earn, maintain, and strengthen the trust of its stakeholders. The Company knows that its reputation today took generations to build and sustain; hence, the need to protect and enhance it progressively is imperative.

Today's operating environment is characterized by increasing corporate governance standards, heightened public consciousness due to social media, and greater scrutiny from key stakeholders. Reputation risks result from the occurrence of, or failure to, mitigate other risks.

SEC FORM 20-IS (INFORMATION STATEMENT)

AboitizPower continues to strengthen stakeholder engagement activities with all its stakeholders, including its customers, employees, shareholders, lenders and insurers, regulators, host communities, and LGUs. One of the key engagement channels is ER 1-94 which allows host communities to reap financial benefits for their contribution to power plants situated in their localities. AboitizPower's assumption of the fund's administration functions has hastened fund remittance and utilization for local electrification, development and livelihood, and environment enhancement projects of host communities. Due to the COVID-19 pandemic, DOE Department Circular 2020-04-0008 dated April 6, 2020 rationalized the utilization by host LGUs of ER 1-94 funds for COVID-19 response instead. As year-end 2021, the total available ER 1-94 funds have been released by DOE and AboitizPower amounted to ₱714 mn, which was made available to the Company's host beneficiaries to build isolation facilities and purchase relief goods, medical supplies or equipment, and COVID-19 testing kits and vaccines.

In 2021, AboitizPower continues to be recognized as a constituent company in the FTSE4Good Index Series for the fourth consecutive year. The Company has managed to get a higher overall rating in the latest assessment with a score of 3.1 in 2021 from 2.5 the previous year, a 24 percent increase brought by the improvements in its health and safety initiatives as well as its campaign on diversity, equity, and inclusion, among others. The FTSE4Good Index Series, created by global index provider FTSE Russell, measures the performance of companies demonstrating strong ESG practices.

The Company's recent Corporate Sustainability Assessment by the highly regarded S&P Global has also shown marked improvements in its ESG performance. The Company's score further increased from 40 in 2020 to 44 in the 2021 assessment, which also improved its percentile ranking in the global peer group from 54th to 67th percentile.

AboitizPower also earned a Sustainalytics ESG Risk Rating of 33.9, a 3.5 decrease of risk exposure from last year. Meanwhile, the Company retained its BB rating from the MSCI ESG Rating and D- in CDP Climate Change Report.

Moving forward, AboitizPower will continue to focus on addressing gaps in various risk areas of ESG. Furthermore, the Company's growth strategy remains aligned with the energy trilemma of energy security, energy equity, and environmental sustainability, but will be characterized by a strategic shift from ensuring low-cost energy to also providing energy from more sustainable sources in the next decade.

6. Operations

The loss of, and/or damage to, facilities caused by natural calamities such as earthquakes, typhoons, and floods may result in significant business interruptions within AboitizPower. Interruptions may also be caused by other factors such as critical equipment breakdown, Information Technology (IT) and OT security breaches, fires and explosions, hazardous waste spills, workplace injuries and fatalities, terrorism, and other serious risks.

Planned maintenance and overall outage management of AboitizPower's generation facilities and its critical equipment and OT infrastructure and systems are governed by asset management standards based on global best practice. All of AboitizPower's generation facilities have achieved asset management certifications based on ISO 55001:2014 standard. Recently commissioned plants will also be lined up for certification.

On the other hand, distribution network availability and reliability targets have consistently been aligned with the performance bond standards set by the ERC as part of the Rules for Distribution Wheeling Rates (RDWR).

All Business Units have also achieved OSHAS 18001 certification, a British standard which is focused on controlling occupational health and safety hazards. AboitizPower companies are also transitioning to the ISO 45001 standard to drive a risk-based culture with more proactive approaches toward mitigating risks before they happen. To further reinforce industrial fire safety, annual in-house training program

SEC FORM 20-IS (INFORMATION STATEMENT)

on Fixed Fire Fighting Systems of the U.S. National Fire Protection Association is conducted for operations, maintenance, and safety personnel.

Group insurance programs that leverage on the Company's portfolio of generation and distribution assets, supported by risk modelling and quantification, are also in place and regularly reviewed. AboitizPower ensures that its Business Units have the right insurance solutions to achieve the optimal balance between retaining or transferring risks versus lowering the Total Cost of Insurable Risk. As such, business interruption insurance is procured to cover any potential loss in gross profits that may result from a major damage to critical assets. AboitizPower is embarking on a major initiative to look for alternative risk transfer strategies to optimize loss indemnity and risk retention.

Business Units periodically review, test, develop, update, and improve their BCP to ensure that they remain relevant with current business conditions, and address the uncertainties and issues faced by the Company.

Some of these enhancements include: (a) typhoon preparedness; (b) regular emergency drills and simulation exercises on various scenarios related to other natural and man-made calamities; and (c) post-event evaluations to ensure that employees are able to respond effectively and safely as planned. AboitizPower is looking to expand business continuity strategies on a geographic regional scale for better coordination among several plants.

To further improve its existing BCM framework and practices, AboitizPower has rolled out a three-year roadmap of Business Continuity initiatives, which conforms to ISO 22301:2012 standards and requirements.

7. Cyber and Information Security

AboitizPower recognizes the vulnerabilities of global information security breaches and the increasingly complex challenges of digital transformations. Management acknowledges that information security threats should be addressed to prevent targeted and non-targeted attacks which can adversely disrupt operations and customer services, and result in serious impacts to the Company's bottom line and reputation.

In 2021, AboitizPower further strengthened its protection protocols against security threats with the implementation of the ISMS following the ISO 27001:2015 standard. For 2021, the Company's Generation and Distribution Business Groups have rolled out and currently completing a uniform, Company-wide Operational Technology (OT) Security Minimum Standard.

AboitizPower aligns with the Aboitiz Group-wide Cyber Security Program, specific governance, standards, training and culture-building, and Operational Technology Security projects. OT Security projects in generation and distribution facilities are also ongoing through phased implementation until 2022. The ISMS discipline will continue to be embedded in all three pillars of Information and Operational Systems Security, namely, People, Process, and Technology.

The cybersecurity program execution which started in 2020 is progressing very well. Its anchor program, the Continuous Threat Detection (CTD) roll-out, has faced challenges from the global logistics delays which run from 45 to more than 120 days. The delivery of this project is expected to catch up as logistics normalizes and issues are resolved. Together with the CTD roll-out, the network segmentation will be implemented. End-point detection solutions for legacy operating systems (OS) will be addressed in 2022 with a new industrial control systems (ICS) end-point protection system offering the latest malware detection and protection.

In order to achieve the desired Level 4 in Cyber Security Maturity and build an information security risk-aware culture within the Company, business continuity plans (BCP) on loss of technology scenarios are in place, annually tested, reviewed, and continually improved. AboitizPower keeps pace with current information security threat landscape, solutions, and best practices to further strengthen prevention,

SEC FORM 20-IS (INFORMATION STATEMENT)

detection, and comprehensive response to information security threats. Information risks, including cyber security risks, will remain on top of the agenda of the Board Risk Committee for the coming years.

8. Competition

Increasingly competitive market conditions create downward pressure on contract rates and increasing levels of commercial risk, to wit: (a) generation companies being required to participate in a transparent and competitive bidding of power supply requirements of distribution utilities and electric cooperatives through the CSP; and (b) spot prices are expected to continue to be volatile. As such, fixed pricing may potentially increase exposure to fuel and forex risk, while the inability to contract at favorable rates and commercial terms may result in further exposure to higher levels of spot market volatility. This risk could result in inefficiencies in margins due to aggressive or competitive pricing and forecasting inaccuracy.

As AboitizPower endeavors to market and contract project capacities from investments ahead of time, as well as renew expiring contracts from existing capacities, it also maximizes energy trading opportunities in the spot market. Striking this balance requires a combination of portfolio pricing and contracting strategies, and hedging of coal and forex exposure on fixed contracts. This is to ensure that plant operations are optimized, and that revenue and cash flow streams are managed.

9. Talent Risk

AboitizPower gears for further growth by shifting towards renewable energy sources and increasing its presence in the international market, while ensuring the availability and reliability of existing power plants. Both growth and operational excellence thrusts demand for organic subject matter experts of critical assets.

The risk on availability, readiness, and retention of talents for critical posts is inevitably increasing. Thus, talent attraction, optimization, and retention strategies are of utmost importance. In 2021, AboitizPower heightened efforts in ensuring talent supply meets talent demand by utilizing strategic workforce planning process, in particular:

- (a) Optimize talent attraction channels / approaches such as establishing a compelling employer brand, building targeted talent communities and employee referral programs;
- (b) Build talent capability building to ensure a thriving workforce;
- (c) Promote a culture-centric engagement and benchmarked employee experience to retain critical talents;
- (d) Create as robust labor relations and business continuity plans, labor regulatory compliance checks & manager education; and
- (e) Improve HR internal capability building and transformation thru leveraging analytics and digital tools/system, re-skilling and resourcing, structure redesign and process simplification/standardization.

AboitizPower integrated the Strategic and Operational Workforce Planning into the Organizational Planning processes to enable the identification of current and future talent needs. This helped shape the people strategy of AboitizPower to be able to increase workers engagement and remain competitive in the job market reshaped by the COVID-19 pandemic.

9. Litigation

The most effective way to avoid litigation and its adverse consequences is to prevent it. Litigation diverts valuable management resources, adversely affects reputation and standing, and exposes the Company including its employees and officers to liability.

In 2021, AboitizPower strengthened the capability of its Legal team to ensure legal and contractual obligations are complied with and in order to be able act quickly and effectively on a potential dispute prior to its escalation. Legal and internal and external subject matter experts identify and proactively

SEC FORM 20-IS (INFORMATION STATEMENT)

address litigation risks to reduce threats associated with regulatory action, legal claims, and disputes. Legal strategies are supported by active stakeholders engagement with the intent to exhaust all available legal remedies outside of litigation.

10. Pandemic

For the AboitizPower Group, the primary impact of the COVID-19 pandemic during its early stages was the decrease in demand for electricity as business activities were hampered by the government-enforced community quarantines. These quarantines also resulted in reduced mobility to and from the Power Group's existing facilities, and new facilities being constructed. The curtailed economic activity brought about by the shutdown and/or scaled down operations of energy-intensive industries have resulted in significant drops in electricity demand and consumption, which in turn has affected the revenue targets of AboitizPower's generation, distribution, and retail electricity supply businesses. The Company collaborates with its customers and key stakeholders to minimize the impact of the pandemic to its PSAs for all concerned parties. Distribution Utilities have also maximized the use of social media and digital platforms to deliver customer services.

The AboitizPower Group continued to provide the country with the much-needed power supply for hospitals, government institutions, and critical businesses, while ensuring the safety of its teams, partners, and communities. To address the challenges posed by the pandemic, the AboitizPower Group developed a program that combines the best of work-from-home, two-week workshifts, and remote plant operations. This will ensure that the AboitizPower Group keeps the lights on for the country. It also assessed the current and future modes of operations. This led to the necessity of doing an organizational restructuring, allowing for resiliency and enabling the Power Group to remain efficient, competitive, and sustainable. It is in the planning stages of a return to the workplace program, but will advance with caution. The COVID-19 pandemic also impacted the construction of the GNPowr Dinginin project. Construction has slowed down because of the preventive measures taken to ensure the safety of workers on-site. GNPD Unit 1 started commercial operations in January 2022 after it was granted by the ERC with a Certificate of Compliance and following the completion of the functional tests required under the EPC. The partnership also proceeded with the expansion of the power plant and achieved its financial closing for Unit 2 in December 2017 with expected target delivery thereof around the third quarter of 2022. Both units are in the final stages of construction but continue to face challenges due to the COVID-19 pandemic and travel restrictions. Due to said circumstances, the AboitizPower Group is constantly evaluating the timing of the project's commercial operations date.

The Company ensures that the supply chains for its power plants and Distribution Utilities remain stable. It also ensures that supply of coal, critical spare parts, and services from outside the country continues through a number of options, including alternative local suppliers and service providers. Close coordination with LGUs and key government agencies by AboitizPower External Relations and its Business Unit's Legal and Compliance teams facilitate the unimpeded delivery of energy-related goods and services.

To date, all AboitizPower power generation facilities and power distribution utilities have normalized operations despite the appearance of new COVID-19 variants including Delta and Omicron. BCPs have been successfully implemented to ensure the adequate and reliable supply and distribution of electricity and to adapt to the nature of the virus with the least disruption in operations but ensuring team members are not put at risk which is the primary objective of the Company's COVID-19 response. These BCPs are continually and promptly updated to adhere to the health and other community quarantine protocols and guidelines issued by the DOE, ERC, DOH, DOLE, Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF), and the LGUs. COVID-19 vaccination of employees and contractors is at a high rate due to company-initiated vaccination programs. The Company is also facilitating a program for the administration of boosters to its employees to maximize protection afforded by the vaccines. As long as the Company continues to improve and remain steadfast on its COVID-19 protocols despite continued and impending lockdowns, disruption to the Company's business is seen to be not as consequential as what was seen during the onset of the pandemic.

SEC FORM 20-IS (INFORMATION STATEMENT)

The Company will continue to comply with the government's minimum health standards and directives being a provider of essential services during this time of the pandemic.

11. Emerging Risks

Embedded in the risk management process is the continuous identification and monitoring of emerging risks. These are newly developing risks that cannot yet be fully assessed (due to high uncertainty) but could have a major impact on the organization in the future. These potential risks could be triggered by the fast-changing landscapes in the political, economic, social, technological, environmental, and legal facets surrounding the Company's operations.

For AboitizPower, one such major risk is that of climate change. While the Company has recognized that the availability of insurance and long-term financing for coal plants has become more and more challenging, these are being addressed by an overall sustainability strategy that is manifested by its portfolio mix changing towards sustainable energy sources over the long term. Active engagements with stakeholders to clarify AboitizPower's ESG strategy are undertaken to clarify the Company's positions and plans to achieve its sustainability goals in the context of the Philippine energy and growth plans. The market for fuel, particularly coal, is also being actively monitored as currently there are a lot of risk drivers that are starting to emerge that are coming from sustainability policies and dynamic domestic and international trade policies. The most recent fuel-related risk is the one month export ban on coal announced by the Indonesian government which put at risk the continued normal and full operation of the Company's coal power plants. While the ban was temporary, the Company has been developing a more robust risk mitigation plan against potential loss or unavailability of coal suppliers.

Disruptive and new technology are likewise emerging risks the Company continues to monitor. Among others, the battery storage and the digitization or internet of things are potential transformers of the power business. Energy storage could play a wider role in the global energy markets moving from limited uses to displacing power generation due to its potential for reliability, quality, and its capability for renewables integration. The internet of things has the potential to significantly transform the power sector by optimizing operations, managing asset performance. Other technologies are expected to impact power generation and transmission segments. The Company sees these technologies both as threats and opportunities.

Such risks are captured and validated in the semi-annual risk assessment process and during the environmental scans of the strategic planning and annual organizational planning process of AboitizPower, and are subjected to further study by subject matter experts. These emerging risks are reported and discussed as part of the Group Risk Management Council and Board Risk and Reputation Management Committee regular agenda.

Item 2. Properties

The Company's head office is located at 32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines. The office space occupied by the Company is leased from a third party. As a holding company, the Company does not utilize a significant amount of office space.

As of January 31, 2022, there are no definite plans of acquiring properties in the next twelve months. Nonetheless, the Company plans to continually participate in future projects that become available to it and will disclose the same in accordance with the applicable disclosure rules under the SRC.

On a consolidated basis, AboitizPower's Property, Plant and Equipment were valued at around ₱[●] bn as of end-2021, as compared to ₱203.45 bn as of end-2020. The breakdown of the Company's Property, Plant and Equipment as of December 31, 2021 and December 31, 2019 is as follows:

SEC FORM 20-IS (INFORMATION STATEMENT)

Property, Plant and Equipment as of December 31	2021	2020
Land		₱ 1,751,190
Buildings, Warehouses and Improvements		38,731,336
Powerplant, Equipment, and Streamfield Assets		138,325,267
Transmission, Distribution and Substation Equipment		23,002,108
Transportation Equipment		5,311,547
Office Furniture, Fixtures and Equipment		1,345,146
Leasehold Improvements		2,950,245
Electrical Equipment		8,176,921
Meter and Laboratory Equipment		2,383,018
Tools and Others		4,687,252
Construction in Progress		5,464,652
Right-of-use Assets		38,012,187
Less: Accumulated Depreciation and Amortization		63,441,503
Less: Accumulated Impairment		3,248,123
TOTAL		₱203,451,243

Note: Values for the above table are in thousand Philippine Pesos.

Locations of Principal Properties and Equipment of the Company's Subsidiaries are as follows:

Subsidiary	Description	Location/Address	Condition
APRI	Geothermal power plants	Tiwi, Albay, Caluan, Laguna; and Sto. Tomas, Batangas	In use for operations, used to secure long-term debt
Aseagas	Raw land and improvements	Lian, Batangas	Ceased operations
Hedcor	Hydropower plants	Kivas, Banengneng, Benguet; Beckel, La Trinidad, Benguet, Bineng, La Trinidad, Benguet; Sal-angan, Ampucao, Itogon, Benguet; and Bakun, Benguet	In use for operations
Hedcor Sibulan	Hydropower plant	Santa Cruz, Sibulan, Davao del Sur	In use for operations
Hedcor Tudaya	Hydropower plant	Santa Cruz, Sibulan, Davao del Sur	In use for operations
Hedcor Sabangan	Hydropower plant	Namatec, Sabangan, Mountain Province	In use for operations
CPPC	Bunker-C thermal power plant	Cebu City, Cebu	In use for operations
EAUC	Bunker-C thermal power plant	Lapu-Lapu City, Cebu	In use for operations
TMI	Barge-mounted diesel power plants	Nasipit, Agusan del Norte and Barangay San Roque, Maco, Compostela Valley	In use for operations
TMO	Barge-mounted diesel power plants	Navotas Fishport, Manila	In use for operations
TSI	Coal-fired thermal power plants	Davao City and Davao del Sur	In use for operations, used to secure long-term debt
TPVI	Buildings/plants, equipment, and machinery	Naga City, Cebu	In use for operations
TVI	Coal-fired thermal power plants	Bato, Toledo, Cebu	In use for operations, used to secure long-term debt

SEC FORM 20-IS (INFORMATION STATEMENT)

Subsidiary	Description	Location/Address	Condition
GMEC	Coal-fired thermal power plants	Mariveles, Bataan	In use for operations, used to secure long-term debt
Cotabato Light	Industrial land, buildings/plants, equipment, and machinery	Sinsuat Avenue, Cotabato City	In use for operations
Davao Light	Industrial land, buildings/plants, equipment, and machinery	P. Reyes Street, Davao City and Bajada, Davao City	In use for operations
Visayan Electric	Industrial land, buildings/plants, equipment, and machinery	Jakosalem Street, Cebu City and J. Panis Street, Cebu City	In use for operations
Lima Enerzone	Industrial land, buildings/plants, equipment, and machinery	Lipa City and Malvar, Batangas	In use for operations
Balamban Enerzone	Industrial land, buildings/plants, equipment, and machinery	Balamban, Cebu	In use for operations

Item 3. Legal Proceedings

AboitizPower and its Subsidiaries are involved in various legal proceedings in the ordinary conduct of their businesses. The Company believes that none of these legal proceedings will have a material effect on the Company's financial position and results of operations.

Visayan Electric, for example, received several assessments of real property taxes on its electric posts, transformers, wires, machineries, air-conditioning units, and water pumps. Visayan Electric consistently maintains that the electric posts, transformers, wires, machineries, air-conditioning units, water pumps and their appurtenances are not considered real properties under the Civil Code of the Philippines, and therefore are not lawful objects of real property tax. Further, Section 270 of the Local Government Code of 1991 (LGC) provides that the collection of real property tax is mandatory within five years from the date they become due, and that failure to collect the real property tax within the said period will bar collection thereof.

Visayan Electric has availed of Cebu City's tax amnesty ordinance in settlement of its real property tax assessment case amounting to ₱183mn covering the period from 1989 to 2019 pending before the Cebu City Assessor's Office. Visayan Electric was issued a tax certificate on January 5, 2021, clearing the company of any and all real property tax liabilities for all its electric poles and their attachments located in Cebu City.

The other material pending legal proceedings involving the Company and its Subsidiaries are as follows:

Luzon Hydro Corporation vs. The Provincial Government of Benguet, represented by Governor Melchor D. Diclas; Orlando T. Oidi, in his official capacity as the Provincial Assessor of Benguet Province; Imelda I. Macanes, in her official capacity as the Provincial Treasurer of Benguet Province; Bado K. Pasule, in his official capacity as the Municipal Assessor of Bakun, Benguet; and Merlita Tolito, in her official capacity as the OIC-Municipal Treasurer of Bakun, Benguet
Civil Case No. 20I-CV-3558

In view of the finality of the SC's Decision in the case entitled: "*National Power Corporation vs. Luzon Hydro Corporation (LHC), Banggay T. Alwis, Municipal Assessor, Manuel C. Bagayao, Municipal Treasurer of Bakun, Benguet, Erlinda Estepa, Provincial Assessor and Mauricio B. Ambanloc, Provincial Treasurer of the Province of Benguet*" docketed as GR No. 244450 and GR No. 244659, the Municipal Treasurer of Bakun issued real property tax Bills for the period covering 2002 to 2019 amounting to ₱284,448,073.24 on January 16, 2020.

On February 3, 2020, LHC wrote to the Provincial Governor requesting for the amendment of the real property tax Bills to align with the MOA dated December 20, 2012 by and between LHC and the Province of Benguet. In

SEC FORM 20-IS (INFORMATION STATEMENT)

the same letter, LHC also cited Executive Order (EO) No. 88, Series of 2019, which reduced the liability for real property tax of IPPs such as LHC with BOT Agreements with Government Owned and Controlled Corporations to an amount equivalent to the tax due if computed at 15% assessment level and condoned all interest and penalties for all years up to 2018.

On September 14, 2020, LHC filed a Petition with the Regional Trial Court (“RTC”) of La Trinidad, Benguet, praying for the issuance of a writ of *mandamus* to compel the Province of Benguet to comply with the provisions of the EO and recompute the real property tax liabilities of LHC. The Province of Benguet filed its Comment with Motion to Dismiss, which was denied by the RTC. The RTC also directed the parties to immediately manifest their conformity to the statement of undisputed facts, admitted documentary exhibits, and the statement of legal issues. LHC filed its Comment on January 21, 2021 while the Province filed its Compliance with Manifestation on February 5, 2021.

On March 23, 2021, a hearing was held through videoconference to discuss the factual issues raised by the Province. The judge advised that an Amended Order will be issued containing the summary of admitted facts, list of admitted facts, list of admitted documents, and statement of legal issues based on the respective Comments or Manifestations filed by the parties. LHC filed its Memorandum on April 28, 2021.

On December 17, 2021, LHC received the RTC’s Decision dated November 18, 2021 denying the Petition. On December 28, 2021, LHC filed with the Supreme Court a motion for extension of time, requesting a 30-day extension from January 1, 2022, or until January 31, 2022, within which to file its Petition for Review on Certiorari.

On February 2, 2022²², LHC filed its Petition for Review on Certiorari with the Supreme Court.

G.R. No. 210245 entitled “*Bayan Muna Representative Neri Javier Colmenares, et al. vs. Energy Regulatory Commission, et al.*”, Supreme Court; December 19, 2013

G.R. No. 210255 entitled “*National Association of Electricity Consumers for Reforms, et al. vs. Manila Electric Company, et al.*”, Supreme Court; December 20, 2013

G.R. No. 210502 entitled “*Manila Electric Company, et al. v Philippine Electricity Market Corporation, et al.*”, Supreme Court; January 8, 2014

On December 19, 2013, Bayan Muna representatives filed a Petition for *Certiorari* against ERC and Meralco with the SC, questioning the alleged substantial increase in Meralco’s power rates for the billing period of November 2013. These cases raised, among others, the: (i) legality of Sections 6, 29 and 45 of the EPIRA, (ii) failure of ERC to protect consumers from high prices of electricity, and (iii) alleged market collusion by the generation companies. These cases were consolidated by the SC, which issued a TRO preventing Meralco from collecting the increase in power rates for the billing period of November 2013. The TRO was subsequently extended by the SC for another 60 days, or until April 22, 2014. On April 22, 2014, the SC extended the TRO indefinitely.

Meralco filed a counter-petition impleading all generation companies supplying power to the WESM to prevent the generation companies from collecting payments on power purchased by Meralco from the WESM during the contested billing period. The SC ordered other power industry participants (DOE, ERC, PEMC, PSALM, and the generation companies) to respond to Meralco’s counter-petition.

The SC set the consolidated cases for oral arguments on January 21, 2014, February 4 and 11, 2014. After oral arguments, all parties were ordered to file their comments and/or memoranda. Meralco has been prevented from collecting the differential increase of the price hike. Because of Meralco’s counter-petition against the generation companies, PEMC withheld settlement of the power purchases during the covered period.

²² On January 12, 2022, the Supreme Court issued Memorandum Order No. 10-2022 which, among others, extended until February 1, 2022 the filing periods of any and all pleadings and other court submissions that will fall due in the month of January 2022 in view of the rising cases of COVID-19 due to the Omicron variant. Further, through Proclamation No. 1236 dated October 29, 2021, February 1, 2022 has been declared a Special (Non-Working) Day in view of the celebration of Chinese New Year. Hence, all pleadings that will fall due on said date may be filed on the next business day.

SEC FORM 20-IS (INFORMATION STATEMENT)

On February 7, 2019, petitioners in G.R. No. 210245 filed their Motion for Directions, Status Updates and Immediate Resolution. As of January 31, 2022, these cases before the SC are still pending resolution and the SC has not lifted the TRO.

SC GR No. 224341 entitled "Philippine Electricity Market Corporation vs. Therma Mobile, Inc.", Supreme Court [CA G.R. SP No. 140177 entitled "PEMC v. Therma Mobile Inc.", Court of Appeals, Manila SP Proc. No. 12790 entitled "Therma Mobile Inc. vs. PEMC", Regional Trial Court Branch 157-Pasig City PEMC ECO-2014-0009 entitled "Therma Mobile, Inc. (TMO Power Plants Units 1-4) Possible Non-Compliance with Must-Offer-Rule, Investigation Summary Report, dated August 4, 2014"]

The Enforcement and Compliance Office of the Philippines Electricity Market Corporation (PEMC-ECO) conducted an investigation on TMO for possible non-compliance with the Must-Offer-Rule for the period October 26, 2013 to December 25, 2013. PEMC-ECO concluded that TMO was non-compliant with the Must-Offer-Rule for 3,578 intervals and recommended a penalty of ₱234.9 mn.

TMO filed its letter request for reconsideration on September 5, 2014, contending that it did not violate the Must-Offer Rule because its maximum available capacity was limited to 100 MW due to: (a) the thermal limitations of the old TMO 115-kV transmission line, and (b) the technical and mechanical constraints of the old generating units and the component engines of the TMO power plants which were under various stages of rehabilitation after having been non-operational for five years. Although TMO's rated capacity is 234 MW (net), it could only safely and reliably deliver 100 MW during the November and December 2013 supply period because of limitations of its engines and the 115-kV transmission line. This temporary limitation of TMO's plant was confirmed during a dependable capacity testing conducted on November 21, 2013.

In its letter dated January 30, 2015, the PEMC Board of Directors denied TMO's request for reconsideration and confirmed its earlier findings. On February 13, 2015, TMO filed a Notice of Dispute with PEMC to refer the matter to dispute resolution under the WESM Rules, WESM Dispute Resolution Market Manual and the ERC-PEMC Protocol.

On February 16, 2015, TMO filed a petition for TRO before the Pasig City RTC. In its Order dated February 24, 2015, the RTC granted TMO a 20-day temporary order of protection and directed PEMC to: (i) refrain from demanding or collecting the amount of ₱234.9 mn as financial penalty; (ii) refrain from charging interest on the financial penalty and having the same accrue; and (iii) refrain from transmitting PEMC-ECO's investigation report to the ERC. TMO posted a bond in the amount of ₱234.9 mn to answer for any damage that PEMC may suffer as a result of the Order. On April 1, 2015, the RTC rendered a Decision in favor of TMO. PEMC appealed the RTC decision before the Court of Appeals (CA) and sought to reverse and set aside the decision of the RTC.

On December 14, 2015, the CA rendered a Decision denying PEMC's Petition for Review and affirming the April 1, 2015 Decision of RTC in favor of TMO. On June 6, 2016, PEMC filed a Petition for Review on *Certiorari* with the SC to assail the December 14, 2015 CA Decision. TMO filed its Comment to PEMC's Petition for Review and PEMC filed a Reply. In its March 29, 2017 Resolution, the SC noted TMO's Comment and PEMC's Reply.

As of January 31, 2022, PEMC's Petition is still pending before the SC.

SC G.R. Nos. 244449 and 244455-56 entitled "Energy Regulatory Commission vs. Therma Mobile, Inc., Manila Electric Company and AP Renewables, Inc.", Supreme Court;

[CA G.R. SP. No. 152588 entitled "Therma Mobile, Inc. vs. Energy Regulatory Commission, Atty. Alfredo P. Vergara, Jr. and Engr. Nelson D. Canlas, in their capacity as Investigating Officers (IOs) of the Investigatory Unit constituted by the Honorable Commission pursuant to its Office Order No. 38, Series of 2013 dated December 26, 2013, as amended by Office Order No. 82, Series of 2017", Court of Appeals, Manila;

ERC Case No. 2015-025 MC entitled "Atty. Isabelo Joseph P. Tomas II, in his capacity as the Investigating Officer of the Investigatory Unit constituted by the Honorable Commission pursuant to its Office Order No. 38, Series of 2013 dated December 26, 2013 vs Meralco and Therma Mobile, Inc. [For Violation of Section 45 of RA 9136,

SEC FORM 20-IS (INFORMATION STATEMENT)

otherwise known as EPIRA, Rule 11, Section 1 of IRR of the EPIRA (Commission of an Anti-Competitive Behavior, particularly Economic Withholding)]”, ERC Pasig City, June 4, 2015;

ERC Case No. 2015-027 MC entitled *“Atty. Isabelo Joseph P. Tomas II, in his capacity as the Investigating Officer of the Investigatory Unit constituted by the Honorable Commission pursuant to its Office Order No. 38, Series of 2013 dated December 26, 2013 vs Therma Mobile, Inc. [For Violation of Section 45 of RA 9136, otherwise known as EPIRA, Rule 11, Section 1 and 8(e) of IRR of the EPIRA (Commission of an Anti-Competitive Behavior, particularly Physical Withholding)]”*, ERC, Pasig City, June 4, 2015;

Pursuant to the allegations in the Bayan Muna SC case, the Investigation Unit of ERC (“ERC-IU”) conducted investigations on the alleged anti-competitive behavior and market abuse committed by some participants of the WESM, including TMO.

On January 24, 2014, ERC issued a *Subpoena Ad Testificandum and Duces Tecum* directing TMO’s representative to give clarification on matters pertaining to offers per trading interval involving the November to December 2013 supply months and provisions on the PSA between Meralco and TMO. The representative was likewise directed to bring relevant documents.

On January 29, 2014, TMO filed its Compliance and Submission to the *Subpoena Duces Tecum*. Further, on March 11, 2014, TMO filed its Memorandum, arguing that it did not commit any act constituting anti-competitive behavior and/ or misuse of market power. TMO then requested ERC-IU to terminate and close the investigation.

On May 20, 2015, ERC-IU issued its report and found that in bidding the way they did for the November and December 2013 supply months, TMO and Meralco allegedly committed Economic Withholding, and TMO committed Physical Withholding, and thus recommended the filing of cases for Anti-Competitive Behavior against TMO and Meralco.

On June 23, 2015, ERC ordered Meralco and TMO to file their respective Answers to the Complaint. On August 24, 2015, TMO filed its Answers praying for the dismissal of the Complaints.

In its Manifestation dated October 7, 2016, ERC-IU manifested the resignation of Atty. Isabelo Tomas as Investigating Officer (IO) and the appointment of Director Alfredo Vergara, Jr. and Engr. Nelson Canlas as new IOs. In a separate pleading, the new IOs filed their Reply to various motions filed by TMO.

On July 27, 2016, Meralco filed in ERC Case No. 2015-025MC an Urgent Motion to Dismiss with Motion to Suspend Proceedings on the ground that ERC has no jurisdiction over anti-competitive behavior cases, and that jurisdiction is with PCC. On July 28, 2016, TMO filed in the same case a Manifestation and Motion adopting Meralco’s Urgent Motion to Dismiss. On August 1, 2016, TMO also filed its Manifestation and Motion, which sought the dismissal of ERC Case No. 2015-027MC for lack of jurisdiction.

In an Order dated February 2, 2017, ERC denied Meralco’s and TMO’s motions to dismiss for lack of jurisdiction. TMO filed its Motion for Reconsideration, which the ERC subsequently denied in its Order dated June 20, 2017.

On September 18, 2017, TMO filed a Petition for *Certiorari* with the CA, praying that the CA: (i) issue a TRO commanding the ERC to desist from conducting further proceedings in ERC Case No. 2015-025MC and ERC Case No. 2015-027MC; (ii) after proceedings, issue a Writ of Preliminary Injunction; and (iii) annul and set aside the February 2, 2017 and June 20, 2017 ERC Orders.

In a Resolution dated October 2, 2017, the CA directed the respondents to file their comment on TMO’s Petition for *Certiorari* and denied TMO’s prayer for a TRO. TMO filed a Motion for Partial Reconsideration of the CA’s October 2, 2017 Resolution, which the CA denied. Thereafter, the CA issued its Notice of Judgment and Decision dated May 23, 2018, which denied TMO’s Petition. On June 20, 2018, TMO filed its Motion for Reconsideration of CA’s Decision dated May 23, 2018. In a Resolution dated January 28, 2019, the CA denied the motions for reconsideration filed by TMO, Meralco and APRI and the motion for partial reconsideration filed by the ERC.

SEC FORM 20-IS (INFORMATION STATEMENT)

Subsequently, ERC filed a Petition dated February 21, 2019 with the SC via Rule 45 of the Rules of Court. In the Petition, ERC challenged the CA Decision and Resolution insofar as the CA ruled that the PCA repealed the parts of the EPIRA that granted jurisdiction to ERC over anti-competition matters in the energy sector, and that PCC has original and exclusive jurisdiction over anti-competition matters, including those affecting the energy sector after the effectivity of the PCA.

In a Resolution dated July 30, 2019, the SC directed the respondents to file their Comments on ERC's Petition. On November 25, 2019, TMO filed its Manifestation with the SC. As of January 31, 2022, ERC's Petition is still pending with the SC.

Meanwhile, on March 26, 2021, virtual hearings were held with respect to ERC Case No. 2015-025 MC and ERC Case No. 2015-027. On August 27, 2021, the parties had their pre-trial conferences in these cases. Thereafter, the parties have filed motions in relation to matters arising from the pre-trial conferences. As of January 31, 2022, the motions are still pending with the ERC.

SC G.R. Nos. 244449 and 244455-56 entitled "Energy Regulatory Commission vs. Therma Mobile, Inc., Manila Electric Company and AP Renewables, Inc.", Supreme Court;

CA G.R. SP. No. 152613 entitled, "AP Renewables, Inc. vs. Energy Regulatory Commission and Directors Alfredo P. Vergara, Jr. and Engr. Nelson Canlas, in their capacity as the Investigating Officers of the Investigatory Unit of the Energy Regulations Commission", Court of Appeals, Manila

ERC Case No. 2015-038 MC entitled "Energy Regulatory Commission vs. AP Renewables, Inc. ([Violation of Section 45 of EPIRA, Rule 11, Sec. 1 and 8 (E) of the Implementing Rules and Regulations (Commission of an Anti-Competitive Behavior, particularly, Physical Withholding)]", ERC, Pasig City, June 9, 2015

ERC-IU conducted investigations on the alleged anti-competitive behavior and market abuse committed by some participants of the WESM, including APRI. On May 20, 2015, ERC-IU released its report holding that APRI's non-compliance with the Must-Offer Rule for four intervals is tantamount to Physical Withholding which, it alleged, is a form of anti-competitive behavior.

On June 9, 2015, complainant Atty. Isabelo Joseph Tomas III, Investigating Officer of the IU, filed the complaint for Anti-Competitive Behavior against APRI. On June 23, 2015, ERC issued an Order directing APRI to file its answer within 15 days from notice.

On July 1, 2015, APRI received the summons and complaint. Subsequently, on July 7, 2015, APRI filed a Motion praying that: (a) the Complainant serve upon APRI the complete copy of the complaint and its annexes; (b) the Complainant clarify and put on record the answer to the following issues: (i) which of Makban Plants' generating units is the subject of the complaint; and (ii) the dates and times of the four intervals mentioned in the complaint during which APRI allegedly offered "less than its total registered capacity." Meanwhile, on July 29, 2015, APRI filed its Answer *ad cautelam*.

In its Manifestation dated October 7, 2016, ERC-IU manifested the resignation of Atty. Isabelo Tomas as IO and the appointment of new IOs. The new IOs filed their Reply to various motions filed by APRI.

Subsequently, APRI filed a Motion to Dismiss dated July 29, 2016, arguing that jurisdiction over the case is vested in the PCC. APRI also filed its *Ad Cautelam* Pre-Trial Brief and Judicial Affidavits. ERC denied APRI's Motion to Dismiss, and APRI's subsequent Motion for Reconsideration.

On September 19, 2017, APRI filed a Petition for *Certiorari* (with application for TRO and Writ of Preliminary Injunction) with the CA (CA G.R. SP. No. 152613), praying for the CA to: (i) issue a TRO commanding ERC to desist from conducting further proceedings in ERC Case. No. 2015-038MC; (ii) after proceedings, issue a Writ of Preliminary Injunction; and (iii) annul and set aside the February 2, 2017 and June 20, 2017 ERC Orders, and dismiss the complaint and ERC proceedings with prejudice.

SEC FORM 20-IS (INFORMATION STATEMENT)

On November 6, 2017, the IOs filed a Motion for Consolidation seeking to consolidate CA G.R. SP. No. 152613 with TMO's Petition in CA GR. No. 152588. Thereafter, the CA issued its Notice of Judgment and Decision dated May 23, 2018, which denied APRI's Petition. On June 18, 2018, APRI filed its Motion for Reconsideration of the CA's Decision dated May 23, 2018.

In a Resolution dated January 28, 2019, the CA denied the motions for reconsideration filed by APRI, Meralco, and TMO and the motion for partial reconsideration filed by ERC.

Subsequently, ERC filed a Petition dated February 21, 2019 with the SC via Rule 45 of the Rules of Court. In the Petition, ERC challenged the CA Decision and Resolution insofar as the CA ruled that the PCA repealed the parts of the EPIRA that granted to ERC jurisdiction over anti-competition matters in the energy sector, and that the PCC has original and exclusive jurisdiction over anti-competition matters including those affecting the energy sector after the effectivity of the PCA.

In a Resolution dated July 30, 2019, the SC directed the respondents to file their Comments on ERC's Petition. On November 4, 2019, APRI filed its Comment with the SC. As of January 31, 2022, ERC's Petition is still pending with the SC.

Meanwhile, on March 26, 2021, a hearing was held in ERC Case No. 2015-038 MC. As of January 31, 2022, this case is still pending with the ERC.

Consolidated Regulated Price Case (ERC vs. Various Generation Companies and PEMC) G.R. Nos. 246621-30, and G.R. Nos. 247352-61, Petitions for Review on *Certiorari*, Supreme Court;

[Consolidated Regulated Price Case against the Energy Regulatory Commission, Petition for Review on *Certiorari*, Court of Appeals, Manila;

ERC Case No. 2014-021 MC entitled "*In the Matter of the Prices in the WESM for the Supply Months of November and December 2013 and the Exercise by the Commission of its Regulatory Powers to Intervene and Direct the Imposition of Regulated Prices therein without Prejudice to the On-going Investigation on the Allegation of Anti-Competitive Behavior and Possible Abuse of Market Power Committed by Some WESM Participants*", March 28, 2014]

ERC conducted an investigation on the alleged collusion by the generation companies to raise the WESM prices. Subsequently, ERC issued an Order in ERC Case No. 2014-021 MC dated March 3, 2014 (the "ERC Order"), declaring as void the Luzon WESM prices during the November and December 2013 supply months. ERC also declared the imposition of regulated prices for such billing periods and directed PEMC to calculate the regulated prices and implement the same in the revised November and December 2013 WESM bills of the concerned distribution utilities in Luzon, except for Meralco whose November 2013 WESM bill was maintained in compliance with the TRO issued by the SC.

Pursuant to the ERC Order, on March 18, 2014, PEMC issued adjusted billing statements for all generators trading in the WESM, including Cebu-based EAUC and CPPC, recalculating the WESM prices.

The Company's Affiliates and Subsidiaries, APRI, TLI, TMO, AESI, AdventEnergy, SN Aboitiz Power-Magat, SN Aboitiz Power-Benguet, CPPC, and EAUC filed their respective Motions for Reconsideration, questioning the validity of the ERC Order on the ground of lack of due process, among others.

ERC, in its Order dated October 15, 2014, denied said Motions for Reconsideration. SN Aboitiz Power-Benguet, SN Aboitiz Power-Magat, APRI, TLI, and TMO filed their Petitions for Review (the "Petitions") before the CA on November 19, 24, December 1, and 4, 2014, respectively. The CA ordered the consolidation of the Petitions on October 9, 2015.

On November 7, 2017, the CA granted the Petitions. ERC's March 3, 2014 Order, among other orders, were declared null and void, and the Luzon WESM market prices in November and December 2013 were declared valid and therefore reinstated.

SEC FORM 20-IS (INFORMATION STATEMENT)

Thereafter, ERC and Meralco filed their respective motions for reconsideration. Several entities also filed motions to intervene in the case. APRI, TLI, and TMO filed their oppositions to the motions for reconsideration and motions to intervene. The CA denied the motions to intervene filed by several entities, which thereafter filed their motions for reconsideration. In an Omnibus Resolution dated March 29, 2019, the CA denied the motions for reconsideration by ERC and Meralco, as well as the motions for reconsideration filed by several entities that wanted to intervene in the case.

In June 2019, ERC, Meralco, and several entities filed their Petitions for Review on *Certiorari* with the SC, asking the latter to reverse and set aside the CA Decision dated November 7, 2017 and the CA Omnibus Resolution dated March 29, 2019. They also prayed that the SC reinstate the ERC Orders.

In September to October 2019, the SC issued Resolutions denying the Petitions for Review on *Certiorari* filed by several entities, including Calco Industries Inc., Paperland, *Alyansa ng mga Grupong Haligi at Teknolohiya Para sa Mamamayan* (AGHAM), Ateneo de Manila University, Citizenwatch, Riverbanks Dev't. Corp., Steel Angles Shapes & Sections Manufacturers, for failure to show any reversible error on the part of the CA in promulgating the Decision dated November 7, 2017 and Omnibus Resolution dated March 29, 2019.

In a Resolution dated September 11, 2019, the SC required respondents to file their Comments to ERC's Petition for Review on *Certiorari*. On January 28, 2020, TMO and TLI filed their Consolidated Comment (to the Petition for Review on *Certiorari* dated June 13, 2019); whereas APRI filed its Comment (on the Petition for Review on *Certiorari* dated June 13, 2019) on February 11, 2020.

In a Resolution dated February 10, 2020, the SC required respondents to file their Comments on Meralco's Petition for Review on *Certiorari* dated June 13, 2019. On July 9, 2020, APRI filed its Comment, and TLI and TMO filed their Consolidated Comment to Meralco's Petition for Review on *Certiorari*.

Subsequently, the SC issued a Resolution dated March 11, 2020 requiring the respondents to comment on San Beda University's Motion for Leave to Intervene and to Admit Petition-In-Intervention. On October 2, 2020, APRI filed its Opposition to San Beda University's Motion; while TLI and TMO filed their Opposition on October 21, 2020.

In a Resolution dated November 4, 2020, the SC resolved to consolidate and transfer the case with G.R. Nos. 247352-61 to the case with G.R. Nos. 246621-30. In a Resolution dated June 23, 2021, the SC required Meralco to file its Consolidated Reply to respondents' Comments, which Meralco filed on October 19, 2021.

As of January 31, 2022, ERC's and Meralco's petitions are pending resolution by the SC.

ERC Case No. 2013-077 MC entitled "In Re: Petition for Dispute Resolution: Manila Electric Company (Meralco) vs. South Premier Power Corporation (SPPC), Masinloc Power Partners Company, Ltd. (MPPCL), AP Renewables, Inc. (APRI), Therma Luzon, Inc. (TLI), San Miguel Energy Corporation (SMEC) and SEM-Calaca Power Corporation (SCPC)", August 29, 2013

On August 29, 2013, Meralco filed a petition before ERC against TLI and APRI, among other Successor Generating Companies (SGCs), docketed as ERC Case No. 2013-077 MC, where Meralco prayed that it be refunded by the respondent-SGCs of the transmission line losses. The petition arose from a claim of refund on account of the alleged over-recoveries of transmission line losses.

The petition was filed by Meralco pursuant to ERC Order dated March 4, 2013 and July 1, 2013 in ERC Case No. 2008- 083 MC where the SGCs were not parties to.

On September 20, 2013, APRI and TLI, together with the other SGCs, filed a Joint Motion to Dismiss arguing that Meralco's petition should be dismissed for failure to state a cause of action and ERC's lack of jurisdiction over the subject matter of the case. The motion argued that: (i) Meralco cannot base its cause of action against the SGCs on a decision issued by ERC in another case where none of the SGCs were made parties to the case; and (ii)

SEC FORM 20-IS (INFORMATION STATEMENT)

Meralco's claim is in a nature of a claim for sum of money which is properly within the jurisdiction of regular courts. The Joint Motion to Dismiss has since then been submitted for resolution with ERC.

As of January 31, 2022, ERC has yet to render its decision on the Joint Motion to Dismiss.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

SEC FORM 20-IS (INFORMATION STATEMENT)

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

(1) Market Information

AboitizPower's common shares are traded on the PSE.

The high and low stock prices of AboitizPower's common shares for each quarter of the past three years were as follows:

	2021		2020		2019	
	High	Low	High	Low	High	Low
First Quarter	₱27.35	₱23.05	₱35.00	₱23.45	₱39.20	₱33.70
Second Quarter	24.90	20.50	30.00	25.50	₱38.00	₱34.15
Third Quarter	34.20	23.00	28.25	24.30	₱40.35	₱34.10
Fourth Quarter	34.00	29.30	28.55	25.60	₱40.40	₱33.00

The closing price of AboitizPower common shares as of January 31, 2022 is ₱35.30 per share.

(2) Holders

As of January 31, 2022, AboitizPower has 591 stockholders of record, including PCD Nominee Corporation (Filipino) and PCD Nominee Corporation (Foreign). Common shares outstanding as of same date were 7,358,604,307 shares.

The top 20 stockholders of AboitizPower as of January 31, 2022 are as follows:

Name	Number of Shares	Percentage
1) Aboitiz Equity Ventures Inc.	3,825,794,642	51.99%
2) JERA Asia Private Limited	1,986,823,163	27.00%
3) PCD Nominee Corporation (Filipino)	1,101,271,561	14.97%
4) PCD Nominee Corporation (Foreign)	154,283,013	2.10%
5) Bauhinia Management, Inc.	20,948,380	0.28%
6) Dominus Capital Inc.	14,009,949	0.19%
6) FMK Capital Partners, Inc.	14,009,949	0.19%
7) Portola Investors, Inc.	13,713,337	0.19%
8) Hawk View Capital, Inc.	13,711,967	0.19%
9) Ixidor Holdings, Inc.	8,203,632	0.11%
10) San Fernando Electric Light & Power Co., Inc.	7,931,034	0.11%
11) Parraz Development Corporation	7,827,522	0.11%
12) Arrayanes Corporation	6,936,943	0.09%
13) Sabin M. Aboitiz	5,667,406	0.08%
14) Iker M. Aboitiz	5,465,100	0.07%
15) Danel C. Aboitiz	4,528,696	0.06%
16) Ramon Aboitiz Foundation, Inc.	3,900,000	0.05%
17) Tris Management Corporation	3,130,359	0.04%
18) Tinkerbelle Management Corporation	3,042,454	0.04%

SEC FORM 20-IS (INFORMATION STATEMENT)

Name	Number of Shares	Percentage
19) CAL Management Corporation	3,036,798	0.04%
20) Gitana Management & Dev't. Corporation	2,817,091	0.04%
SUBTOTAL	7,209,614,878	97.98%
Other Stockholders	148,989,429	2.02%
TOTAL SHARES	7,358,604,307	100.00%
NET ISSUED AND OUTSTANDING SHARES	7,358,604,307	100.00%

(3) Dividends

Since 2013, the Company's dividend policy has been to declare an annual cash dividend payment ratio of 50% of its consolidated net income from the previous fiscal year based on the audited financial statements of the Company, in all cases subject to the approval of the Company's Board of Directors. The policy changed the previous cash dividend payment ratio of 33% of previous year's net profits.

The cash dividends declared by AboitizPower to common stockholders from 2020 to the first quarter of 2022 are shown in the table below:

Year	Cash Dividend Per Share	Total Declared	Declaration Date	Record Date	Payment Date
2022 (regular)	₱1.45	₱10.67 bn	3/4/2022	3/18/2022	3/30/2022
2021 (regular)	₱0.85	₱6.25 bn	3/5/2021	3/19/2021	3/31/2021
2020 (regular)	₱1.18	₱8.68 bn	3/6/2020	3/20/2020	4/3/2020

There are no restrictions that limit the payment of dividends on common shares to stockholders of record as of March 23, 2022.

(4) Recent Sales of Unregistered or Exempt Securities including Recent Issuances of Securities Constituting an Exempt Transaction

AboitizPower does not have any recent sales of unregistered or exempt securities including recent issuances of securities constituting an exempt transaction.

Item 6. Management's Discussion and Analysis or Plan of Action

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of AboitizPower's consolidated financial condition and results of operations should be read in conjunction with the consolidated financial statements and accompanying schedules and disclosures set forth elsewhere in this report.

Top Five Key Performance Indicators

Management uses the following indicators to evaluate the performance of the Company and its Subsidiaries (the Company and its Subsidiaries are hereinafter collectively referred to as the "Group"):

- Share in Net Earnings of Associates and Joint Ventures.** This represents the Group's share in the undistributed earnings or losses of its investees for each reporting period subsequent to the acquisition of said investment, net of goodwill impairment cost, if any. It also indicates the profitability of the investment and investees' contribution to the Group's net income.

SEC FORM 20-IS (INFORMATION STATEMENT)

Goodwill is the difference between the purchase price of an investment and the investor's share in the value of the net identifiable assets of the investee at the date of acquisition.

Manner of Computation:

Investee's Net Income (Loss) x Investor's % ownership - Goodwill Impairment Cost

- Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA).** The Company computes EBITDA as earnings before extraordinary items, net finance expense, income tax provision, depreciation, and amortization. It provides management and investors with a tool for determining the ability of the Group to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Group's ability to service its debts.
- Cash Flow Generated.** Using the Consolidated Statement of Cash Flows, management determines the sources and usage of funds for the period and analyzes how the Group manages its profit and uses its internal and external sources of capital. This aids management in identifying the impact on cash flow when the Group's activities are in a state of growth or decline, and in evaluating management's efforts to control the impact.
- Current Ratio.** Current Ratio is a measurement of liquidity, calculated by dividing total current assets by total current liabilities. It is an indicator of the Group's short-term debt-paying ability. The higher the ratio, the more liquid the Group.
- Debt-to-Equity Ratio.** Debt-to-Equity Ratio indicates how leveraged the Group is. It compares assets provided by creditors to assets provided by shareholders. It is determined by dividing total liabilities by stockholders' equity.

Year Ended December 31, 2021 versus Year Ended December 31, 2020

Outlook for the Upcoming Year/ Known Trends, Events, and Uncertainties which may have Material Impact on the Registrant

AboitizPower remains focused on addressing the needs of its markets, namely: (1) providing reliable supply, at a (2) reasonable cost, and with (3) minimal impact on the environment and communities. The Company believes that there is no single technology that completely addresses the country's energy requirements and that to address the deficiency, a mix of power generation technologies is necessary. Thus, AboitizPower continues to pursue both renewable projects and thermal technologies where and when it makes sense.

Despite increased competition in the power generation market, the Company believes that it has built the foundation to sustain its long term growth, as seen in its pipeline of new power generation projects.

The Company has over 1,000 MW of projects under construction which are expected to commercially operate in 2022: the GNPower Dinginin Project ("Dingin Project"); the PV Sinag Power Cayanga Project ("Cayanga Solar Project"); the TMI Maco Hybrid Battery Energy Storage System Project ("Maco BESS Project").

GNPD Unit 1 officially went on COD last January 26, 2022. Unit 2 has started commissioning. The target for Unit 2's initial synchronization remains to be the second quarter of 2022, from which GNPD Unit 2 may start earning revenues.

The PV Sinag Power Cayanga Project is for the construction of a 94 megawatts peak (MWp) solar power plant located in barangay Cayanga, municipality of Bugallon, Pangasinan. The EPC contract was awarded to JGC Philippines last December 2021. Its groundbreaking ceremony was held last February 2022. The project is expected to commercially operate by Q4 2022.

The Maco BESS Project is located in Maco, Compostela Valley. It has a storage capacity of 49 MW and is intended to be used for ancillary services. Development activities are ongoing to integrate the battery energy storage

SEC FORM 20-IS (INFORMATION STATEMENT)

system with TMI's Maco oil barge. The project nears completion at around 90% with the BESS barge moored in the TMI facility right next to the power barge. The mobilized technical team continues to work on the testing and commissioning activities to get the plant running in May 2022. It will serve as a model for future battery investments as well as hybrid renewable energy projects.

On top of the projects under construction, the Company has a 160 MWp of RE project expected to be issued a notice to proceed in 2022: the PV Sinag Power Laoag project ("Laoag Solar Project"). The Laoag Solar Project is expected to commercially operate by Q3 2023.

The Company also has an additional capacity of 721 MW of RE projects under priority development which are expected to commercially operate by 2024 to 2025: the 10 MW SN AboitizPower Magat BESS Project; the 84 MWp PV Sinag Power San Manuel Solar Project; the 44 MWp AP Renewable Energy Corporation Tarlac Solar Project; the 40 MW Hedcor Bukidnon Kibungan Hydro Project; the 212 MWp PV Sinag Power Olongapo Solar Project; the 56 MWp PV Sinag Power Ramon Solar Project; the 50 MWp PV Sinag Power Gamu Solar Project ; the 75 MWp SN AboitizPower-Magat Floating Solar Project; and the 150 MWp Aboitiz Solar Power Inc Calatrava Solar Project.

In relation to AboitizPower's existing capacity, the steam field operator for AP Renewables Inc. (APRI) has commenced the drilling of 12 new wells, which are expected to result in a minimum 50 MW of aggregated individual well capacity by 2023. As of 2021, four wells were completed. Four more will be added by 2022, and another four by 2023. In Tiwi, the initiative to convert waste heat from the geothermal brine to power a 15 MW Binary power plant is reaching the final stages of tender. The project is expected to commercially operate by the Q3 of 2023.

The Company targets to double its capacity to 9,200 MW by 2030. It intends to achieve a 50:50 balance between its renewable ("Cleanergy") and thermal capacities, without new coal builds. This is expected to come from a portfolio of renewables and selective baseload builds.

The Company aims to maximize opportunities from the implementation of the Renewable Portfolio Standards ("RPS") by the DOE. In line with DOE's aspirational goal of a 35% share in renewable energy utilization by 2030, RPS is a market-based policy that mandates power distribution utilities, electric cooperatives, and retail electricity suppliers to source an agreed portion of their energy supplies from renewable energy facilities. The Company will continue to pursue international opportunities, with a continued focus on renewable energy projects in wind, hydro, and solar in high growth geographic markets with acceptable regulatory environments. The Company targets to significantly grow Cleanergy by 3,700 MW, both domestically and internationally, and bring its renewable portfolio to 4,600 MW by 2030.

The Company is optimizing its existing baseload facilities to meet critical market needs. Baseload demand will continue to increase. There is a need to address this in the absence of new coal plants. AboitizPower is currently conducting studies for viable alternatives to coal. In the event of a critical shortage, AboitizPower's third unit options located in existing baseload facilities may respond if called upon. The Company is also shifting its focus to gas for baseload growth. It has early feasibility studies, and within the next ten years, expects to construct one gas plant with a capacity of 1,000 MW, unless a cleaner technology proves to be the more economical option.

AboitizPower fully supports the DOE's coal moratorium efforts to make the Philippine energy system more flexible, resilient, and sustainable. AboitizPower is also closely and proactively monitoring the risks associated with climate-related regulations and initiatives, including recent discussions on the early retirement of coal assets in the Philippines and Indonesia. AboitizPower, through its parent company, AEV, is the first Philippine company to sign up and commit to the Task Force on Climate-Related Financial Disclosure framework. The Company has taken steps to proactively quantify the potential impacts of various climate regulations on its assets. The Company is monitoring this risk as part of its risk management framework and is developing strategies to manage risks that are above certain risk thresholds.

Given the current state of power needs in the Philippines and the expected build progression of new plants over the next ten years, AboitizPower believes its existing coal assets will need to continue to play a significant role

SEC FORM 20-IS (INFORMATION STATEMENT)

for at least another 15 to 20 years. AboitizPower is always looking at improvements to make sure it continues to operate its assets responsibly and in compliance with all regulations.

The Company believes that it is well-positioned to take advantage of opportunities arising from developments in the power industry. It expects its financial condition to give it the agility to create or acquire additional generating capacity over the next few years.

AboitizPower, together with its partners, has allotted ₱28 bn for capital expenditures in 2022, over 50% of which is for expansion and upgrade. These include remaining investment for GNPD's construction, a general overhaul of GMEC, and the construction of solar and hydro plants, as well as BESS projects. The balance is allocated for maintenance of business, primarily to ensure the availability of sufficient baseload during the 2022 election period.

Last December 2021, JERA completed the acquisition of a 27% ownership stake in AboitizPower. This partnership is expected to enhance and enable AboitizPower's planned ten-year energy expansion journey.

AboitizPower and JERA have agreed to explore immediate collaboration in the following areas: 1) development of power projects, including (Liquified Natural Gas) LNG-to-Power projects; 2) management and sourcing of LNG fuel supply; and 3) potential participation in aspects of plant operation and maintenance (O&M).

Other known trends, events, uncertainties which may have a material impact on AboitizPower have been discussed extensively in sections of the Company's Information Statement (*e.g. for an extensive discussion on regulatory issues, see Effects of Existing or Probable Government Regulations on the Business on page 85 of the Company's 2021 Preliminary Information Statement*).

Year Ended December 31, 2020 versus Year Ended December 31, 2019

The table below shows the comparative figures of the key performance indicators for 2020 and 2019:

Key Performance Indicators	2020 (INTERIM)	2019
<i>Amounts in thousands of ₱s, except for financial ratios</i>		
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	2,675,136	3,813,962
EBITDA	44,687,315	45,005,022
CASH FLOW GENERATED:		
Net cash flows from operating activities	31,781,669	39,356,962
Net cash flows used in investing activities	(4,526,973)	(34,060,585)
Net cash flows used in financing activities	(25,914,010)	(14,376,055)
Net (Decrease)/Increase in Cash & Cash Equivalents	1,340,686	(9,079,677)
Cash & Cash Equivalents, Beginning	37,433,929	46,343,041
Cash & Cash Equivalents, End	38,699,545	37,433,929
CURRENT RATIO	1.38	1.50
DEBT-TO-EQUITY RATIO	1.96	2.07

- Share in net earnings in associates and joint ventures for the year 2020 decreased by 30% compared to 2019. The decrease was mainly due to lower income contributions from SN Aboitiz Power-Magat resulting from a reduction in volume sold caused by reduced water levels and GNPD net losses due to foreign-currency denominated loan revaluations.
- EBITDA for the year of 2020 decreased by 1% YoY. This was due to lower demand resulting from the imposition of COVID-19 related quarantine measures. EBITDA was also affected by plant outages offset by lower purchased power cost during the year, as well as new capacities.

SEC FORM 20-IS (INFORMATION STATEMENT)

- For the year ended 2020, cash and cash equivalents increased by ₱1.27 bn. This was mainly due to Company's retail bond issuance in July 2020 which was partly offset by principal payments made on existing loans.
- Current Ratio as of December 31, 2020 was at 1.38x as compared to 1.50x as of December 31, 2019. The decline was primarily due to maturing bonds of the Company that were reclassified from noncurrent to current during 2020.
- Debt-to-Equity Ratio as of December 31, 2020 was at 1.96x, lower than the 2.07x recorded at the end of 2019.

Results of Operations

AboitizPower's net income for 2020 was ₱12.58 bn, 27% lower than the ₱17.32 bn reported in 2019. This translated to earnings per share of ₱1.71 for 2020. The Company recognized non-recurring net gains of ₱45 mn during 2020, compared to non-recurring net gains of ₱702 mn during 2019, due to net foreign exchange gains on the revaluation of dollar denominated liabilities. Without these one-off gains, the Company's core net income for 2020 was ₱12.53 bn, 25% lower than the ₱16.62 bn recorded in 2019. This was primarily due to additional tax expenses following the expiration of the income tax holiday (ITH) incentives of TSI and GMEC. The Company also de-recognized deferred tax assets on Net Operating Loss Carry Over (NOLCO) from 2018 and 2019. There were also additional interest expenses from the Company's bonds and loans that were availed of during late 2019 and the second half of 2020.

Power Generation and Retail Electricity Supply (RES)

AboitizPower's generation and retail supply business recorded EBITDA of ₱37.70 bn in 2020, 4% higher than the ₱36.20 bn recorded in 2019. The variance was primarily due to better availability of the Group's coal facilities and the recognition of BI claims, which offset the lower demand caused by the COVID-related community quarantines and lower water inflows to the Group's hydro facilities.

Capacity sold during 2020 increased by 7% to 3,417 MW from 3,184 MW in 2019. This resulted from increased contracting levels driven by the new capacity of TVI and additional portfolio contracts. The increase in contracting levels, however, was offset by the lower demand brought about by the pandemic and lower water inflows to the Group's hydro facilities. This resulted in a YoY reduction in energy sold, which declined by 1% to 22,754 GWh for 2020 from 22,942 GWh during 2019.

Power Distribution

For 2020, AboitizPower's distribution business recorded EBITDA of ₱7.2 bn, 12% lower than the ₱8.2 bn recorded during 2019. Energy sales decreased by 8% to 5,368 GWh in 2020 from 5,851 GWh in 2019. This was due to lower consumption resulting from the enforcement of COVID-related community quarantines.

Material Changes in Line Items of Registrant's Statements of Income and Comprehensive Income

Consolidated Statements of Income

Net income attributable to equity holders of the Parent Company decreased by ₱4.75 bn, or 27%, YoY. The various movements in line items are shown below to account for the decrease:

Net Income Attributable to Equity Holders of the Parent (January - December 2019)	₱17,322,677
Decrease in operating revenues	(15,258,508)
Increase in operating expenses	13,282,521
Increase in interest income	(638,627)

SEC FORM 20-IS (INFORMATION STATEMENT)

Increase in interest expense	(205,882)
Decrease in share in net earnings of associates and joint ventures	(1,138,826)
Decrease in other income - net	1,445,176
Higher provision for taxes	(2,846,414)
Decrease in income attributable to non-controlling interests	615,559
Total	(4,745,001)
Consolidated Net Income Attributable to Equity Holders of the Parent for 2018	₱12,577,676

Operating Revenues

(12% decrease from ₱125.64 bn to ₱110.38 bn)

The decrease in operating revenues during 2020 was primarily due to lower demand brought about by the COVID-19 pandemic and resulting community quarantines, lower spot prices and indices, lower contract rates, and lower water inflow.

These were offset by new capacities which went online in 2020.

Operating Expenses

(14% decrease from ₱96.78 bn to ₱83.50 bn)

The decrease in operating expenses was mainly due to the lower cost of purchased power and of generated power brought about by COVID-19.

Interest Income

(49% decrease from ₱1.29 bn to ₱653.00 mn)

The decrease in interest income during 2020 compared to 2019 was primarily due to lower interest rates on placements.

Interest Expense and other financing costs

(1% increase from ₱14.05 bn to ₱14.25 bn)

Interest expense increased during 2020 compared to 2019 was due to the interest and financing costs on AboitizPower's ₱7.25 bn and ₱9.55 bn retail bonds issued in October 2019 and July 2020, respectively.

Share in Net Earnings of Associates and Joint Ventures

(30% decrease from ₱3.81 bn to ₱2.68 bn)

Share in net earnings in associates and joint ventures for 2020 decreased by 30% compared to 2019. The decrease was mainly due to lower income contributions from SN Aboitiz Power-Magat, as reduced water levels during 2020 caused a reduction in volume sold, and to a higher share of GNPD's net losses resulting from foreign-currency denominated loan revaluations.

Other Income (Expenses) – net

(41% increase from ₱3.48 bn to ₱4.93 bn other income)

The increase in other income during 2020 compared to 2019 was mainly due to business interruption insurance claims of TSI due to plant outages.

Provision for Taxes

(89% increase from ₱3.22 bn to ₱6.06 bn)

The increase in provision for taxes during 2020 was due to the additional taxes resulting from the expiration of the ITH incentives of TSI and GMEC and the derecognition of deferred tax assets on NOLCO from 2018 and 2019.

SEC FORM 20-IS (INFORMATION STATEMENT)

Changes in Registrant's Resources, Liabilities and Shareholders' Equity

Assets

Total assets (as of December 31, 2020 compared to December 31, 2019) decreased by ₱12.54 bn, or 3%. The major movements of the accounts leading to the decrease were as follows:

- a. Cash and cash equivalents increased by ₱1.27 bn, or 3% (from ₱37.43 bn to ₱38.70 bn). This was primarily due to the availment of the last tranche of retail bond drawn in July 2020.
- b. Inventories decreased by ₱324.00 mn, or 5% (from ₱6.63 bn to ₱6.31 bn). This was mainly driven by a decrease in coal inventory during 2020.
- c. Other current assets decreased by ₱604.00 mn, or 5% (from ₱11.08 bn to ₱10.48 bn). This was mainly driven by the reclassification during 2020 of a portion of TVI's Advances to NGCP to Other noncurrent assets.
- d. Investments and advances increased by ₱950.00 mn, or 2% (from ₱60.88 bn to ₱61.83 bn). This was mainly driven by the new capital contributions to GNPD during 2020.
- e. Property, plant and equipment decreased by ₱6.07 bn, or 3% (from ₱209.52 bn to ₱203.45 bn). This was primarily due to the depreciation of existing assets.
- f. Intangible assets decreased by ₱2.43 bn, or 5% (from ₱46.71 bn to ₱44.28 bn). This was primarily due to the amortization of existing assets.
- g. Net pension assets decreased by ₱18.00 mn, or 26% (from ₱68.00 mn to ₱50.00 mn). This was mainly due to the accrual of retirement costs.
- h. Deferred income tax assets decreased by ₱1.25 bn, or 45% (from ₱2.79 bn to ₱1.54 bn). This was mainly due to the reduction of the deferred tax benefits recognized by TLI on its net operating loss.
- i. Other noncurrent assets decreased by ₱4.25 bn, or 31% (from ₱13.52 bn to ₱9.27 bn). This was mainly due to the decrease in Input VAT, regular reduction in PSALM deferred adjustment, and the reclassification of TVI's restricted cash to Cash and cash equivalents.

Liabilities

Compared to December 31, 2019, total liabilities as of December 31, 2020 decreased by ₱13.49 bn, or 5%. The major movements of accounts leading to the decrease were as follows:

- a) Short-term loans increased by ₱1.41 bn, or 14% (from ₱10.34 bn to ₱11.74 bn). This was mainly due to new loans availed of by the Group during 2020 for working capital purposes.
- a. Trade and other payables decreased by ₱4.00 bn, or 18% (from ₱22.38 bn to ₱18.37 bn). This was primarily due to the reduction of trade payables.
- b. Income tax payable increased by ₱213.00 mn, or 42% (from ₱510.00 mn to ₱723.00 mn). This was mainly due to the expiration of the ITH incentives of TSI and GMEC.
- c. Decommissioning liability increased by ₱1.44 bn, or 40% (from ₱3.57 bn to ₱5.01 bn). This was mainly due to the recognition of additional decommissioning provisions on power plant assets of APRI and GMEC.
- d. Long-term debt (current and non-current portions) decreased by ₱650.00 mn (from ₱177.97 bn to ₱177.32 bn). This was mainly due to principal payments made on existing loans and the revaluation of dollar denominated loans, which were partly offset by the Parent's retail bond issuance during 2020.

SEC FORM 20-IS (INFORMATION STATEMENT)

- e. Lease liabilities (current and noncurrent portions) decreased by ₱5.53 bn (from ₱44.79 bn to ₱39.26 bn), as TLI made timely payments during 2020 of its obligations to PSALM.
- f. Long-term obligation on power distribution system (current and noncurrent portions) decreased by ₱16.00 mn, or 8% (from ₱199.00 mn to ₱183.00 mn), as payments were made in 2020.
- g. Net derivative liabilities decreased by ₱597 mn (from ₱2.39 bn to ₱1.79 bn) during 2020 due to hedging gains.
- h. Deferred income tax liabilities decreased by ₱103 mn, or 12% (from ₱848.00 mn to ₱745.00 mn), mainly due to the amortization of Franchise Assets and increase in the Allowances for Impairment and Probable Losses.
- i. Net pension liabilities decreased by ₱132 mn, or 31% (from ₱426.00 mn to ₱294.00 mn), mainly due to the contributions to the retirement fund during 2020 which were higher than the effect of retirement costs and net actuarial losses.
- j. Other noncurrent liabilities decreased by ₱5.71 bn, or 84% (from ₱6.81 bn to ₱1.10 bn), mainly due to the regular payments of the PSALM deferred adjustments and the settlement of TVI's Other noncurrent liabilities.

Equity

Equity attributable to equity shareholders of the Parent Company increased by 1% (from ₱125.54 bn as of December 31, 2019 to ₱127.16 bn as of December 31, 2020) after the declaration of dividends in March 2020, net of comprehensive income recognized during the year of 2020. Cumulative translation adjustments decreased by ₱1.45 bn, due to the downward net adjustment in the fair value of the Group's foreign currency forward and commodity swap contracts designated as cash flow hedges, as well as the net assets translation effect of GMEC and LHC during 2020.

Material Changes in Liquidity and Cash Reserves of Registrant

As of December 31, 2020, the Group's cash and cash equivalents increased by 3% to ₱38.70 bn, from ₱37.43 bn as of December 31, 2019.

The reduction in power demand brought about by COVID-19 related community quarantines contributed to lower cash generated from operations during 2020 by ₱7.58 bn, which was a 19% decrease compared to 2019.

Net cash flows used in investing activities decreased to ₱4.53 bn in 2020, from ₱34.06 bn in 2019, which was mainly due to the ₱24.95 bn AA Thermal acquisition taken up during 2019.

The net cash flows used in financing activities as of December 31, 2020 increased by ₱11.54 bn compared to 2019, primarily due to payments by the Group of principal amortizations on various loans.

Financial Ratios

As of December 31, 2020, current assets increased by 1% and current liabilities increased by 9% compared to the end of 2019. The current ratio as of December 31, 2020 was at 1.38x compared to 1.50x as of December 31, 2019.

Consolidated debt to equity ratio as of December 31, 2020 was at 1.96x, higher than the 2.07x recorded at the end of 2019. This was due to a 5% decrease in total liabilities during 2020, coupled with a 1% increase in equity during the same period.

SEC FORM 20-IS (INFORMATION STATEMENT)

Year Ended December 31, 2019 versus Year Ended December 31, 2018

The table below shows the comparative figures of the top five key performance indicators for 2019 and 2018.

Key Performance Indicators	2019	2018
<i>Amounts in thousands of ₱s, except for financial ratios</i>		
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	3,813,962	4,356,825
EBITDA	45,005,022	51,490,894
CASH FLOW GENERATED:		
Net cash flows from operating activities	39,356,962	37,287,900
Net cash flows used in investing activities	(34,060,584)	(7,243,119)
Net cash flows used in financing activities	(14,376,055)	(19,155,753)
Net (Decrease)/Increase in Cash & Cash Equivalents	(9,079,677)	10,889,028
Cash & Cash Equivalents, Beginning	46,343,041	35,699,631
Cash & Cash Equivalents, End	37,433,929	46,343,041
CURRENT RATIO	1.50	1.89
DEBT-TO-EQUITY RATIO	2.07	1.85

Share in net earnings in associates and joint ventures declined by 12% in 2019 compared to 2018 due to lower income contributions from SN Aboitiz Power-Magat, Inc. (SN Aboitiz Power-Magat) and GNPowder Dingin Ltd. Co. (GNPD). The lower share in net earnings of GNPD was mainly due to a foreign exchange (forex) gain recorded in 2018 as against a forex loss reported in 2019. SN Aboitiz Power-Magat's lower income contribution was primarily driven by a reduction in volume sold due to reduced water levels in 2019.

Consolidated EBITDA decreased by 13% in 2019, mainly due to an increase in cost of purchased power, lower spot market revenues, and lower plant availability across the Power Generation Group.

During 2019, cash and cash equivalents decreased by ₱8.91 bn, due to cash flows used for the acquisition of AA Thermal and investment in GNPD for the ongoing construction of its 1x668 MW supercritical coal-fired power plant in Bataan.

Current ratio at the end of 2019 was at 1.50x, down from previous year's 1.89x. This is due to the reduction in cash and cash equivalents and the increase in currently maturing debt.

Debt-to-equity ratio as of December 31, 2019 was at 2.07, higher than the 1.85 recorded at the end of 2018 due to the availment of new debts during 2019.

Results of Operations

Net income for 2019 decreased 20% Year-on-Year (YoY), from ₱21.71 bn in 2018 to ₱17.32 bn in 2019, which translated to earnings per share of 2.35. In 2019, there was higher cost of purchased power, lower spot market revenues, and lower plant availability of the Power Generation Group. The Company also recognized non-recurring gains of ₱702 mn, mainly due to net foreign exchange gains from the revaluation of dollar-denominated debts and derivatives, Aseagas, Inc.'s VAT recoveries, and gain on land appraisal. Without these one-off gains, the Company's core net income for 2019 was ₱16.62 bn, 30% lower than the ₱23.8 bn recorded during 2018.

Power Generation and Retail Electricity Supply (RES)

The Power Generation Group and RES' income contribution for 2019 was ₱15.28 bn, down 23% YoY. The decline was largely driven by the higher volume and cost of purchased power, lower spot market revenues, and lower plant availability. Spot market prices were high in the first half of 2019. During this period, the Group purchased replacement power due to outages, and contracted ahead in preparation for Therma Visayas, Inc.'s (TVI)

SEC FORM 20-IS (INFORMATION STATEMENT)

incoming capacity. Plant availability was also lower versus the same period last year due to outages from the Group's local facilities.

As of year-end 2019, AboitizPower's net sellable capacity stood at 3,455 MW.

Power Distribution

The power distribution group's earnings contribution increased slightly by 1% YoY, from ₱4.05 bn in 2018 to ₱4.10 bn in 2019.

Material Changes in Line Items of Registrant's Statements of Income and Comprehensive Income

Consolidated Statements of Income

Consolidated net income attributable to equity holders of the parent decreased by 20% from ₱21.71 bn in 2018 to ₱17.32 bn in 2019. The various movements in line items are shown below to account for the increase:

Consolidated Net Income Attributable to Equity Holders of the Parent for 2018	₱21,707,603
Decrease in operating revenues	(5,936,927)
Increase in operating expenses	(1,703,881)
Increase in interest income	411,618
Increase in interest expense	(1,965,488)
Decrease in share in net earnings of associates and joint ventures	(542,863)
Decrease in other income - net	4,775,698
Higher provision for taxes	(289,875)
Decrease in income attributable to non-controlling interests	866,792
Total	4,384,926
Consolidated Net Income Attributable to Equity Holders of the Parent for 2019	₱17,322,677

Operating Revenues

(5% decrease from ₱131.57 bn to ₱125.64 bn)

The 5% decrease in operating revenues was driven by: (i) lower plant availability, (ii) expiration of contracts with customers of Therma Marine, Inc. (TMI) and Thermal Mobile, Inc. (TMO), and (iii) lower average selling price on the Power Generation Group and RES power supply contracts. This was partly offset by higher electricity sales from the Company's Distribution Utilities.

The lower plant availability due to outages resulted to a reduction in the volume (capacity and energy) sold to customers. Likewise, this limited the Group's capacity available to sell to the spot market.

Operating Expenses

(2% increase from ₱96.78 bn to ₱97.36 bn)

Operating expenses increased by 2% during 2019, driven by the increase in depreciation and amortization cost (14%) due to the start of operations of TVI and the full year of operations for both Hedcor Bukidnon, Inc. (Hedcor Bukidnon) and Pagbilao Energy Corporation (PEC). The cost of purchased power and operations and maintenance expenses also increased during the year.

Interest Income

(47% increase from ₱ 880 mn to ₱ 1,292 mn)

The increase in interest income during 2019 was primarily due to the Company's higher cash investments and higher interest income from Therma South, Inc. (TSI), TVI, Hedcor Bukidnon and AP Renewables, Inc. (APRI).

SEC FORM 20-IS (INFORMATION STATEMENT)

Interest Expense and Other Financing Costs

(16% increase from ₱12.08 bn to ₱14.05 bn)

Interest expense increased in 2019 due to the full-year impact of the ₱10.20 bn in retail bonds issued by the Company in October 2018 and the interest on the Company's ₱7.25 bn retail bonds issued in October 2019. The proceeds from the bonds were used to pay for short-term borrowings and general corporate purpose.

Share in Net Earnings of Associates and Joint Ventures

(12% decrease from ₱4.36 bn to ₱3.81 bn)

Share in net earnings of associates and joint ventures declined by 12% in 2019, mainly due to lower income contributions from SN Aboitiz Power-Magat and GNPD. SN Aboitiz Power-Magat's lower income contribution was primarily driven by a reduction in volume sold due to reduced water levels in 2019. The lower share in net earnings of GNPD was mainly due to a forex gain recorded in 2018 as against a forex loss reported in 2019.

Other Income (Expenses) – net

(Increase from ₱1.29 bn other expense to ₱3.48 bn other income)

The change from an expense position in 2018 to an income position in 2019 was mainly due to lower net forex losses YoY. This movement was due to favorable movements of the Philippine Peso against U.S. Dollar in 2019 versus 2018.

Provision for Taxes

(10% increase from ₱2.93 bn to ₱3.2 bn)

The increase was due to lower net deferred tax benefit arising from deferred taxes on unrealized forex gain.

Net Income Attributable to Non-controlling Interests

(23% decrease from ₱3.73 bn to ₱2.86 bn)

The decrease was due to a decline in the operating results of GMCP combined with a reduction in the Company's non-controlling ownership in GMCP after the acquisition of non-controlling interests in May 2019.

Changes in Registrant's Resources, Liabilities and Shareholders' Equity

Assets

Total assets (as of December 31, 2019 compared to December 31, 2018) increased by ₱20.81 bn, or 5% YoY. The major movements of the accounts leading to the increase were as follows:

- a) Cash and cash equivalents decreased by 19% during 2019. This was due to cash flows used for: (i) acquisition of AA Thermal, (ii) investment in GNPD for its on-going power plant construction, (iii) funding of the Group's capital expenditures, and (iv) debt service. The decrease in cash and cash equivalents was partially offset by operating cash flows and proceeds from the Company's retail bonds issuance in 2019.
- b) Property held for sale of ₱676 mn as of December 31, 2018 pertains to transmission assets was sold to NGCP in February 2019.
- c) Other current assets were lower by 16% (from ₱13.21 bn in 2018 to ₱11.04 bn in 2019) mainly driven by the decrease of TSI's restricted cash. The maintenance of a cash reserve forms part of TSI's compliance with the covenants on its project debt.
- d) Investments and advances increased by ₱26.54 mainly as a result of capital infusions for the AA Thermal acquisition and GNPD plant construction.

SEC FORM 20-IS (INFORMATION STATEMENT)

- e) Property, plant and equipment (PPE) slightly increased by 1% (from ₱207.11 bn in 2018 to ₱209 bn in 2019) mainly due to the recognition of right-of-use assets on the Group's leases resulting from the adoption of Philippine Financial Reporting Standards (PFRS) 16, *Leases*.
- f) Derivatives assets were down by ₱211 mn in 2019, primarily due to fair value changes on GMCP's interest rate swaps.
- g) Financial assets at fair value through profit or loss went down to ₱4 mn in 2019 from ₱101 mn. This was mainly due to the sale of Parent' Company's financial assets at Fair Value through Profit and Loss (FVPL).
- h) Deferred income tax assets increased by 25% (from ₱2.23 bn in 2018 to ₱2.80 bn in 2019), driven by deferred tax benefits recognized by TMO on its net operating loss and Therma Luzon, Inc. (TLI) on its unrealized forex loss.
- i) Other noncurrent assets increased by ₱2.86 bn or 27% YoY. The increase was due to restricted cash of a Subsidiary that arose from its receipt of proceeds from a damage claim against its contractors, which claim is currently under dispute. This was partly offset by decrease in input VAT and reversal of prepaid rent against lease liabilities upon adoption of PFRS 6, *Leases*.

Liabilities

Consolidated liabilities increased by 9% YoY, from ₱253.09 bn as of end-2018 to ₱276.83 bn as of end-2019. The major movements of the accounts leading to the increase were as follows:

- a) Derivatives liabilities (current and non-current portions) increased by ₱2.31 bn in 2019, due to fair value changes on the Group's foreign currency forward contracts and commodity swap contracts.
- b) Income tax payable increased by 15% YoY (from ₱439 mn in 2018 to ₱506 mn in 2019), mainly due to expiration of the income tax holidays enjoyed by certain Subsidiaries and a corresponding higher current income tax provision.
- c) Long-term debt (current and non-current portions) increased by 13% YoY (from ₱158.06 bn in 2018 to ₱177.97 bn in 2019), primarily due to the ₱7.25 bn bonds issuance in October 2019.
- d) Lease liabilities (current and noncurrent portions) decreased by ₱2.10 bn, since TLI made timely payments on its obligation with PSALM.
- e) Long-term obligation on power distribution system (PDS) decreased by 8% as regular annual payments were made.
- f) Customers' deposits increased by ₱513 mn or 9% primarily, driven by growth in customer base of the Distribution Utilities.
- g) Other noncurrent liabilities went up from ₱3.18 bn in 2018 to ₱6.81 bn in 2019, mainly due to receipt of proceeds from a damage claim against contractors, which claim is now under dispute.

Equity

Equity attributable to equity shareholders of the Parent Company decreased by 2% YoY (from ₱127.71 bn at year-end 2018 to ₱125.54 bn at year-end 2019), after the declaration of dividends in 2019, net of comprehensive income recognized.

- a) Cumulative translation adjustments decreased by ₱1.52 bn due to downward effect of changes in the fair value of foreign currency forward and commodity swap contracts designed as cash flow hedges; and translation effect of GMCP and Luzon Hydro Corporation (LHC) for the current period.

SEC FORM 20-IS (INFORMATION STATEMENT)

- b) Share in cumulative translation adjustments of associates and joint ventures decreased by ₱475 mn, mainly due to translation effect of GNPD.
- c) Acquisition of non-controlling interests for the period pertains to the difference between the purchase price and fair value of net assets acquired in the acquisition of additional partnership interest in GMCP.

Material Changes in Liquidity and Cash Reserves of Registrant

Cash generated from operations of ₱39.36 bn continued to provide a source of liquidity during 2019, growing by ₱2.07 bn as compared to 2018.

Net cash flows used in investing activities increased to ₱34 bn in 2019 from ₱7 bn in 2018, mainly due to funding for the AA Thermal acquisition.

Despite the cash used to fund acquisition of additional partnership interest in GMCP, the net cash outflows from financing activities amounting to ₱14.38 in 2019 is still lower than 2018. This is due to higher debt availed in 2019.

As of December 31, 2019, the Group's cash and cash equivalents decreased to ₱37.43 bn, compared to ₱46.34 bn as of year-end 2018.

Financial Ratios

Current assets decreased by 13% while current liabilities increased by 10%. The current ratio at year-end 2019 was at 1.50x, versus 1.89x at year-end 2018.

Consolidated debt to equity ratio at year-end of 2019 was at 2.07 versus 1.85 as of year-end 2018, as the Company's liabilities have been higher during the year.

Item 7. Financial Statements

The audited consolidated financial statements of AboitizPower will be incorporated herein by reference. The schedules listed in the accompanying Index to Supplementary Schedules will be filed as part of the Definitive Information Statement.

Item 8. Information on Independent Accountant and Other Related Matters

(A) External Audit Fees and Services

The following table sets out the aggregate fees billed to the Company for each of the last two years for professional services rendered by SGV.

Fee Type	Year ended December 31, 2021	Year ended December 31, 2020
Audit Fees		
Audit Fees	₱575,000	₱502,000.00
Audit Related Fees – Bond issuance	18,000,000.00	8,200,000.00
Total	18,575,000.00	8,702,000.00
Non-Audit Fees		
Financial and Tax Due Diligence Fees	1,149,500.00	–
Total	1,149,500.00	–
Total Audit and Non-Audit Fees	₱19,724,500.00	₱8,702,000.00

SEC FORM 20-IS (INFORMATION STATEMENT)

AboitizPower engaged SGV to audit its 2021 and 2020 annual financial statements. SGV was also engaged to conduct post reviews and other procedures for the purpose of issuing comfort letters in connection with the issuance of the ₱8 bn and ₱12 bn bonds in 2021 and ₱9.6 bn bonds in 2020. In 2021, the Company also engaged SGV to provide financial and tax due diligence in relation to the Company's preparation of BIR form 1709, comparability analysis and benchmarking update, and transfer pricing documentation.

As a policy, the Board Audit Committee makes recommendations to the Board of Directors concerning the choice of external auditor and pre-approves audit plans, scope, and frequency before the audit is conducted.

Audit services of SGV for 2021 and 2020 were pre-approved by the Board Audit Committee. The Board Audit Committee also reviewed the extent and nature of these services to ensure that the independence of the external auditors was preserved. SGV does not have any direct or indirect interest in the Company.

(B) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

The Company has engaged the services of SGV during the two most recent fiscal years. There are no disagreements with SGV on accounting and financial disclosure.

SEC FORM 20-IS (INFORMATION STATEMENT)

PART III – CORPORATE GOVERNANCE

In 2021, the Aboitiz Group began writing the next chapter in its centennial history to continue to drive change for a better world by advancing business and communities in the next 100 years. The Group has taken deliberate steps in transforming the organization into an enterprise that not only endures but thrives in the new and dynamic business landscape. This story of transformation builds on a strong foundation of growth and expansion that was nurtured by more than five generations of leaders with unwavering commitment to the highest standards of corporate governance.

At the helm of this story of transformation are the Board of Directors who firmly believes that a sound framework of corporate governance creates a path towards the realization of the Group's strategic goals and growth aspirations.

Notable accomplishments of the AboitizPower Board for 2021 are as follows:

- Reviewed and affirmed the appropriateness of the Group's purpose and brand promise in support of the country's gradual economic recovery.
- Reviewed and aligned the Group's short-term and long-term business strategies to sustain and expand the business under the new normal.
- Reviewed and ensured the sufficiency of the internal controls system and enterprise risk management framework of AboitizPower.
- Authorized and held AboitizPower's Virtual Annual Stockholders' Meeting for the second year.
- Reviewed and approved amendments to the Board and Board Committee Charters.
- Established the Board Information Security and Cybersecurity Committee to formalize a group-wide integrated approach in managing information and cyber security related risks.
- Approved the amendments to the Company's Code of Ethics and Business Conduct, Whistleblowing Policy, and the Related Party Transactions Policy.
- Reviewed and implemented changes to the Board's governance mechanism in alignment with global best practices and the demands of the current business environment.
- In addition to the Annual Corporate Governance Seminar, conducted regular virtual learning sessions to strengthen the continuous learning program of the Company's directors and officers.

Shareholders Rights and Equitable Treatment

The rights of shareholders are of paramount importance to the Company. The goal is to ensure the protection of shareholder interests and concerns through the free exercise of shareholder rights. Among the rights of these shareholders, regardless of the number of shares they own, are to receive notices of and to attend shareholders' meetings; to participate and vote on the basis of the one-share, one-vote policy; nominate and elect Board members (including via cumulative voting); inspect corporate books and records; vote in person, *in absentia*, or through proxy; receive dividends; and ratify corporate actions.

In the conduct of its shareholder meetings, all shareholders receive notices not less than 28 days from the date of the meeting, and all agenda items to be discussed and decided upon during the said meeting are set out in the notices and no new agenda items are taken up during the conduct of the meeting. The rationale of agenda items, which are submitted to the shareholders for their approval, are included in the notices to shareholders' meetings.

For the second year, AboitizPower held a virtual ASM in 2021. Driven by its commitment to practice sound corporate governance and guided by its core value of innovation, AboitizPower provided its shareholders an accessible and convenient venue to exercise their basic and inviolable right to elect their representatives to the Company's Boards of Directors while remaining in the comfort and safety of their homes. In addition, the Company, for the second year, allowed voting through remote communication or *in absentia*. Stockholders may access AEV's online voting portal in order to register and vote on the matters submitted for shareholders approval at any stockholder meetings.

SEC FORM 20-IS (INFORMATION STATEMENT)

All shareholders are encouraged and given the right to participate in the meetings. The opportunity to ask questions or raise issues, the questions, answers, issues and motions raised, the agreements and resolutions arrived at, the corporate acts approved or disapproved, and the voting results are reported in the minutes. The Company also discloses to PSE, PDEX and the SEC all the items approved at the shareholders' meeting no later than the next business day. The voting results including quorum and summary of resolutions approved are made publicly available by the next working day through the Company's website under Investor Relations' page. There are no barriers or impediments preventing shareholders from consulting or communicating with one another, with the directors and with the Corporate Secretary.

In addition, AboitizPower ensures that its shareholders are informed of any material developments in the Company's businesses, and that they receive dividends in accordance with established dividend policies.

Lastly, AboitizPower's Board Secretariat has adopted certified Board protocols and procedures under the ISO 9001:2015 Management Board and System to ensure the effectiveness of Board and shareholders' commitments. This includes coordination with stock transfer agents to ensure appropriate responses to and timely resolution of shareholders' queries and requests.

For a more detailed discussion on the rights of the shareholders of the Company, please refer to the 2021 Consolidated Annual and Sustainability Report and the 2021 Integrated Annual Corporate Governance Report (IACGR), which will be available at www.aboitzpower.com.

BOARD MATTERS

Board of Directors

The Board leads the Group's corporate governance framework. Independent from management, its members are committed to serve and promote long-term success, and to secure the Group's sustained growth, competitiveness and sustainability. The directors perform the crucial role of articulating and assessing the Group's purpose, vision and mission, and strategies to carry out its objectives. They ensure that the strategic business direction of the Group's businesses is soundly established and are in line with the overall Group's goals and strategy. In line with best practices, the members of the Board are responsible for establishing and monitoring the Group's commitment to the principles embodied in ESG. In performing these functions, the members of the AboitizPower Board, individually and collectively, are expected to act consistently with the Aboitiz core values.

The AboitizPower Board is composed of nine members, all of whom come from diverse professional backgrounds. They are composed of legal and finance professionals, engineers, former or current Chief Executive Officers/Chief Operating Officers, auditors, and accountants. Many of them have management experience in the private and government sectors, as well as in multilateral agencies. As of December 31, 2021, the AboitizPower Board had three independent directors, four non-executive directors, and two executive directors. The Chairman of the AboitizPower Board, Mr. Sabin M. Aboitiz, is a non-executive director with years of experience as a director of companies involved in various industries, including the power industry. As a non-executive director, he is not involved in the Company's day-to-day operations, which enables him to focus on ensuring that the AboitizPower Board properly discharges its duties and responsibilities. The AboitizPower Board appointed Mr. Raphael P.M. Lotilla as Lead Independent Director. As a former Secretary of the Department of Energy of the Philippines, Mr. Lotilla is a highly qualified professional who is familiar with the operations of AboitizPower and the industries it does business in. As the Lead Independent Director, Mr. Lotilla is the Chairman of the ESCG Committee (also functions as the Nomination and Selection Committee) to ensure an independent and transparent nomination, selection, election, and performance assessment process of the AboitizPower Board.

The members of the AboitizPower Board are the following:

SEC FORM 20-IS (INFORMATION STATEMENT)

ABOITIZ POWER CORPORATION'S BOARD OF DIRECTORS					
Director (Age, Nationality)	Designation/ Directorship	Year First Elected	Number of Years Served as Director	Board and Committee Memberships and % of Attendance for 2021	Directorships in Other Listed Companies Outside the Aboitiz Group
SABIN M. ABOITIZ 57 years old Filipino	Chairman of the Board (NED)	April 26, 2021	0	(C) BOD (100%) (C) Risk (100%) (M) ESCG (100%) (M) ExCom (100%) (M) Cyber (100%)	None
LUIS MIGUEL O. ABOITIZ 57 years old Filipino	Vice-Chairman (NED)	September 1, 2018	1	(VC) BOD (100%) (M) AudCom (75%) (M) Risk (100%) (M) ExCom (100%) (M) Cyber (100%) (M) ESCG (N.A.)***	None
MIKEL A. ABOITIZ** 67 years old Filipino	Director (NED)	February 13, 1998	23	(M) BOD (100%) (M) ExCom (100%) (M) ESCG (100%)	None
EMMANUEL V. RUBIO 57 years old Filipino	President and CEO (ED)	January 1, 2020	1	(M) BOD (100%) (C) ExCom (100%) (M) Risk (100%) (Ex Officio) Cyber (100%)	None
EDWIN R. BAUTISTA 61 years old Filipino	Director (NED)	April 26, 2021	0	(M) BOD (100%)	None
DANEL C. ABOITIZ 40 years old Filipino	Chief Commercial and Stakeholder Engagement Officer (ED)	Dec 11, 2018	2	(M) BOD (89%) (M) AudCom (100%) (M) ExCom (100%)	None
RAPHAEL P.M. LOTILLA 63 years old Filipino	Lead Independent Director	April 26, 2021	0	(M) BOD (100%) (C) ESCG (100%) (M) Risk (100%) (M) AudCom (100%) (M) RPT (100%)	<ul style="list-style-type: none"> • ACE Enexor, Inc. (ID) • First Metro Investment Corp. (ID)
CARLOS C. EJERCITO 76 years old Filipino	Independent Director	May 19, 2014	6	(M) BOD (100%) (M) ESCG (100%) (M) Risk (100%) (C) AudCom (100%) (M) RPT (100%)	<ul style="list-style-type: none"> • Bloomberry Resorts Corporation (ID); • Century Properties Group, Inc. (ID)
ERIC RAMON O. RECTO 58 years old Filipino	Independent Director	May 21, 2018	2	(M) BOD (78%) (M) ESCG (100%) (M) Risk (100%) (M) AudCom (100%) (C) RPT (100%) (C) Cyber (100%)	<ul style="list-style-type: none"> • Philippine Bank of Communications (C) • Atok-Big Wedge Co., Inc (Ex) • DITO CME Holdings Corp. (D) • PH Resorts Group Holdings, Inc. (ID)

SEC FORM 20-IS (INFORMATION STATEMENT)

TOSHIRO KUDAMA** 63 years old Japanese	Non-Executive Director	December 22, 2021	0	(M) BOD (100%) (M) Risk (N.A.)*** (M) ExCom (N.A.)***	None
---	---------------------------	-------------------	---	---	------

* C - Chairman; VC – Vice Chairman; M – Member; ID – Independent Director; NED – Non-Executive Director; ED – Executive Director; ExO – Ex Officio; BOD - Board of Directors; ESCG - Board Environmental, Social, and Corporate Governance Committee; ExCom - Board Executive Committee; AudCom - Board Audit Committee; Risk - Board Risk and Reputation Management Committee; RPT - Board Related Party Transactions Committee; Cyber – Board Information Security and Cybersecurity Committee.

** On December 20, 2021, the members of the Board appointed Mr. Toshiro Kudama to replace Mr. Mikel A. Aboitz as Director of AboitzPower effective December 22, 2021.

*** Appointed as committee member on December 22, 2021.

Board Performance Assessment

The members of the AboitzPower Board of Directors conduct an annual performance assessment of its directors and key officers. Each director evaluates the individual and the collective performance of each member of the Board and Board committees. In addition, each director evaluates the performance of the Chairman of the Board, Chief Executive Officer, Internal Audit Head, Risk Officer, Compliance Officer, and Corporate Secretary. In turn, select key officers of the Company are asked to evaluate the performance of the individual directors. The Board’s annual performance assessment for the 2021 compliance period was completed in November 2021.

The assessment forms are prepared and regularly reviewed by the Compliance Officer to elicit relevant and valuable insights on the following assessment criteria: (1) compliance with best governance practices and principles; (2) participation and contribution to the Board and committee meetings; and (3) performance of their duties and responsibilities as provided in the company’s Revised Manuals, Charters, Amended Articles, and Amended By-Laws.

In addition, the Company’s directors are evaluated by key officers based on the following criteria: (1) business acumen, (2) independent judgment, (3) familiarity with the business, (4) active participation and effective challenge, (5) professional expertise and network, (6) value contribution, (7) embodiment of Aboitz core values, and (8) reputation. Assessment results are presented to the respective ESCG Committees as part of the nomination and selection process of incumbent Board members.

The Corporate Governance Code and the Revised Manual require that at least once in every three years, the conduct of the Board performance assessment must be supported by an independent third-party facilitator. In 2020, AEV and AboitzPower engaged the Good Governance Advocates and Practitioners of the Philippines (GGAPP), an independent association of corporate governance practitioners, to support their Board performance assessment exercise. The results of the assessment, as well as the recommendations from GGAPP, were presented and discussed at the ESCG Committee meetings on February 16, 2021.

Board Committees

The different Board committees - Audit, Corporate Governance, Risk and Reputation Management, Related Party Transactions, Executive, and Information Security and Cybersecurity Committee - report regularly to the Board and are crucial in the performance of the Board’s oversight function in key management areas.

The mandate of each Board committee, including key accomplishments in 2021, are described below:

- a. **The Board Environmental, Social, and Corporate Governance Committee (formerly the Corporate Governance Committee)** was established as an integrated approach to strengthen, promote, monitor, implement, and communicate the Company’s ESG-related programs and initiatives. It also performs the functions of the Nomination and Remuneration Committees. In carrying out their duties and responsibilities, the ESCG Committee is supported by the Company’s Compliance Officer, Chief External Relations Officer, as well as the Group Chief Human Resources Officer. These officers regularly attend committee meetings to act as resource persons. Independent Directors, including the Committee Chairman, comprise the majority of the voting members of the ESCG Committee.

SEC FORM 20-IS (INFORMATION STATEMENT)

In 2021, the ESCG Committee continued to (1) review and monitor AboitizPower's compliance with new laws and regulations (the Revised Corporation Code, various SEC and BIR issuances, among others); (2) review and update the Revised Manual to align with the best practices in the Integrated Annual Corporate Governance Report and the ASEAN Corporate Governance Scorecard; (3) ensure that the nomination, selection, election, remuneration, and assessment of the Company's directors and officers are aligned with the Revised Manual; and (4) ensured that the Company's ESG programs are implemented. In the same year, the ESCG Committee amended the Code of Ethics and Business Conduct and the Whistleblowing Policy to further strengthen the company's commitment to corporate governance, particularly on sustainability and ethical corporate citizenship.

- b. The **Board Audit Committee** represents the Board in discharging its responsibility related to audit matters for the Group. Independent Directors comprise the majority of the members of the Board Audit Committee, including its Chairman.

In 2021, the Audit Committee updated its Charter to improve Company's control performance by having an adequate and effective control system. The Audit Committee also assessed (1) the performance of the Company's external auditor, and (2) the sufficiency of the Company's internal control and compliance systems.

Sufficiency of Internal Control and Compliance System

The Audit Committee assists the Board in fulfilling oversight responsibilities over their Company's system of internal control. It is responsible for monitoring, overseeing, and evaluating the duties and responsibilities of management, the internal audit activity, and the external auditors as those duties and responsibilities relate to the organization's processes for controlling its operations. In 2021, the President and Chief Executive Officer, Chief Financial Officer, and Internal Audit Head of AboitizPower attested to the sufficient internal control and compliance system of the Company.

Audit and Non-Audit Fees

The Independent External Auditor of AboitizPower is the accounting firm of SyCip Gorres Velayo & Co. (SGV), with Ms. Maria Veronica Andresa R. Pore serving as audit partner since 2017. As a policy, the Audit Committee makes recommendations to the Board concerning the choice of external auditor and pre-approves audit plans, scope, and frequency before the audit is conducted. Similar to previous years, the audit services of the Company's external auditor for the year 2021 were pre-approved by the Audit Committee. The Audit Committee also reviewed the extent and nature of these services to ensure that the independence of the external auditors is preserved. The breakdown of the audit and non-audit fees paid by AboitizPower to its external auditor are found in the Company's Information Statements and Annual Reports.

- c. The **Board Risk and Reputation Management Committee** represents the Board in discharging its responsibility relating to risk and reputation management related matters for the AboitizPower Group.

The committee (1) ensures that a sound Enterprise Risk Management (ERM) framework is in place to effectively identify, monitor, and manage key business risks; (2) assists the Board in defining the Company's risk appetite and overseeing the risk profile and performance against the defined risk appetite; (3) is responsible for overseeing the identification, measurement, monitoring and controlling the Company's principal business risks. The committee is composed of three independent directors, one executive director, and three non-executive directors, including its chairman.

In 2021, the Board Risk and Reputation Committee (1) updated its charter to ensure the effective

SEC FORM 20-IS (INFORMATION STATEMENT)

discharge of its function; and (2) continued to annually review and assess the Company's risk profile and risk management strategies. The details of the Company's top risks as reviewed and approved by the committee are found in the Company's Information Statements and Annual Reports.

- d. The **Board Related Party Transaction Committee** represents the Board in discharging its responsibility relating to transactions entered into between or among the Company or any of its subsidiaries, affiliates, directors and officers. The RPT Committee is composed entirely of independent directors, including its Chairman.

In 2021, the RPT Committee (1) continued to ensure that related party transactions are taken on an arm's-length basis and within market rates, with sufficient documentation, and coursed through the appropriate levels of approval; (2) updated the RPT Certification for Directors and Officers in compliance with relevant BIR regulations on the reporting guidelines for the transactions of individuals and juridical entities with related parties; (3) updated its committee charter and the Company's RPT Policy to further strengthen the process of reviewing, reporting, and approval of all RPTs, particularly those falling below the SEC-defined materiality threshold.

- e. The **Executive Committee** assists the Board in overseeing the Company's day-to-day operations of the Company. The Committee ensures agility in the management of the Company and in strategic decision-making, as well as compliance with the Company's governance policies, during the intervening period between Board meetings.
- f. The **Board Cyber & Information Security Committee** was established on March 8, 2021. It assists the Board in providing strategic direction and ensuring the establishment of the Company's system of governance (processes, policies, controls and management) on matters relating to information security and cybersecurity.

For more details on the AboitizPower Board and Board Committees matters, please refer to the 2021 Consolidated Annual and Sustainability Report, the 2021 IACGR, and the Governance page of AboitizPower's website, which are available at www.aboitzpower.com.

GOVERNANCE PRACTICES

Compliance with Key Governance Policies

In 2021, AboitizPower updated its Code to align with international best practices and promote the Company's Environmental, Social and Governance efforts, and (ii) commitment to ethical corporate citizenship. The following policies and guidelines were approved by the Board of Directors:

- Amended Code of Ethics and Business Conduct to (i) strengthen the Company's commitment to sustainability principles, and (ii) further elaborate on the Company's commitment to its stakeholders, particularly on anti-bribery and anti-corruption, trade compliance, and anti-money laundering. Related guidelines on (i) anti-corruption, (ii) gift, meals, and entertainment, and (iii) business partner due diligence were also approved by senior management to operationalize the amendments to the Code.
- Amended the Company's Whistleblowing Policy. The Company is evaluating the adoption of a new whistleblowing portal to encourage team members, team leaders and third parties to report suspected or actual violation of the Code and Company policies. Procedures were also developed to assist and guide in the handling, investigation, and resolution of reports or complaints received, whether via the whistleblowing platform or through any other channel.

Manual on Corporate Governance	The Manual on Corporate Governance (Manual) is the corporate governance charter of the AboitizPower. It is a clear statement by the Company, its Board of Directors, Management, Employees and Shareholders, that corporate governance is a necessary component of sound strategic business management. The Manual was
---------------------------------------	--

SEC FORM 20-IS (INFORMATION STATEMENT)

	<p>first approved by the AboitizPower Board on August 14, 2002. It has since been reviewed and amended by subsequent Board actions in keeping with evolving best practices in the Philippines and the ASEAN Region.</p> <p>There are no major deviations from the Revised Manual as of the date of this report.</p>
<p>Code of Ethics and Business Conduct</p>	<p>The Code of Ethics and Business Conduct (“Code”) of AboitizPower guides how team leaders and team members can live and practice ethical standards in their day-to-day operations. The Code summarizes the fundamental principles and directives through the following commitments:</p> <ol style="list-style-type: none"> 1. Commitment to Compliance: Following both the Letter and the Spirit of the Law and the Company Policies. <p style="margin-left: 40px;">AboitizPower team leaders and team members are expected to know, understand, and comply with the laws, rules, and regulations that are applicable to their respective job responsibilities.</p> 2. Commitment to Each Other: Dealing with Team Members <p style="margin-left: 40px;">At AboitizPower, interpersonal relationships in the workplace must be kept professional and free of bias, harassment, or violence. Team leaders and team members are expected to (i) treat each other with respect and dignity at all times, and (ii) promote a safe and healthy working environment for all employees.</p> 3. Commitment to Our Stakeholders: Dealing with Clients, Suppliers, Business Partners and the Public. <p style="margin-left: 40px;">In dealing with AboitizPower external stakeholders, team leaders and team members are expected to act professionally, fairly, and with integrity in all business dealings. In recognition of the invaluable contribution of its clients, business partners, suppliers, and other stakeholders, AboitizPower is committed to:</p> <ol style="list-style-type: none"> A. <i>Fair Dealing.</i> Outperform its competition fairly and honestly through superior performance. No one should take advantage of anyone through manipulation, abuse of privileged information, misrepresentation of facts or any unfair dealing practices. B. <i>Gifts and Entertainment.</i> Avoid any actual or perception of inappropriate feeling or expectation of obligation through (i) modesty in giving business gifts or extending hospitality to customers, suppliers, and business partners, and (ii) modesty in receiving gifts or special favors from current and potential business partners. C. <i>Bribery and Corruption.</i> Conduct business in an ethical manner including strict compliance with bribery and corruption laws in jurisdictions where the Group operates. <p style="margin-left: 40px;">Team leaders and team members are prohibited from engaging in any corrupt behavior, including giving or accepting bribes.</p>

SEC FORM 20-IS (INFORMATION STATEMENT)

	<p>D. <i>Provide Fair and Truthful Disclosures to the Public.</i> In all public communications of AboitizPower, team leaders and team members are expected to communicate complete, timely, and accurate information in strict compliance with existing laws and regulations.</p> <p>E. <i>Trade Compliance.</i> The Group is committed to exercising appropriate due diligence as to the third parties with which the Group does business and comply with applicable legal requirements with respect to trade, import and export considering its international reach.</p> <p>F. <i>Anti-Money Laundering.</i> The Group is committed to complying with anti-money laundering laws to prevent individuals or entities from giving legitimate appearance to funds sourced from criminal activities.</p> <p>4. Commitment to the Group – Advancing and Protecting the Interests of AboitizPower.</p> <p>The Code mandates that every team leader and team member of AboitizPower must maintain and protect all proprietary and confidential information in strict confidence. They should:</p> <p>A. Refrain from using Corporate Opportunities for personal gain.</p> <p>B. Ensure and Protect Proprietary and Confidential Information in strict confidence except when it's disclosed as required by the law. The Company only processes personal information that is required for business or legal reasons, and maintains appropriate access controls and use limitations.</p> <p>C. Use Company Systems and Assets for legitimate company business and activities only.</p> <p>D. Prevent the Misuse of Inside Information that may have a significant impact on the Company.</p> <p>E. Avoid any activity that can lead to Conflicts of Interest with their responsibility on behalf of the company or its clients.</p> <p>F. Maintain Accurate Books and Records in a timely manner.</p> <p>G. Implement proper Records Management. It is the Company's policy to identify, maintain, safeguard and destroy or retain, as applicable, all records in the Company's possession on a systematic and regular basis.</p> <p>H. Use of Digital and Social Media in a responsible manner.</p> <p>5. Commitment to the Environment and Communities: Pursuing a sustainable business.</p> <p>The Code mandates that team leaders and team members must ensure to do their best to minimize any environmental impact and integrate social development and environmental stewardship into the Company's operations. The Group contributes to local communities through appropriate social and economic development programs, including through Aboitiz Foundation activities.</p> <p>The Company ensures that the Code is cascaded to new team members as part of their onboarding processes. In addition, all team members are required to annually review the Code and affirm that they have read, understood, and will</p>
--	---

SEC FORM 20-IS (INFORMATION STATEMENT)

	<p>abide by its provisions. To support this process, an e-learning module on the Codes was developed and is rolled out every year.</p> <p>There are no major deviations from the Code as of the date of this report.</p>
<p>Whistleblowing Policy</p>	<p>To support the implementation of the Revised Manual and the Code, the Company has a Whistleblowing Policy. Through this policy, allegations of violations of the Manual, Code, and other related policies or of other illegal conduct can be reported through an internal portal, through the Company’s website, or via a dedicated email address. The Group is likewise set to rollout a new whistleblowing portal that has multiple language capabilities for website intake and a toll-free hotline to encourage team members, team leaders, and third parties to report suspected or actual violation of the Code and Company policies.</p> <p>Matters reported through the whistleblowing platform are discussed by the ESCG Committee and, if necessary, by the entire Board of Directors. Whistleblowers have the option to address complaints to any of the following persons:</p> <ul style="list-style-type: none"> A. The team member’s supervisor or business partner’s contact person in the Company; B. AboitizPower Legal Team; C. The Compliance Office of the relevant Business Unit; D. Human Resources Team E. The Company’s Internal Audit Head; or F. Chief Legal and Compliance Officer. <p>Once the complaints are submitted through the whistleblowing portal or are received by any of the above-mentioned personnel and officers, the complaint will undergo the Aboitiz Group’s investigation standard operating procedure and escalation process. The policy ensures that any person raising a serious concern in good faith will be protected from reprisals or retaliation.</p>
<p>Aboitiz Group Investigation Standard Operating Procedure</p>	<p>The Aboitiz Group Investigation Standard Operating Procedure (SOP) outlines the protocols in handling reports on suspected or actual violations of the Code and other Company policies, received via the whistleblowing platform or through any other channel.</p> <p>The SOP defines the reporting lines and escalation process to ensure (i) an appropriate management action and monitoring, and (ii) the protection of the whistleblower in good faith from possible reprisals or retaliation.</p>

SEC FORM 20-IS (INFORMATION STATEMENT)

<p>Anti-Corruption Guidelines</p>	<p>The Code mandates all team leaders and team members to conduct business in an ethical manner including strict compliance with bribery and corruption laws in jurisdictions where the Company and its Business Units operate. The Company does not tolerate nor condone bribery and corruption when dealing with its business partners and stakeholders.</p> <p>In support of this mandate, the Company adopted new guidelines to combat bribery and corruption in 2021. The guidelines provided measures and protocols to complement existing business processes and monitor compliance or deviations from the Code and the prohibition against bribery and corruption.</p> <p>In addition, the anti-corruption guidelines aim to further strengthen the Company's internal controls and procedures involved in the pursuit of its commitment to provide social and economic development programs to targeted communities and beneficiaries.</p>
<p>Gifts, Meals and Entertainment Guidelines</p>	<p>In 2021, AboitizPower adopted new guidelines to supplement the Code and ensure that team members make the right decisions when giving or accepting gifts, entertainment or travel when conducting business on behalf of the Aboitiz Group. The Company does not tolerate nor condone bribery and corruption when dealing with its business partners and stakeholders.</p>
<p>Business Partner Due Diligence Guidelines</p>	<p>In 2021, AboitizPower adopted new guidelines to supplement the Code and give guidance to prevent and mitigate the risk of dealing or being associated with a business partner involved in fraud, bribery, corruption, or other financial crimes. These guidelines outline the minimum due diligence and monitoring activities to be performed on existing and potential business partners of the Company.</p>
<p>General Trading Policy</p>	<p>The Revised General Trading Policy supplements the commitment under the Codes to prevent the misuse of inside information, and emphasizes reporting and disclosing material information, and the rule on prohibited insider trading.</p> <p>As a listed company, AboitizPower is required to report transactions of company shares by its directors and officers. To ensure the strict compliance with this requirement, directors and officers are advised of their disclosure obligations during their onboarding. The Compliance Officer also sends out a monthly reminder to directors and officers to disclose their transactions.</p> <p>The trading policy of AboitizPower prohibits any misuse of insider information. All team members are mandated to exercise prudence in handling material non-public information in the course of their work, and in relation to the trading or dealing with AboitizPower shares. The Company strictly enforces its trading blackout and insider trading policy to curtail opportunistic dealings in company shares. Violations must be reported to the Compliance Officer and the Board ESCG Committee. Since the last amendment of the trading policy in 2017, there has been no reported violation and conviction of insider trading, as well as abusive self-dealing by directors, management, and employees.</p> <p>In 2021, there was no reported incident of non-compliance with the General Trading Policy.</p>

SEC FORM 20-IS (INFORMATION STATEMENT)

<p>Related Party Transactions (RPT) Policy</p>	<p>In October 2019, the AboitizPower Board approved the RPT Policy in compliance with the SEC Memorandum Circular No. 10 series of 2019. The new rule focuses and regulates only material RPTs or RPTs amounting to 10% or higher of a company's total assets. The new rule also specified an approval process for material RPTs and mandated publicly-listed companies to notify the SEC of their RPTs that breach the threshold. The Board RPT Committee has the mandate to ensure that RPTs are taken on an arms'-length basis and within market rates, with sufficient documentation, and coursed through all appropriate levels of necessary approvals.</p> <p>In 2021, the Board approved the Company's Revised RPT Policy to further strengthen the review, reportorial, and approval processes of RPTs, particularly those falling below the SEC-defined materiality threshold.</p> <p>In 2021, AboitizPower did not enter into any material RPTs and there was no reported case of non-compliance with the laws, rules and regulations pertaining to significant or material RPTs.</p>
<p>Conflict of Interest Policy</p>	<p>AboitizPower believes that it is the duty of the Board of Directors to advance the Group's interests and those of the companies' stakeholders. To this end, the Company has adopted a Policy on Conflict of Interest, which promotes an ethical corporate culture and prohibits directors, officers, team leaders, and team members from taking advantage of access to corporate property and proprietary information for personal gain. The policy requires the disclosure of relationships, actions, or transactions that may give rise to a conflict of interest. In addition, AboitizPower directors are required to abstain or inhibit themselves from any Board discussion or decision that affects or has relevance or relation to their personal, business, or professional interests. The Company's directors are also prohibited from engaging in any business that competes with or is antagonistic to the Group. In the event of a perceived or actual conflict of interest, the concerned director must notify the Board, through the Corporate Secretary.</p> <p>In addition, the directors must notify the Board, through the Corporate Secretary, before accepting any directorship outside the Aboitiz Group during their term.</p> <p>In 2021, there was no reported incident of non-compliance with the Conflict of Interest Policy.</p>
<p>Data Privacy Policy</p>	<p>In 2017, the Company launched its data privacy compliance program, which includes the implementation of the Information Security Management System (ISMS). Since then, the Company has been able to establish a fundamental awareness of data privacy principles and the related ISMS philosophies, through various learning channels including e-learning modules, face-to-face trainings and forums.</p> <p>AboitizPower continues to ensure the implementation of Data Privacy Policies, manuals, and supporting guidelines that are aligned with the Data Privacy Act, including its implementing rules and supporting National Privacy Commission (NPC) circulars.</p> <p>As the Aboitiz Group continues to operate in a highly digital and fast-changing environment, the Data Protection Teams of each Business will strive to keep up with the expectations of their Data Subjects, as well as with the evolving guidelines of the NPC. This constant review of requirements, downloading of information, updating of processes, and testing of capabilities aims to ensure that Aboitiz is able to meet the expectations of stakeholders.</p>

SEC FORM 20-IS (INFORMATION STATEMENT)

Disclosure Policy	To supplement the implementation of the Code and in compliance with laws and regulations, AboitizPower has a Disclosure Policy that requires complete, timely, and accurate disclosures to the Securities and Exchange Commission (SEC), the Philippine Stock Exchange (PSE), and the Philippine Dealing & Exchange Corp. (PDEX). The Company's Board Secretariat ensures compliance with the disclosure rules. In 2021, there were no reported cases of non-compliance with the disclosure rules of the SEC, the PSE, and the PDEX.
-------------------	--

For a full discussion on the Company's corporate governance initiatives, please refer to the 2021 Consolidated Annual and Sustainability Report, 2021 IACGR, and the Governance page which will be available at www.aboitzpower.com.

Disclosure and Transparency

Pursuant to its commitment to transparency and accountability, AboitizPower's website, www.aboitzpower.com has its own dedicated corporate governance webpage which serves as a resource center and library for its stakeholders.

SUSTAINABILITY AND ENVIRONMENT, SOCIAL, AND GOVERNANCE PRACTICES

Sustainable business practices have enabled the Aboitiz Group to operate commercially for 100 years. A key component of AboitizPower's ESG strategy is to create a balance between business growth and sustainability initiatives. It adopts the triple bottom line framework to measure the impact of its activities not only on profit but also on people and the planet. In line with this, the Company continues to strengthen its commitment to ESG standards and practices.

Indices and Ratings

AboitizPower continues to be recognized as a constituent company in the FTSE4Good Index Series for the fourth consecutive year since 2018. The Company has managed to get a higher overall rating in the latest assessment with a score of 3.1 in 2021 from 2.5 in 2020, a 24% increase because of the improvements in its health and safety initiatives as well as its campaign on diversity, equity, and inclusion, among others. The FTSE4Good Index Series, created by global index provider FTSE Russell, measures the performance of companies demonstrating strong ESG practices.

The Company's recent Corporate Sustainability Assessment by the highly regarded S&P Global has also shown marked improvements in its ESG performance. The Company's score further increased from 40 in 2020 to 44 in the 2021 assessment, which also improved its percentile ranking in the global peer group from 54th to 67th percentile.

AboitizPower also earned a Sustainalytics ESG Risk Rating of 33.9, a 3.5 decrease of risk exposure from the previous year. Meanwhile, the Company retained its BB rating from the MSCI ESG Rating and D- in the CDP Climate Change Report.

Focus Areas

AboitizPower is driven by its Sustainability Vision to contribute to the OneAboitiz Sustainability goals through the 1AP Sustainability Culture. The Company manages its economic, environmental, and social impact through strong governance to deliver value to its stakeholders. AboitizPower will continue to focus on addressing gaps in various areas of ESG, including governance improvements, addressing climate-related risks, and a long-term plan to transition to more renewable energy in its generation portfolio.

AboitizPower's growth strategy for the next ten years is to significantly grow its renewables portfolio, Cleanergy. The Company ensures its balance strategy is well-aligned with the government's efforts to address

SEC FORM 20-IS (INFORMATION STATEMENT)

the energy trilemma of energy security, energy equity, and environmental sustainability. It remains committed to its goal of a more balanced energy mix, or a 50:50 Cleanenergy and thermal capacities, by 2030.

The Company's focus areas on its ESG reports are team member engagement, talent development, Occupational Health and Safety (OHS), diversity and inclusion, corporate governance, Corporate Social Responsibility (CSR), customer focus, disaster resilience, carbon emissions reduction, resource efficiency, renewable energy, waste management, biodiversity and conservation, financial growth, financial returns, risk management, and ISO certification.

The Company conducts a report in compliance with the sustainability reporting initiatives of its parent company, AEV. Currently, AboitizPower is compliant with AEV's sustainability reporting initiatives. Its report has been prepared following the GRI Standards: Core Option and its key performance indicators are aligned with the United Nations Sustainable Development Goals (SDG).

United Nations Sustainable Development Goals

The Aboitiz Group is one of the first Philippine businesses to support the United Nations' 17 SDG and in 2020, became a participant in the United Nations Global Compact. AboitizPower, has, or expects to have, direct, significant, and profitable contributions to UN SDG 7 or Affordable and Clean Energy, through its Cleanenergy, AboitizPower's brand for clean and renewable energy. As of end 2021, the Company has a total net sellable capacity of 1,249 MW of renewable energy.

AboitizPower is submitting its Sustainability Report through the consolidated report that its parent company, AEV, publishes annually. AEV began publishing its Sustainability Report in 2009, being one of the few Philippine publicly-listed companies to publish and submit a report on its sustainability impacts and performances to SEC.

Sustainable Finance

In February 2016, Asian Development Bank ("ADB") provided a credit enhancement to AboitizPower's Subsidiary, APRI, for its Tiwi-MakBan geothermal energy facilities. The issuance by APRI of the U.S.\$225 mn (₱10.7 bn in local currency) bond was in addition to a direct loan from ADB of ₱1.8 bn (U.S.\$37.7 mn). ADB's credit enhancement was in the form of a guarantee of 75% of the principal and interest on the bond. The Climate Bond, which was certified by the Climate Bonds Initiative, was the first issuance of its kind in Asia.

Corporate Social Responsibility

AboitizPower and its Business Units contribute to social development programs in education, enterprise development, and environment implemented by the Aboitiz Group through its social development arm, Aboitiz Foundation, Inc. (Aboitiz Foundation). These CSR program projects are also aligned with the Aboitiz Group's core competencies and are made scalable nationwide to deliver long-term benefits to targeted communities and beneficiaries. The Aboitiz Group, through Aboitiz Foundation, invested a total of ₱423 mn in CSR projects and initiatives to support its communities in 2020, of which ₱266 mn was committed for its environmental programs, ₱106 mn for education, ₱8 mn for enterprise or livelihood programs, and ₱43 mn for other initiatives. All these are consistent with the Group's commitment to protecting and enriching our planet and uplifting the well-being of its communities. Through responsible operations and the implementation of various sustainability and CSR projects, the Company is constantly advancing business and communities by exploring opportunities to create shared value whenever possible.

Moreover, the Company provides additional funds for the communities through its compliance with the ER 1-94. This program is a policy under the DOE Act of 1992 and the EPIRA, which stipulates that host communities will get a share of ₱0.01/kWh generated by power plants operating in its area. The funds generated can be used by host beneficiaries for the electrification of areas or households that have no access to power, development and livelihood programs, as well as reforestation, watershed management, health, and environmental enhancement initiatives. Due to the COVID-19 pandemic in 2020, the DOE released a new circular which repurposed the ER 1-94 funds for projects that would help alleviate the COVID-19 situation in the host

SEC FORM 20-IS (INFORMATION STATEMENT)

community. The Company has successfully downloaded about ₱153 mn worth of ER 1-94 funds to about 150 host beneficiaries. About ₱504 mn worth of outstanding ER 1-94 funds was also remitted by the DOE to the Company's beneficiaries. The remitted funds were used by the beneficiaries to build isolation facilities and purchase relief goods, medical supplies or equipment, and COVID-19 testing kits. The Company continues to extend assistance to its communities to ensure the full utilization of the available ER 1-94 funds.

Beyond Compliance

The Aboitiz Group's brand promise of advancing business and communities extends beyond compliance with government laws and regulations. The Aboitiz Group is committed to stakeholder-focused environmental management projects, such as the A-Park nationwide reforestation program, the Aboitiz Cleanergy Park in Davao City, the Cleanergy Center in Laguna, and the Energy Education Center (EEC) in TSI.

(a) A-Park Program

The A-Park Program is the Aboitiz Group's partnership with DENR's Expanded National Greening Program. AboitizPower supports the A-Park Program through the watershed management and carbon sink programs of its Subsidiaries.

(b) Aboitiz Cleanergy Park

The Company also features the Aboitiz Cleanergy Park as one of its environmental programs. Located in Davao City, the eight-hectare park showcases a mangrove reforestation site, nursery, botanical garden for the propagation of 29 native tree species and is home to more than 100 species of birds. Aside from helping reduce carbon emissions, the park is also actively promoting habitat conservation and biodiversity management in an urban setting. Most importantly, the park serves as a sanctuary and safe nesting ground for the critically endangered hawksbill sea turtles. Since 2014, the park has already released more than 6,000 hawksbill hatchlings to the sea, planted 13,992 mangroves, and rescued 16 *pawikans*.

(c) Cleanergy Center and Energy Education Resource Center

In 2013, the Company launched its Cleanergy Center at the Makiling-Banahaw Geothermal Complex of APRI to firm up its long-standing commitment to responsible energy development and education. The Cleanergy Center—taken from the words “clean energy” and named after AboitizPower's brand for renewables—is the country's first renewable energy learning facility. Since it opened, the Cleanergy Center has welcomed close to 56,000 visitors from all over the country and even abroad.

SEC FORM 20-IS (INFORMATION STATEMENT)

ANNEX "A"

EXPLANATION OF AGENDA ITEMS (including Agenda Items requiring Stockholders' Approval)

ITEM NO. 1: The Chairman will formally open the meeting at approximately 1:00 P.M.

ITEM NO. 2: **Proof of Notice of Meeting and Determination of Quorum**

RATIONALE: *To inform the stockholders that notice requirements for the 2022 Annual Stockholders' Meeting (2022 ASM) have been complied with in accordance with the Company's Amended By-Laws, the Revised Corporation Code of the Philippines and that quorum exists for the transaction of business.*

The Corporate Secretary will certify the date when notices for the 2022 ASM were sent out to the stockholders of record, including the date of publication and the newspapers where the notice was published. The Corporate Secretary will also certify to the existence of a quorum, as verified and confirmed by the Board of Election Inspectors. Stockholders representing at least a majority of the outstanding capital stock, present in person or by proxy, shall constitute a quorum for the transaction of business.

Voting shall be through proxy or remote communication or *in absentia*. Pursuant to Sections 4, 5, and 6 of the Company's Amended By-Laws and Sections 23 and 57 of the Revised Corporation Code which allow voting through remote communication or *in absentia*, stockholders may access the link: <https://aboitizpower.com/2022asm> (the "ASM Portal"), to register and vote on the matters at the meeting beginning March 24, 2022. A stockholder voting *in absentia* shall be deemed present for purposes of quorum.

Votes may be cast by registered stockholders until 10:00 a.m. of April 25, 2022, which will be tabulated and presented during the 2022 ASM. Stockholders may still vote after the cut-off, and the final votes received through proxy and through the ASM Portal will be included in the minutes of the 2022 ASM.

The following are the rules and conduct of the procedures for voting and participation in the meeting through remote communication:

1. Stockholders may register at the Company's ASM Portal beginning March 24, 2022 until 10:00 a.m. of April 25, 2022. Only stockholders who registered and voted before the cut-off time will be counted for quorum purposes.
2. Votes cast by registered stockholders until 10:00 a.m. of April 25, 2022 will be tabulated and presented during the 2022 ASM. Stockholders may still vote after the cut-off, and the final total votes received through proxy and through the ASM Portal will be included in the minutes of the 2022 ASM.
3. The conduct of the 2022 ASM will be livestreamed and stockholders may participate in the proceedings through the ASM Portal.
4. Stockholders may send their remarks or questions in advance, or during the meeting, through the ASM Portal. The moderator shall read out the remarks or questions, and direct them to the relevant director or officer.
5. Each of the proposed resolutions for approval will be shown on screen at the time they are being taken up at the meeting.
6. All votes received within the cut-off shall be tabulated by the Office of the Corporate Secretary and the results shall be validated by Luis Cañete & Company, an independent auditing firm which has been appointed as the Board of Election Inspectors.

SEC FORM 20-IS (INFORMATION STATEMENT)

7. The Corporate Secretary shall report the votes received and inform the stockholders if the particular agenda item is carried or disapproved. The total number of votes cast for all items for approval, as of the cut-off time, shall be flashed on the screen.

ITEM NO. 3: Reading and Approval of the Minutes of the Previous Stockholders' Meeting held on April 26, 2021

RATIONALE: To allow the stockholders to confirm that the proceedings during the ASM were recorded accurately and truthfully.

The minutes of the meeting held on April 26, 2021 was posted at AboitizPower's website, www.aboitzpower.com, on April 27, 2021. Copies of the 2021 ASM minutes is made part of the Information Statement and provided to the stockholders.

A resolution approving the minutes of the April 26, 2021 ASM will be presented to the stockholders for approval.

ITEM NO. 4: Presentation of the President's Report

RATIONALE: To apprise the stockholders of the Company's operating performance, financial condition and outlook.

The President and Chief Executive Officer, Mr. Emmanuel V. Rubio, shall deliver a report to the stockholders on the 2021 operating and financial performance of the Company, as well as its outlook for 2022.

ITEM NO. 5: Approval of the 2021 Annual Report and Financial Statements

RATIONALE: To present to the stockholders the results of the Company's operations in 2021, in accordance with Section 74 of the Revised Corporation Code.

The Company's audited financial statements as of December 31, 2021 is integrated and made part of the Company's Information Statement that will be sent to the stockholders at least 15 business days prior to the 2022 ASM. The Information Statement and the Company's 2021 Annual Report will be posted on the Company's website, at www.aboitzpower.com.

A resolution approving the 2021 Annual Report and Audited Financial Statements shall be presented to the stockholders for approval.

ITEM NO. 6: Appointment of the Company's External Auditor for 2022

RATIONALE: To appoint an auditing firm which can best provide assurance to the directors and stockholders on the integrity of the Company's financial statements and adequacy of its internal controls. The Board Audit Committee and the Board of Directors will endorse an external auditor for 2022 for the stockholders to appoint.

The Company's Board Audit Committee endorsed, and the Board of Directors approved for stockholders' consideration the election of Sycip Gorres Velayo & Co. (SGV) as the Company's external auditor for 2022.

The accounting firm of SGV has been AboitizPower's Independent Public Accountant for the last 23 years. Ms. Jhoana Feliza C. Go is AboitizPower's new audit partner from SGV beginning 2022. Ms. Go replaced Ms. Maria Veronica R. Pore who previously served as AboitizPower's audit partner from 2017 to 2021. AboitizPower complies with the requirement of Section 3(b)(ix) of SRC Rule 68 on the rotation of external auditors or signing partners and the two-year cooling-off period.

SEC FORM 20-IS (INFORMATION STATEMENT)

There has been no event in the past 23 years wherein AboitizPower and SGV or its handling partner had any disagreement regarding any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedures.

A resolution for the appointment of the Company's external auditor for 2022, and ratifying the fees paid in 2021 shall be presented to the stockholders for approval.

ITEM NO. 7: Election of the Members of the Board of Directors

RATIONALE: *To allow stockholders to elect the Company's Board of Directors in accordance with Section 24 of the Revised Corporation Code and the Company's Amended By-Laws.*

A stockholder may submit his nominee to the Company's Board of Directors in accordance with the deadlines set forth in the Company's Amended By-Laws. Under the Amended Guidelines for the Nomination and Election of Independent Directors, the period for nominations for Independent Directors started on January 1, 2022 and the table of nominations closed on February 15, 2022, unless the Board Environmental, Sustainability and Corporate Governance (ESCG) Committee, acting as the Nomination Committee, unanimously agrees to extend the deadline for meritorious reasons. The stockholders who nominated the Independent and other directors are disclosed in the Information Statement. The ESCG Committee assesses and evaluates the nominees before submitting the final list of qualified nominees to the stockholders for approval. The profiles of all the nominees are (i) disclosed to the Securities and Exchange Commission (SEC), the Philippine Stock Exchange (PSE), and the Philippine Dealing and Exchange Corporation (PDEX), (ii) included in the Company's Information Statement, and (iii) uploaded in the Company's website for examination by the stockholders.

A stockholder may distribute his shares for as many nominees as there are directors to be elected, or he may cumulate his shares and give one candidate as many votes as the number of directors to be elected, provided that the total number of votes cast does not exceed his shares in the Company. The nine nominees receiving the highest number of votes will be declared elected as directors of the Company.

ITEM NO. 8: Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from 2021 up to April 25, 2022

RATIONALE: The acts and resolutions of the Board of Directors, Corporate Officers, and Management were those adopted since the 2021 ASM last April 26, 2021 and until April 25, 2022. These included the approval of contracts and agreements and other transactions in the ordinary course of business. A summary of these acts and resolutions are enumerated in the Information Statement. The Company also regularly discloses material transactions approved by the Board of Directors. These disclosures are available for viewing and download at the Company's website at www.aboitzpower.com.

A resolution ratifying the acts and proceedings of the Board of Directors, Corporate Officers and Management will be presented to the stockholders for approval.

ITEM NO. 10: Other Business

The Chairman will open the floor for comments or queries by the stockholders. Stockholders are given the opportunity to address the members of the Board, ask questions, and raise matters which may be properly taken up during the 2022 ASM.

---end---

SEC FORM 20-IS (INFORMATION STATEMENT)

ANNEX "B-1"

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **RAPHAEL P.M. LOTILLA**, Filipino, of legal age, with residence address at 23 Andrew St., Metroheights Subdivision, Culiat, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of Aboitiz Power Corporation (AboitizPower) and have been its independent director since April 26, 2021.

2. I am currently affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Petron Foundation, Inc.	Independent Director	2014 to present
ACE Enexor Inc.	Independent Director	2013 to present
First Metro Investment, Inc.	Independent Director	2013 to present
The Asia-Pacific Pathways to Progress Foundation, Inc.	Chairman of the Board of Trustees	2014 to present
Philippine Institute for Development Studies	Trustee	2014 to present
Ateneo University Professional Schools	Member of the Advisory Committee	2015 to present
Adjunct Faculty	Asian Institute of Management	2021 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of AboitizPower, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of AboitizPower and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not an officer or employee of any government agency, government instrumentality or government-owned and controlled corporation.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of AboitizPower of any changes in the abovementioned information within five (5) days from its occurrence.

SEC FORM 20-IS (INFORMATION STATEMENT)


Done, this 15th of February 2022 at Taguig City, Philippines.


RAPHAEL P.M. LOTILLA
Affiant

SUBSCRIBED AND SWORN to before me this 15th of February 2022 at Taguig City, Philippines. Affiant, who is personally known to me, exhibited to me his Philippine Passport No. P8900211A issued at DFA Manila on September 26, 2018.

Doc. No. 287 ;
Page No. 59 ;
Book No. XVII ;
Series of 2022




Atty. Strella Marie G. Saccalan
Notary Public for Taguig City
Notarial Commission No. 99
Until June 30, 2022
NAC Tower, 32nd St. Bonifacio Global City, Taguig City
PTR No. A-5025311, January 6, 2021, Taguig City
IBP OR No. 144348, January 6, 2021
Roll No. 63289
MCLE Compliance No. VI-0011090

SEC FORM 20-IS (INFORMATION STATEMENT)

ANNEX “B-2”

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **ERIC RAMON O. RECTO**, Filipino, of legal age, with business address at PBCOM Head Office, 6795 Ayala Avenue Corner V. A. Rufino Street, Makati, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of Aboitiz Power Corporation (AboitizPower) and have been its independent director since May 21, 2018.
2. I am currently affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
DITO CME Holdings Corp. (formerly: ISM Corporate Corporation)	Director	2005 to present
Q-Tech Alliance Holdings, Inc.	President/ Director	2009 to present
Atok-Big Wedge Co., Inc.	Director	2009 to present
	President and Chief Executive Officer	2016 to present
Philippine Bank of Communications	Chairman of the Board	2013 to present
Bedfordbury Development Corporation	Chairman and President	2014 to present
PH Resorts Group Holdings, Inc.	Independent Director	2018 to present
Alphaland Corporation	Vice Chairman of the Board	2018 to present
Waterfront Cebu City Casino Hotel Inc.	Independent Director	2018 to present
Davao Insular Hotel Company Inc.	Independent Director	2018 to present
Manila Water Company, Inc.	Independent Director	2021 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of AboitizPower, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of AboitizPower and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I am not an officer or employee of any government agency, government instrumentality or government-owned and controlled corporation.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of AboitizPower of any changes in the abovementioned information within five (5) days from its occurrence.

SEC FORM 20-IS (INFORMATION STATEMENT)

Done, this 15th of February 2022 at Taguig City, Philippines.



ERIC RAMON O. RECTO
Affiant

SUBSCRIBED AND SWORN to before me this 15th of February 2022 at Taguig City, Philippines. Affiant, who is personally known to me, personally appeared before me and exhibited to me his his Senior Citizen No. 6390 issued in Muntinlupa City, Philippines on January 27, 2006 bearing the affiant's photograph and signature.

Doc. No. 286 ;
Page No. 59 ;
Book No. XVII ;
Series of 2022



Atty. Strella Marie G. Sacdalan
Notary Public for Taguig City
Notarial Commission No. 99
Until June 30, 2022

NAC Tower, 32nd St. Bonifacio Global City, Taguig City
PTR No. A-5025311, January 6, 2021, Taguig City
IBP OR No. 144348, January 6, 2021
Roll No. 63289
MCLE Compliance No. VI-0011090

SEC FORM 20-IS (INFORMATION STATEMENT)

ANNEX “C-1”

SUMMARY OF THE MINUTES OF THE 2021 ANNUAL STOCKHOLDERS’ MEETING

The meeting was called to order on April 26, 2021 at 2:30 p.m. by Lead Independent Director, Mr. Romeo L. Bernardo, who acted as Chairman of the Meeting pursuant to the authority granted by the Board of Directors. The Corporate Secretary, Mr. Manuel Alberto R. Colayco, recorded the minutes of the meeting. The Corporate Secretary certified that notices for the 2021 Annual Stockholders’ Meeting of AboitizPower were duly sent out on March 24 and March 25, 2021 to all stockholders of record as of close of business on March 23, 2021. Through the notice, the stockholders were informed that in light of the continuing COVID-19 global pandemic and government-imposed restrictions on mass gathering, the Company will be conducting its 2021 ASM online through live streaming available at the Company’s website. In addition, the notice informed the stockholders that they could cast their votes through proxies or *in absentia* using the Company’s online voting portal, <https://conveneagm.com/ph/AboitizPower2021ASM>. The Corporate Secretary further reported that notices of the meeting were distributed to stockholders through the following: (i) disclosed to the PSE including any amendments thereof; (ii) published in the business section of the Daily Tribune and Manila Standard on March 24 and 25, 2021; (iii) uploaded on the Company’s website; (iv) sent to stockholders electronically via email and through private courier on March 30, 2021; and (v) broadcasted through the PDTC platform for the stockholders under PCD/Broker accounts.

The Corporate Secretary certified to the existence of a quorum, there being a total of 14,621,604 shares participating remotely or livestream, 61,936 shares present by voting *in absentia*, and 6,473,750,011 shares represented by proxy, or a total of 6,488,433,551 shares which constitute at least a majority of, or 88.17% of the total outstanding capital stock of 7,358,604,307 entitled to vote, or more than two-thirds (2/3) of the total outstanding shares entitled to vote as of 1:30 p.m.

The Corporate Secretary informed the stockholders that the Company engaged the services of the accounting firm, Luis Cañete & Company as its Board of Election Inspectors to verify, canvass, and validate the shareholder’s vote for the Company’s 2021 ASM.

There were 136 viewers of the live webcast of the 2021 ASM on <https://conveneagm.com/ph/AboitizPower2021ASM>.

Upon motion duly made and seconded, the minutes of the previous Annual Stockholders’ Meeting last April 27, 2020 was approved.

The body passed the following resolutions:

- 1) Approval of the 2020 Annual Report and Audited Financial Statements
- 2) Appointment of the Company's External Auditor for 2021
- 3) Election of the Members of the Board of Directors
- 4) Approval of the Increase in the Per Diem of the Chairman of the Board and Chairmen of the CommitteesRatification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management in 2020 up to April 26, 2021

After the approval of the proposed resolutions, the meeting was duly adjourned.

A Copy of the Minutes of the 2021 ASM is also available at the Company’s website at: <https://aboitizpower.com/uploads/AP-Minutes-2021-04.26.21-Annual-Stockholders-Meeting-FINAL-DRAFTv3.pdf>



**Minutes of the Annual Stockholders' Meeting
of**

Aboitiz Power Corporation

("AboitizPower" or the "Company")

Conducted virtually through a secure Video Conference Facility through:

<https://conveneagm.com/ph/AboitizPower2021ASM>

on

26 April 2021 at 1430H

Stockholders Present:

Total No. of Shares Outstanding	7,358,604,307
Total No. of Shares of Stockholders represented by Proxy*	6,473,750,011
Percentage of Shares of Stockholders represented by Proxy	87.98%
Total No. of Shares of Stockholders present through Remote Participation (Livestream)	14,621,604
Percentage of Shares of Stockholders present through Remote Participation (Livestream)	0.20%
Total No. of Shares of Stockholders present by Voting <i>in Absentia</i>	61,936
Percentage of Shares of Stockholders present by Voting <i>in Absentia</i>	0.00%
Total No. of Shares of Stockholders Represented by Proxy, Present through Remote Communication (Livestream), and by Voting <i>in Absentia</i>	6,488,433,551
Percentage of Shares of Stockholders Represented by Proxy, Present through Remote Communication (Livestream), and by Voting <i>in Absentia</i>	88.17%
Total No. of Shares Not Represented	870,170,756
Percentage of Shares Not Represented	11.83%

Directors Present:

Name	Designation
Erramon I. Aboitiz	Chairman of the Board/Member, Board Environmental, Social, and Corporate Governance (ESCG) Committee, Board Audit Committee, and Board Executive Committee
Mikel A. Aboitiz	Vice Chairman of the Board/Member, Board ESCG Committee and Board Executive Committee
Emmanuel V. Rubio	Director/President and Chief Executive Officer/Chairman, Board Executive Committee/Member, Board Risk and Reputation Management Committee
Enrique M. Aboitiz	Director/Chairman, Board Risk and Reputation Management Committee/Member, Board Executive Committee
Jaime Jose Y. Aboitiz	Director/Executive Vice President & Chief Operating Officer/Member, Board Risk and Reputation Management Committee and Board Executive Committee

*Shares represented by proxies exclude those represented by proxies that are submitted beyond the deadline of April 19, 2021.

Name	Designation
Danel C. Aboitiz	Director/ Member, Board Audit Committee
Romeo L. Bernardo	Lead Independent Director/Chairman, Board ESCG/Member, Board Audit Committee, Board Risk and Reputation Management Committee, and Board Related Party Transaction Committee
Carlos C. Ejercito	Independent Director/Chairman, Board Audit Committee/Member, Board ESCG Committee, Board Risk and Reputation Management Committee, and Board Related Party Transaction Committee
Eric Ramon O. Recto	Independent Director/Chairman, and Board Related Party Transaction Committee/Member, Board ESCG Committee, Board Audit Committee, and Board Risk and Reputation Management Committee

The list of Company officers present and other attendees during the meeting is attached as **Annex "A"**.

Before the official start of the meeting, Mr. Francis Victor Salas, the Company's Investor Relations Officer, read the House Rules and Procedures for Voting for the 2021 Annual Stockholders Meeting (ASM), as follows:

1. Stockholders who registered through the Company's ASM Portal at <https://conveneagm.com/ph/AboitizPower2021ASM> (the "ASM Platform") may participate and vote in the ASM;
2. For proper order, the moderator will read out questions and comments received before the cut-off during the question-and-answer (Q&A) session scheduled at the end of the meeting. Questions that were not taken up during the meeting may be directed to the Company representatives whose details were flashed on the screen;
3. The language of the proposed resolutions and the number of votes received for each agenda item will be shown on the screen
4. Voting *in absentia* through the Company's ASM Platform will remain open until the end of the meeting. For purposes of presentation, votes received through proxy, and votes cast through the voting portal as of 1:30 pm on April 26, 2021 will be shown for each relevant agenda item;
5. The final results of the votes cast will be reflected in the minutes of the 2020 ASM which will be posted on the Company's website on April 27, 2021.
6. The proceedings of the 2021 ASM will be recorded.

I. CALL TO ORDER

Mr. Emmanuel V. Rubio (EVR), Director and President & Chief Executive Officer, acted as Chairman of the 2021 ASM pursuant to the authority granted by the Board of Directors. The Corporate Secretary, Mr. Manuel Alberto R. Colayco (MAC), recorded the minutes of the meeting.

The Chairman of the Meeting explained that in light of the COVID-19 pandemic, for the 2nd year, the Company is holding its 2021 ASM virtually, to comply with the government restrictions on mass gatherings and movements of individuals.

II. PROOF OF NOTICE OF MEETING

The Corporate Secretary certified that notices for the 2021 ASM were distributed to stockholders as follows: (i) disclosed to the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), and Philippine Depository & Trust Corporation (PDTC) (ii) uploaded on the Company's website, (iii) published in the business section of the Daily Tribune and Manila Standard on March 24 and 25, 2021, (iv) sent to stockholders electronically and through private courier on March 30, 2021, and (v) broadcasted through the PDTC platform for the stockholders under PCD/Broker accounts.

As an additional measure, Quick Response (QR) code of the company's Definitive Information Statement was also published on March 30 and 31, 2021 in the business section of two newspapers of general circulation.

The Corporate Secretary certified that the Notice and Agenda were sent out at least 21 days prior to the ASM, in accordance with the requirements of the Revised Corporation Code and SEC regulations. The Notice informed stockholders that the Company would not conduct a physical annual stockholders meeting. Instead, the 2021 ASM will be streamed live from the Company's principal address in Taguig City. Stockholders were also notified that if they wish to cast their votes, they may vote through Proxy or *in absentia* through the ASM Portal. The Stockholders were also informed of the rationale for each Agenda Item that will be put to a vote today. MAC also informed the stockholders attending the meeting that they could still cast their votes online until the adjournment of the meeting.

III. DETERMINATION OF QUORUM

Upon the Chairman's request, the Corporate Secretary certified that, as of 1:30 P.M., there was a quorum to conduct business, there being a total Six Billion Four Hundred Seventy-Three Million Seven Hundred Fifty Thousand Eleven (6,473,750,011) shares represented by proxy, Fourteen Million Six Hundred Twenty-One Thousand Six Hundred Four (14,621,604) shares attending through remote communication or livestream, and Sixty-One Thousand Nine Hundred Thirty-Six (61,936) shares present by voting *in absentia*, or a total of Six Billion Four Hundred Eighty-Eight Million Four Hundred Thirty-Three Thousand Five Hundred Fifty-One (6,488,433,551) shares entitled to vote. The shares constituted 89.17% of the Company's total outstanding shares of Seven Billion Three Hundred Fifty-Eight Million Six Hundred Four Thousand Three Hundred Seven (7,358,604,307) entitled to vote, which is more than 2/3 of the Company's total outstanding shares entitled to vote.

The Corporate Secretary informed the stockholders that the Company engaged the services of the accounting firm Luis Cañete & Company as its Board of Election Inspectors to verify, canvass, and validate the shareholder's vote for the Company's 2021 ASM.

There were 136 attendees of the live webcast of the 2021 ASM through the Company's ASM Platform, <https://convenaqm.com/ph/AboitizPower2021ASM>.

IV. READING AND APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING HELD ON APRIL 27, 2021

The Chairman proceeded to the next item in the agenda, which was the reading and approval of the minutes of the previous stockholders' meeting on April 27, 2020. Upon motion duly made and seconded, the reading of the minutes of the previous stockholders' meeting dated April 27, 2020 was dispensed with and the stockholders approved the minutes of the previous stockholders' meeting.

Upon motion duly made and seconded, the stockholders approved the following resolutions:

ASM Resolution No. 2021-1

"**RESOLVED**, that the stockholders of Aboitiz Power Corporation (the "Company") approve, as they hereby approve, the minutes of the Annual Stockholders Meeting Report held last April 27, 2020."

The Corporate Secretary recorded the following votes for this item, the results of which were verified by the representatives from Luis Cañete & Company.

Vote	Number of Votes (One Share-One vote)	Percentage of shares represented
In favor	6,488,433,551	100.00%
Against	0	0%
Abstain	0	0%
Total	6,488,433,551	100.00%

The voting process complied with the one-share, one-vote and cumulative voting requirements under the Revised Corporation Code. The votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the online voting portal.

V. PRESENTATION OF THE PRESIDENT'S REPORT

The Chairman of the meeting, as the Company's President and Chief Executive Officer, presented his pre-recorded report to the stockholders. EVR informed the stockholders that questions will be entertained during the Q&A portion at the end of the meeting. The President's report covered the highlights of the Company's financial and operating results for the year 2020, specifically on the following matters:

- 5.1 1AP Pandemic Response and Initiatives;
- 5.2 Financial Highlights for 2020;
- 5.3 Dividend Policy and Stock Performance;
- 5.4 Operating Results, Highlights, and Outlook of the Company's Key Subsidiaries;
- 5.5 Capital Expenditure;
- 5.6 Risk Management and Risk Maturity Index;
- 5.7 COVID-19 Corporate Social Responsibility (CSR);
- 5.8 ESCG Performance and Initiatives;

- 5.9 Renewable Energy (RE) Updates; and
- 5.10 Tribute to Outgoing Director and Welcome to Incoming Directors.

(A copy of the President's report to the stockholders is attached to the minutes and made an integral part of the minutes of the Annual Stockholders' Meeting. The presentation materials have also been uploaded on the Company's website.)

VI. APPROVAL OF THE 2020 ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

The Chairman informed the stockholders that the next item on the agenda was the approval of the Company's Annual Report and its Audited Financial Statements as of and for the year ended December 31, 2020. He informed the stockholders that the Audited Financial Statements were incorporated in the Definitive Information Statement and the 2020 Annual Report, copies of which were distributed to the stockholders through disclosures to the PSE and PDTC on March 29, 2021. As an added measure, a QR code of the Definitive Information Statement was also published in two newspapers of general circulation.

The Corporate Secretary certified that the following information were included in the Company's 2020 Annual Report and Information Statements:

- a) the draft minutes of the 2020 Annual Stockholders Meeting;
- b) the security ownership of the Company's top 20 stockholders, as well as security ownership of its directors and officers;
- c) the attestation and verification from the Company's President and Internal Audit Head that its systems of risk management, internal controls, and compliance and governance processes provide reasonable assurance that the Company's risks are managed to an acceptable level;
- d) the Company's audited financial statements for the period as of and for the period ending December 31, 2020, as audited by the Company's independent external auditor, SyCip Gorres Velayo & Co. (SGV);
- e) dividends declared and paid for by the Company, for the past three years, as well as the Company's dividend policy;
- f) a statement on the external audit and non-audit fees;
- g) the profiles of the Company's directors and officers, as well as the profiles of nominees to be elected to the Board of Directors. Their profiles include their qualifications, experience, length of service in the Company, educational background, and their board and committee membership in the Company and in other organizations, including other listed companies or government positions, if any;
- h) the attendance report for the Company's directors, indicating their attendance at each Board meeting, committee meeting, and special or regular stockholder meetings;
- i) the appraisal and performance reports for the member of the Board and the criteria and procedure for assessment;
- j) a report on the annual compensation of each director, as well as the aggregate compensation of the President/Chief Executive Officer, and the Company's top four most highly compensated officers; and
- k) disclosures on related party transactions, including dealings with directors.

Upon motion duly made and seconded, the stockholders approved the following resolutions:

ASM Resolution No. 2021-2

"RESOLVED, that the stockholders of Aboitiz Power Corporation (the "Company") approve, as they hereby approve, the 2020 Annual Report and Audited Financial Statements of the Company as of December 31, 2020."

Upon the Chairman's request, the Corporate Secretary recorded the following votes for this agenda item and as witnessed and verified by the representatives from Luis Cañete & Company.

Vote	Number of Votes (One Share-One vote)	Percentage of shares represented
In favor	6,487,445,851	99.98%
Against	0	0%
Abstain	987,700	0.02%
Total	6,488,433,551	100.00%

The voting process complied with the principles of one-share, one-vote, and cumulative voting requirements under the Revised Corporation Code. Based on the Requirements and Procedures for Voting in the 2021 ASM, the votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the online voting portal.

VII. APPOINTMENT OF THE COMPANY'S EXTERNAL AUDITOR FOR 2021

The Chairman explained to the stockholders that, after deliberation and evaluation, the Board Audit Committee of the Company recommended the appointment of SGV as the Company's external auditors for 2021. The Chairman advised the stockholders that the Board Audit Committee, after its evaluation of SGV's services, was satisfied with SGV's performance as the Company's external auditors. On behalf of the Board of Directors of the Company, the Chairman endorsed to the stockholders for approval the appointment of SGV as the Company's external auditor for the year 2021.

Upon motion made and duly seconded, the following resolution was approved by the stockholders:

ASM Resolution No. 2021-3

"RESOLVED, that the stockholders of Aboitiz Power Corporation (the "Company") approve, as they hereby approve, the appointment of SyCip Gorres Velayo & Co. as the Company's external auditor for the year 2021 based on recommendation of the Board Audit Committee and the Board of Directors."

The Corporate Secretary recorded the following votes for this item, the results of which were verified by the representatives from Luis Cañete & Company.

Vote	Number of Votes (One Share-One vote)	Percentage of shares represented
In favor	6,486,748,951	99.97%
Against	1,684,600	0.03%
Abstain	0	0.00%
Total	6,488,433,551	100.00%

The voting process complied with the principles of one-share, one-vote, and cumulative voting requirements under the Revised Corporation Code. Based on the Requirements and Procedures for Voting in the 2021 ASM, the votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the online voting portal.

VIII. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Chairman announced that the next order of the business was the election of the members of the Board of Directors for the year 2021-2022. He called on the Corporate Secretary to explain the procedure for the nomination and election of directors.

The Corporate Secretary reiterated the basis for the nomination of directors under Article I, Section 7 of the Company's Amended By-Laws. The By-Laws state that:

“Nominations for the election of directors for the ensuing year must be received by the Corporate Secretary no less than fifteen (15) working days prior to the Annual Meeting of stockholders, except as may be provided by the Board of Directors in appropriate guidelines that it may promulgate from time to time in compliance with law.”

The Corporate Secretary reported that the deadline to nominate candidates to the Board of Directors was on March 31, 2021, and that all stockholders have been given the opportunity to submit their nominees for membership to the Board of Directors. He said that since it was already past the deadline, nominations for directors would not be allowed to be made on the floor.

As for the nomination of the independent directors, the Corporate Secretary explained that the Amended Guidelines for the Nomination and Election of Independent Directors state that:

“Nominations for independent directors are accepted from all stockholders starting January 1 up to February 15 of the year in which such nominee director is to serve.”

The Corporate Secretary advised the body that the stockholders who nominated the independent and other directors were disclosed in the Company's latest Definitive Information Statement, which was previously distributed to all stockholders through a disclosure to the PSE and PDTC on March 29, 2021, and uploaded to the Company's website. A QR code of the Definitive Information Statement was also published in two newspapers of general circulation.

He further reiterated that (a) directors are elected at each annual stockholders' meeting by stockholders entitled to vote; and (b) each director holds office until the next annual election, or for a term of one (1) year and until his successor is duly elected, or unless he resigns, dies or is removed prior to such election.

The Corporate Secretary reported that after proper screening and approval by the Board ESCG Committee, in its capacity as the Nomination and Compensation Committee, the following were determined to be qualified for nomination as members of the Board of Directors of the Company:

Mr. Sabin M. Aboitiz
 Mr. Luis Miguel O. Aboitiz
 Mr. Mikel A. Aboitiz
 Mr. Emmanuel V. Rubio
 Mr. Edwin R. Bautista
 Mr. Danel C. Aboitiz
 Mr. Raphael P.M. Lotilla (*Independent Director*)
 Mr. Carlos C. Ejercito (*Independent Director*)
 Mr. Eric Ramon O. Recto (*Independent Director*)

The Corporate Secretary advised the stockholders that the profiles of the nominees to the Board of Directors were part of the Definitive Information Statement which were uploaded to the Company's website and distributed to the stockholders through disclosures to the PSE and PDC on March 29, 2021. As an added measure, a QR code of the Definitive Information Statement was also published in two newspapers of general circulation.

Upon motion duly made and seconded, the stockholders moved to elect the nine (9) nominees as directors of the Company for the year 2021-2022. Since no objection was made, the motion was carried and all the nine (9) nominees were elected as directors based on votes of stockholders represented in person and by proxy.

The Chairman announced that the nine (9) named nominees have been duly elected as members of the Board of Directors to serve for a term of one (1) year until their successors will have been qualified and elected. He requested the Corporate Secretary to record the votes for this agenda item.

The following were the votes on the directors as verified by Luis Cañete & Company.

Name of Director	Vote	Number of Votes	Percentage of shares represented
Mr. Sabin M. Aboitiz	In favor	6,469,324,720	99.71%
	Abstain	19,392,033	0.30%
	Total	6,488,716,753	100.00%
Mr. Luis Miguel O. Aboitiz	In favor	6,476,604,758	99.82%
	Abstain	12,111,995	0.19%
	Total	6,488,716,753	100.00%
Mr. Mikel A. Aboitiz	In favor	6,451,474,172	99.43%
	Abstain	37,242,581	0.57%
	Total	6,488,716,753	100.00%

Name of Director	Vote	Number of Votes	Percentage of shares represented
Mr. Emmanuel V. Rubio	In favor	6,478,029,259	99.84%
	Abstain	10,404,292	0.16%
	Total	6,488,433,551	100.00%
Mr. Edwin R. Bautista	In favor	6,469,041,518	99.70%
	Abstain	19,392,033	0.30%
	Total	6,488,433,551	100.00%
Mr. Danel C. Aboitiz	In favor	6,381,925,602	98.36%
	Abstain	106,791,151	1.65%
	Total	6,488,716,753	100.00%
Mr. Raphael P.M. Lotilla (Independent Director)	In favor	6,488,433,551	100.00%
	Abstain	0	0.00%
	Total	6,488,433,551	100.00%
Mr. Carlos C. Ejercito (Independent Director)	In favor	6,466,905,578	99.67%
	Abstain	21,527,973	0.33%
	Total	6,488,433,551	100.00%
Mr. Eric Ramon O. Recto (Independent Director)	In favor	6,448,662,714	99.39%
	Abstain	39,770,837	0.61%
	Total	6,488,433,551	100.00%

The voting process complied with the principles of one-share, one-vote, and cumulative voting requirements under the Revised Corporation Code. Based on the Requirements and Procedures for Voting in the 2021 ASM, the votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the online voting portal.

On behalf of the other directors, the Chairman thanked the stockholders for their trust and confidence in electing them as members of the Board of Directors of the Company.

IX. APPROVAL OF THE INCREASE IN THE PER DIEM OF THE CHAIRMAN OF THE BOARD AND CHAIRMEN OF THE COMMITTEES

The Chairman informed the stockholders that the next item on the agenda was the increase in the per diem of the Chairman of the Board and Chairmen of the Committees.

The Chairman explained that during the February 16, 2021 meeting of the Board ESCG Committee, the Company's Management proposed an increase in the per diem of the following:

Type of Meeting	Chairman of the Board	
	From	To
Board Meeting	₱200,000.00	₱225,000.00

Type of Meeting	Chairman of the Committee	
	From	To
Committee Meeting (except Audit Committee)	₱130,000.00	₱150,000.00
Audit Committee	₱130,000.00	₱200,000.00

The Chairman added that the per diems for the Board and Committee chairpersons were last increased in 2019. In their recommendation, Management noted that the Company's businesses have expanded in scope and became more complicated, partly because of more regulations and the challenges caused by the COVID-19 pandemic. As a matter of effective corporate governance, these challenges have led to corresponding increase in the responsibilities of the Board and Committee chairpersons. The proposal by Management to increase the per diems of the Board and Board Committee Chairmen was made after a review of the Board compensation structures of comparable companies with the same Board size, revenue, assets, and market capitalization. During its Board Meeting dated March 5, 2021, the Board of Directors noted the proposed increases in the per diems for the Board and Committee chairpersons, and, having considered the rationale provided for the proposed increases and greater responsibilities of the chairpersons, endorsed the same for stockholders' approval. There are no proposed changes to the monthly allowance and per diem of other members of the Board.

On behalf of the Board of Directors of the Company, the Chairman endorsed to the stockholders for approval the increase in the per diem of the Chairman of the Board and Chairmen of the Committees.

Upon motion made and duly seconded, the following resolution was approved by the stockholders:

Resolution No. 2021-4

“RESOLVED, that the stockholders of Aboitiz Power Corporation (the “Company”) approve, as they hereby approve, the approval of the increase in the per diem of the Chairman of the Board and Chairmen of the Committees, as follows:

Type of Meeting	Chairman of the Board	
	From	To
Board Meeting	₱200,000.00	₱225,000.00

Type of Meeting	Chairman of the Committee	
	From	To
Committee Meeting (except Audit Committee)	₱130,000.00	₱150,000.00
Audit Committee	₱130,000.00	₱200,000.00

The Chairman asked if there were any questions. There being no questions raised, the Chairman requested the Corporate Secretary to record the votes for this agenda item.

The Corporate Secretary recorded the following votes for this item, the results of which were verified by the representatives from Luis Cañete & Company.

Vote	Number of Votes (One Share-One vote)	Percentage of shares represented
In favor	6,488,433,551	100.00%
Against	0	0%
Abstain	0	0%
Total	6,488,433,551	100.00%

The voting process complied with the principles of one-share, one-vote, and cumulative voting requirements under the Revised Corporation Code. Based on the Requirements and Procedures for Voting in the 2021 ASM, the votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the online voting portal.

X. RATIFICATION OF THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, CORPORATE OFFICERS AND MANAGEMENT IN 2020 UP TO APRIL 26, 2021

The Chairman informed the stockholders that the next item on the agenda was the ratification of all corporate acts, resolutions, business judgments, management proceedings, any and all succession, compensation, management, and performance-related decisions entered into or done by the Board of Directors, Corporate Officers and Management in the exercise of their duties for the year 2020, including all acts up to April 26, 2021.

The Corporate Secretary explained to the stockholders that the acts, resolutions and proceedings requested to be ratified are the regular corporate acts performed by the Board, Officers and Management in the ordinary course of the Company's business and that a list of resolutions approved by the Board of Directors for the period covered have been enumerated in the Definitive Information Statements distributed to the stockholders ahead of the meeting. In addition, the Company has regularly disclosed material transactions approved by the Board of Directors, which are available for viewing and download at the Company's website and at pse.edge.com.ph.

Upon motion duly made and seconded, the stockholders approved the following resolution:

ASM Resolution No. 2021-5

“RESOLVED, that the stockholders of Aboitiz Power Corporation (the “Company”) approve, ratify and confirm, as they hereby approve, ratify and confirm, corporate acts, resolutions, business judgments, management proceedings, any and all succession, compensation and management, and performance-related decisions entered into or done by the Board of Directors, Corporate Officers and Management of the Company for the past year 2020, including all acts up to April 26, 2021.”

The Corporate Secretary recorded the following votes for this item, the results of which were verified by the representatives from Luis Cañete & Company.

Vote	Number of Votes (One Share-One vote)	Percentage of shares represented
In favor	6,487,144,251	99.98%
Against	0	0.00%
Abstain	1,289,300	0.02%
Total	6,488,433,551	100.00%

The voting process complied with the principles of one-share, one-vote, and cumulative voting requirements under the Revised Corporation Code. Based on the Requirements and Procedures for Voting in the 2021 ASM, the votes submitted through proxy documents were counted and added to the votes of the stockholders *in absentia* through the online voting portal.

XI. OTHER BUSINESS AND ADJOURNMENT

The Chairman then asked the stockholders if there were any matters they wished to raise.

The moderator of the meeting, Mr. Francis Victor G. Salas, Investor Relations Officer, read out questions submitted by stockholders through the Company's ASM Platform:

Question #1: As a stockholder, I am proud to know you have the country's largest renewable capacity. What challenges are you facing in the building of more renewable capacity?

EVR responded to the question, stating that AboitizPower is building a future-ready organization. One of the Company's strategies is to leverage on its experience and expertise as a pioneer and leader of renewable energy (RE) in the Philippines. AboitizPower has the appetite and financial muscle to build RE capacities, but RE programs should be fully and successfully implemented to build the RE market. He added that currently, the permitting process is still a challenge. There are multiple approvals needed that take years to get the greenlight to build hydro or geothermal power plants.

AboitizPower is looking forward to benefiting from the government's Energy Projects of National Significance program, which aims to reduce the timelines for qualified projects. Once the power plants are built, the next challenge is the delivery of power to consumers. The Company's current transmission system also needs a substantial upgrade for additional capacities.

As far as the Department of Energy's (DOE) Green Energy Option Program (GEOP) is concerned, the Company needs to work with distribution utilities and electric cooperatives to facilitate the ease of switching for customers opting to benefit from GEOP. At the end of the day, all of the industry players — the government, private sector, and even consumers have a role to play in creating a more sustainable Philippine RE market. For example, the likes of Nestle, NEO (formerly The Net Group), and others, whose facilities are powered by 100% Cleanergy. Corporates with large energy requirements can

also help by switching to clean and renewable energy, thus setting the benchmark for more sustainable business operations.

Question #2: Can you please give us an update on GNPD Unit 2? When can we expect commercial operations?

EVR provided updates on GNPD Units 1 and 2. Unit 1 achieved first synchronization in February 2021 and is currently on outage for finetuning. It is expected to synchronize again by next week, to run until June for the last round of finetuning, and with commercial operations targeted on Q3 of 2021 depending on the performance tests. While for Unit 2, recent COVID-19 developments have affected the travel and mobility of foreign technical experts. Target commercial operations for Unit 2 is the first quarter Q1 2022.

Question #3: Given the outages this year and last year, how much insurance claims are we still expecting? Are there further claims AP is expecting to be able to collect in 2021? In relation to this, has your overall availability improved?

EVR responded that part of building a future ready organization is an efficient risk management system. In this regard, AboitizPower is expected to receive the balance of GN Mariveles Energy Center Pte. Ltd.'s (GMEC) insurance claim relating to 2019 outage amounting to \$1.6mn, and APRI Tiwi insurance claim related to Typhoon Rolly amounting to Php33mn.

Regarding availability, the Company's overall availability performance was 87% in 2020 compared to 82% in 2019. Despite GMEC's ongoing outage, he added that Management expects to report similar improvements in the Company's Q1 analysts' briefing on Wednesday.

Question #4: Has the government fully implemented the annual increase in RPS regulation? Also, are all of AP's DUs in compliance with the regulation?

EVR advised that the DOE's Renewable Portfolio Standard (RPS) was moved back by 1 year. The Company is still compliant from 2021 to 2024 and plans for recovery and growth very much includes complying with RPS regulation, including building enough renewable capacity for the country to be able to meet its aspirational energy mix.

Question #5: Have you tied up with the government to acquire vaccines for your employees? Can you tell us about your vaccination plans?

AboitizPower's team members sustain the Company's business, and keep the lights on for the country, asserting that they always come first. They were the first that the Company moved to protect when the pandemic broke out. AboitizPower is paying for the vaccines of its team members in full.

AboitizPower is covered by the Aboitiz Group's vaccination program and is currently working on the vaccine rollout plan for its team members. It's voluntary and currently, about 75% of the Company's population have signed up for the company-provided vaccine. The Aboitiz Group has a dedicated vaccine rollout project team, handling the coordination with its service provider and ensuring the efficient and effective implementation of its program. AboitizPower recently launched its vaccine rollout

program called “We Got Your Vacc”. Through this, the Company hopes to keep its team members updated on recent developments concerning the vaccine, its implementation plan, and other relevant information. AboitizPower has ordered about 14,000 doses for its team members and their households, as well as its subcons and affiliates.

EVR advised that timelines are very fluid, and may change.

Mr. Salas explained that there were a number of questions sent by shareholders and attendees to which the Company will respond separately via email. He also invited the stockholders to direct their queries to the Company’s representatives for depending on their queries and concerns, and flashed their contact details on the screen.

The Chairman then asked the Corporate Secretary to flash on the screen the votes cast by the stockholders for each agenda item approved, including the votes cast in the election of directors.

Since there were no other matters, upon motion duly made and seconded, the meeting was adjourned.

The next Annual Stockholders’ Meeting has been scheduled for April 25, 2022.

MANUEL ALBERTO R. COLAYCO
Corporate Secretary

ATTESTED:

EMMANUEL V. RUBIO
Chairman of the Meeting/
President and Chief Executive Officer

NOTED:

LUIS CAÑETE
Board of Election Inspector, Luis Cañete & Company

NOEL PETER CAÑETE
Board of Election Inspector, Luis Cañete & Company

ANNEX "A"

Officers Present:

Liza Luv T. Montelibano	-	Senior Vice President/Chief Financial Officer/Corporate Information Officer
Veronica C. So	-	Group Treasurer
Francisco Victor G. Salas	-	Investor Relations
Maria Consolacion C. Mercado	-	Compliance Officer
Mailene M. de la Torre	-	Assistant Corporate Secretary
Sammy Dave A. Santos	-	Assistant Corporate Secretary
Arazeli L. Malapad	-	Data Privacy Officer and Vice President for Risk and Organizational Performance Management
Saturnino E. Nicanor Jr.	-	Internal Audit Head

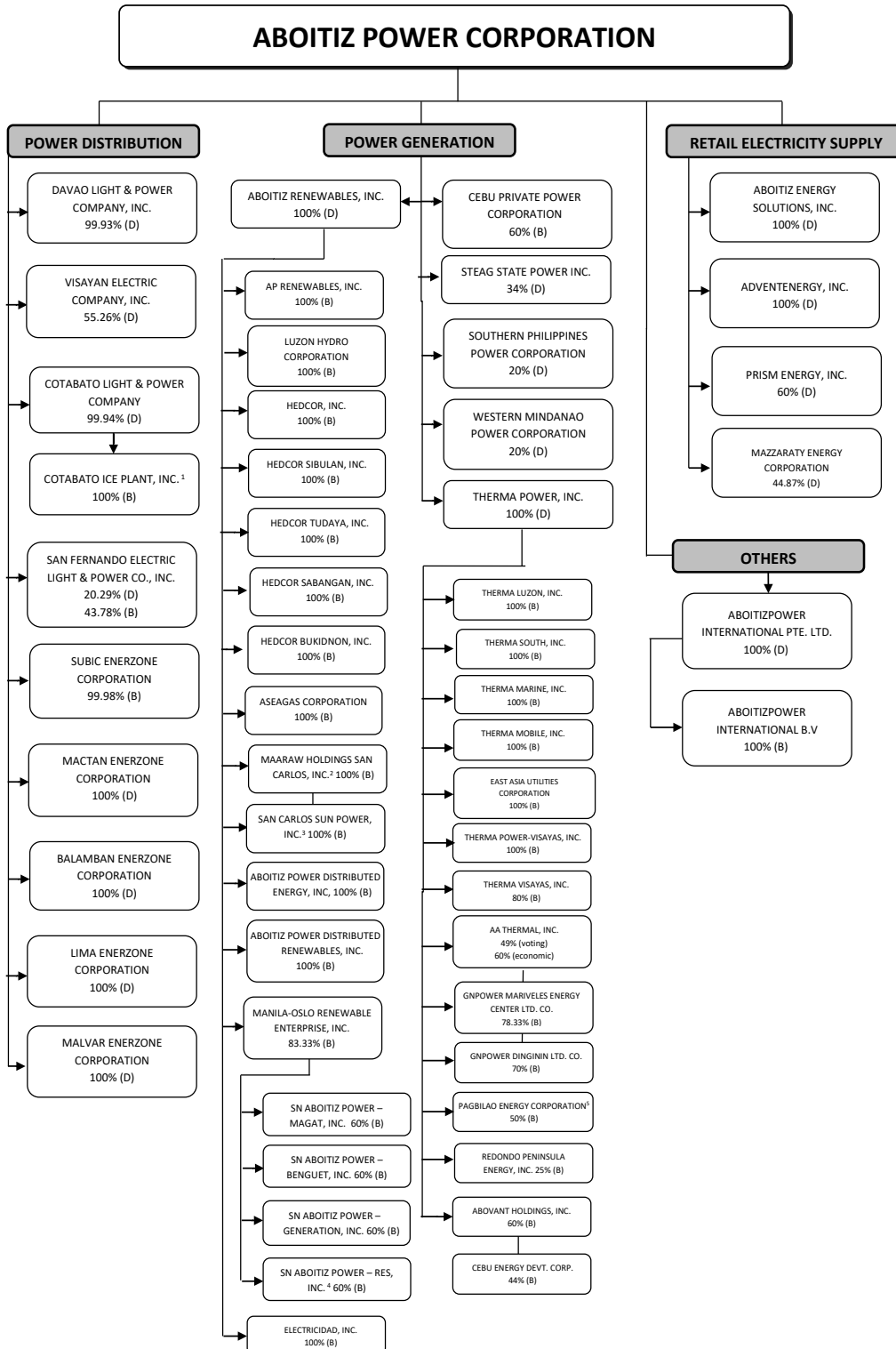
Others:

Maria Veronica Pore	-	External Auditor for 2020, Sycip Gorres Velayo & Co.
Wilson P. Tan	-	External Auditor for 2020, Sycip Gorres Velayo & Co.
Martin C. Guantes	-	External Auditor for 2020, Sycip Gorres Velayo & Co.
Ginghis O. Gorospe	-	External Auditor for 2020, Sycip Gorres Velayo & Co.
Luis Cañete	-	Board of Election Inspector, Luis Cañete & Company
Noel Peter Cañete	-	Board of Election Inspector, Luis Cañete & Company
Michael C. Capoy	-	Stock Transfer Service Inc., Stock and Transfer Agent
Novelyn S. Pabalan	-	Stock Transfer Service Inc., Stock and Transfer Agent
Mark Perez	-	Manager - Investor Relations
Ivy Manalang	-	Officer - Investor Relations
Marinel Mangubat	-	Shareholder Relations Officer

SEC FORM 20-IS (INFORMATION STATEMENT)

ANNEX "D"

As of January 31, 2022



Legend:

B – Beneficial Ownership
D – Direct Ownership

¹ Other services

² ARI has a 60% direct ownership in Maaraw San Carlos, with AboitizPower International B.V. directly owning the remaining 40%.

³ ARI has a 75% direct ownership in SacaSun; while AboitizPower International and Maaraw San Carlos directly owning 15% and 10%, respectively.

⁴ Engages in Retail Electricity Supply Business

⁵ Joint operations

SEC FORM 20-IS (INFORMATION STATEMENT)

ANNEX “E”

Requirements and Procedures for Voting and Participation in the
2022 Annual Stockholders’ Meeting (ASM)
of Aboitiz Power Corporation
(the “Company”)

In light of the continuing COVID-19 global pandemic, the Company will once again conduct a virtual ASM as a prudent measure to protect the health and safety of its stockholders and as part for the Company’s sustainability initiatives on April 25, 2022, at 1:00 p.m. (“2022 ASM”). The meeting will be conducted *via* livestream through the link provided in the Company’s website at <https://abotizpower.com/2022asm> (the “ASM Portal”) beginning on March 24, 2022.

Stockholders of record as of March 23, 2022 are entitled to participate and vote in the 2022 ASM.

The following procedures and requirements provide the ways in which the Company’s stockholders can participate and vote in the 2022 ASM.

I. VOTING BY PROXY

1. *For Individual stockholders holding certificated shares in the Company* - Download the file [Proxy Form for Individual Stockholder](#). For the Special Power of Attorney (SPA), refer to the Sample SPA uploaded in the ASM Portal.
2. *For stockholders holding ‘scripless’ shares, or shares held under a PCD Participant/Broker* - Download the file [Proxy Form for PCD Participant/Broker](#). Stockholders must coordinate with their brokers for the execution of this type of proxy. A stockholder may instruct his broker to directly send a scanned copy of the executed proxy to the Company, or he may send the scanned copy of the executed proxy.
3. *For Corporate Stockholders* - Download the file [Proxy Form for Corporate Stockholder](#). For the secretary’s certificate, refer to the [Sample Secretary’s Certificate](#) uploaded in the ASM Portal.
4. General instructions on Voting through Proxy:
 - (a) Download and fill up the appropriate Proxy Form. Follow the instructions on how to cumulate or allocate votes in the election of directors. The Chairman of the meeting, by default, is authorized to cast the votes pursuant to the instructions in the proxy.
 - (b) Send a scanned copy of the executed proxy through email to abotiz.shareholder.services@abotiz.com.
 - (c) Deadline for the submission of proxies is on April 18, 2022, to give time for the Proxy Validation Committee to review and validate the proxies received in accordance with the Company’s Amended By-Laws.

II. ELECTRONIC VOTING OR VOTING *IN ABSENTIA*

1. Instead of voting by proxy, stockholders may choose to vote for the matters set out in the Agenda for the 2022 ASM (including casting votes in the election of directors) through the online voting platform available at the ASM Portal. Votes cast until 10:00 a.m. of April 25, 2022 will be tabulated and presented during the 2022 ASM. Stockholders may still vote after the cut-off time, and the final votes received through proxy and through the ASM Portal after the adjournment of the meeting will be included in the minutes of the 2022 ASM. Stockholders must provide the information required and upload the documents needed to complete their registration and to cast their votes, which are then subject to verification and validation by the Office of the Corporate Secretary.
2. Stockholders will need the following documents to register at the online voting platform:

SEC FORM 20-IS (INFORMATION STATEMENT)

- (a) Individual Stockholders
 - i. Valid email address and active contact number (landline or cellphone number);
 - ii. Any valid government-issued identification card (ID);²³
 - iii. Any valid stock certificate issued by the Company in the name of the individual stockholder, or stock certificate number that matches with the name provided in the registration form, if such stock certificate is lost.
 - (b) Stockholders with Joint Accounts
 - i. An authorization letter signed by other stockholders indicating the person among them authorized to cast the votes;
 - ii. Documents required under Items 2.a.(i) and 2.a.(ii) for the authorized stockholder; and
 - iii. Any valid stock certificate issued by the Company in the name of the joint stockholders, or stock certificate number that matches with the name provided in the registration form, if such stock certificate is lost.
 - (c) Stockholder under PCD Participant/Brokers Account or “Scripless Shares”
 - i. Coordinate with the broker and request for the full account name and reference number or account number they provided to the Company; and
 - ii. Items 2.a.(i) and 2.a.(ii) above.
 - (d) Corporate Stockholders
 - i. Secretary’s certificate attesting to the authority of the representative to vote the shares on behalf of the corporate stockholder;
 - ii. Any valid stock certificate in the name of the corporate stockholder; and
 - iii. Documents required under Items 2.a.(i) and 2.a.(ii) above for the authorized representative.
3. The ASM Portal contains the Agenda items for approval as set out in the Notice and Agenda for the 2022 ASM.
- (a) For items other than the election of directors, stockholders have the option to vote: In Favor of, Against, or Abstain.
 - (b) For the election of Directors, stockholders have the option to vote his shares for all nominees, not vote for any nominees, or vote for one or some nominees only, in such number of shares as the stockholder prefers, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected. The system will automatically compute the total number of votes the stockholder is allowed to cast, based on the number of shares he owns.
 - (c) Once the stockholder finalizes his votes, he can proceed to submit the accomplished form by clicking the ‘Submit’ button.
 - (d) After the ballot has been submitted, the stockholder may no longer change his/her vote.
4. Thereafter, the Office of the Corporate Secretary will send a confirmation email to the stockholder once his/her account has been verified and his/her vote has been recorded.

If the registration cannot be verified due to lacking, incomplete or unreadable documents or information, the stockholder will be notified through a system-generated email from the ASM Portal. The Company shall send a subsequent email to inform the stockholder of the actions or documentations needed to complete the registration. Stockholders may contact aboitizboardsecretariat@aboitiz.com for queries regarding the online voting and registration.

²³ Acceptable Valid IDs: Driver’s License, Passport, Unified Multi-Purpose ID (UMID), GSIS ID, company ID, PRC ID, IBP ID, iDOLE Card, OWWA ID, Comelec Voter’s ID, Senior Citizen’s ID, or Alien Certificate of Registration/Immigrant Certificate of Registration.

SEC FORM 20-IS (INFORMATION STATEMENT)

If the account of a stockholder cannot be verified, then the votes cast by the non-verified stockholder shall not be recorded.

5. The Office of the Corporate Secretary shall tabulate all valid and confirmed votes cast through the ASM Portal, together with the votes cast through proxies. The Board of Election Inspectors will thereafter validate the results.
6. Votes cast until 10:00 a.m. on April 25, 2022 will be tabulated and presented during the ASM. Stockholders may still vote at <https://aboitizpower.com/2022asm> after the cut-of time and the final votes received through the proxy and through the ASM Portal after the adjournment of the meeting will be included in the minutes of the 2022 ASM.

III. ATTENDANCE IN THE 2022 ASM BY REMOTE COMMUNICATION

1. Stockholders who intend to participate in the 2022 ASM remotely may register using the link <https://aboitizpower.com/2022asm> until 10:00 a.m. of April 25, 2022.
2. To register, stockholders will need the requirements under Item II.2 above, depending on the type of ownership. Stockholders will also need to upload a valid ID as proof of identity.
3. Upon successful registration, the stockholder will receive an email confirmation and a unique link which can be used to log in and view the 2022 ASM livestream.

If the registration cannot be verified due to lacking, incomplete, or unreading documents or information, the stockholder will be notified through a system-generated email from the ASM Portal. The Company shall send a subsequent email to inform the stockholder of the actions or documentations needed to complete the registration. Stockholders may contact aboitizboardsecretariat@aboitiz.com for queries regarding the online voting and registration.

4. Stockholders may send questions or remarks through the ASM Portal upon registration and until the adjournment of the 2022 ASM.
6. The proceedings during the 2022 ASM will be recorded.

For more questions and clarifications, stockholders may visit the Company's website at <https://aboitizpower.com/> or contact:

The Corporate Secretary at aboitizboardsecretariat@aboitiz.com
Marinel Mangubat – (632) 8886-2800 local 21757 or aboitiz.shareholder.services@aboitiz.com
Michael Capoy - (632) 8403-3798 or mccapoy@stocktransfer.com

SEC FORM 20-IS (INFORMATION STATEMENT)

ANNEX “F”

DEFINITION OF TERMS AND ACRONYMS

2014 Bonds	Refers to the Company's fixed-rate corporate retail bonds with an aggregate principal amount of up to ₱10 bn with tenors of seven and 12 years
2017 Bonds	Refers to the Company's fixed-rate corporate retail bonds with an aggregate principal amount of up to ₱30 bn registered under the shelf registration program of SEC to be issued in tranches. The 2017 Bonds have been issued in six tranches
2021 Bonds	Refers to the Company's fixed-rate corporate retail bonds with an aggregate principal amount of up to ₱30 bn registered under the shelf registration program of SEC to be issued in tranches. As of the date of this report, the 2021 Bonds have been issued in two tranches
Aboitiz Group	ACO and the companies or entities in which ACO has beneficial interest, or over which ACO directly or indirectly exercises management control, including, without limitation, AEV, AboitizPower, and their respective Subsidiaries and Affiliates
AboitizPower, the Company, the Issuer, or the Registrant	Aboitiz Power Corporation
AboitizPower Group or the Group	AboitizPower and its Subsidiaries
Abovant	Abovant Holdings, Inc.
ACO	Aboitiz & Company, Inc.
AdventEnergy	Adventenergy, Inc.
AESI	Aboitiz Energy Solutions, Inc.
AEV	Aboitiz Equity Ventures Inc.
Affiliate	With respect to any Person, any other Person directly or indirectly controlled or is

	under common control by such Person
Ambuklao-Binga Hydroelectric Power Complex	Refers to SN Aboitiz Power-Benguet's 105-MW Ambuklao Hydroelectric Power Plant located in Bokod, Benguet and 140-MW Binga Hydroelectric Power Plant in Itogon, Benguet
APRI	AP Renewables, Inc.
APX1	Aboitiz Power Distributed Energy, Inc.
APX2	Aboitiz Power Distributed Renewables, Inc.
ARI	Aboitiz Renewables, Inc. (formerly: Philippine Hydropower Corporation)
AS	Ancillary Services
Aseagas	Aseagas Corporation
ASPA	Ancillary Services Procurement Agreement
Associate	Refers to an entity over which the Aboitiz Group has significant influence. "Significant influence" is the power to participate in the financial and operating policy decisions of the investee, but does not have control or joint control over those policies.
Bakun AC Hydro Plant	Refers to Luzon Hydro Corporation's 70-MW Bakun run-of-river hydropower plant located in Amilongan, Alilem, Ilocos Sur
Balamban Enerzone	Balamban Enerzone Corporation
BCQ	Bilateral Contract Quantity
BESS	Battery Energy Storage System
BIR	Bureau of Internal Revenue
Binga Plant	The 140-MW Binga HEPP of SN AboitizPower-Benguet located in Itogon, Benguet
BOC	Bureau of Customs
BOI	Board of Investments
BOT	Build-Operate-Transfer
Bunker C	A term used to designate the thickest of the residual fuels that is produced by blending any oil remaining at the end

SEC FORM 20-IS (INFORMATION STATEMENT)

	of the oil-refining process with lighter oil
Business Unit	A Subsidiary of AboitizPower
CA	Court of Appeals
Cebu Coal Project	Refers to the construction and operation of the 3x82-MW coal-fired power plant of Cebu Energy Development Corporation located in Toledo City, Cebu
Cebu Energy	Cebu Energy Development Corporation
CFB	Circulating Fluidized Bed
CIPDI	Cebu Industrial Park Developers, Inc.
Cleanergy	Cleanergy, Inc. (formerly, Northern Mini – Hydro Corporation)
Coal Group or Coal Business Units	Refers to companies of the AboitizPower Group which own and/or operate coal-fired power plants, including Therma Luzon, Inc., Therma South, Inc., Therma Visayas, Inc., GNPower Mariveles Energy Center Ltd. Co., GNPower Dinginin Ltd. Co., Pagbilao Energy Corporation, Redondo Peninsula Energy, Inc., STEAG State Power, Inc., and Cebu Energy Development Corporation
COC	Certificate of Compliance
Code	AboitizPower’s Code of Ethics and Business Conduct
Contestable Customer/ Contestable Market	Refers to the electricity end-users who have a choice of a supplier of electricity, as may be determined by ERC in accordance with Sec. 4(h) of the EPIRA
Contracted Capacity	Refers to the total capacity sold to customers at a given point in time
Control	Possession, directly or indirectly, by a Person of the power to direct or cause the direction of the management and policies of another Person whether through the ownership of voting securities or otherwise;

	provided, however, that the direct or indirect ownership of over 50% of the voting capital stock, registered capital or other equity interest of a Person is deemed to constitute control of that Person; “Controlling” and “Controlled” have corresponding meanings.
Cotabato Light	Cotabato Light & Power Company
COVID-19	Coronavirus disease
CPPC	Cebu Private Power Corporation
CSEE	Contract for the Supply of Electric Energy
CSP	Competitive Selection Process
DAU	Declaration of Actual Use
Davao Light	Davao Light & Power Company, Inc.
DENR	Department of Environment and Natural Resources
Dependable Capacity or Sellable Capacity	Refers to the capacity of a power plant, excluding station usezz and fuel constraints
Distribution Utilities	Refers to the companies within the AboitizPower Group engaged in power distribution, such as Balamban Enerzone, Cotabato Light, Davao Light, Lima Enerzone, Mactan Enerzone, Malvar Enerzone, Subic Enerzone, SFELAPCO, and Visayan Electric. “Distribution Utility” may refer to any one of the foregoing companies.
DOE	Department of Energy
DOLE	Department of Labor and Employment
EAUC	East Asia Utilities Corporation
ECC	Environmental Compliance Certificate
Enerzone Group	Collectively refers to Balamban Enerzone, Lima Enerzone, Mactan Enerzone, Malvar Enerzone, and Subic

SEC FORM 20-IS (INFORMATION STATEMENT)

	Enerzone, which are Distribution Utilities of the AboitizPower Group operating within special economic zones
EPIRA	Republic Act No. 9136, otherwise known as the “Electric Power Industry Reform Act of 2001,” as amended from time to time, and including the rules and regulations issued thereunder
ERC	Energy Regulatory Commission
EO	Executive Order
Feeder Loss	Refers to the sum of Feeder Technical Loss and Non-Technical Loss, as defined in ERC Resolution No. 10, Series of 2018 or “A Resolution Clarifying the System Loss Calculation and Providing the Effectivity of the Rules for Setting the Distribution System Loss Cap”
FIT	Feed-in-Tariff
FIT-All	FIT-Allowance
Generation Companies or Power Generation Group	Refers to the companies within the AboitizPower Group engaged in power generation; “Generation Company” may refer to any one of these companies.
Generating Unit	Under ERC Resolution No. 10, Series of 2020, refers to a unit conversion apparatus, including auxiliaries and associated equipment functioning as a single unit, which is used to produce electric energy from some other form of energy.
Generation Plant	Under ERC Resolution No. 10, Series of 2020, refers to a facility, consisting of one or more Generating Units, where electric energy is produced from some other forms of energy by means of suitable apparatus.

GMEC or GNPow er Mariveles	GNPower Mariveles Energy Center Ltd. Co.
GNPD or GNPow er Dinginin	GNPower Dinginin Ltd. Co.
Government	The Government of the Republic of the Philippines
Greenfield	Refers to power generation projects that are developed from inception on previously undeveloped sites
Grid	As defined in the Implementing Rules and Regulations of the EPIRA, it is the high voltage backbone system of interconnected transmission lines, substations and related facilities located in each of Luzon, Visayas, and Mindanao, or as may be otherwise determined by ERC in accordance with Section 45 of the EPIRA
Guidelines	AboitizPower’s Amended Guidelines for the Nomination and Election of Independent Directors
GWh	Gigawatt-hour, or one million kilowatt-hours
Hedcor Group or Hedcor Business Units	Refers to the companies within the AboitizPower Group engaged in run-of-river hydroelectric power generation, such as Hedcor, Inc., Hedcor Bukidnon, Inc., Hedcor Sabangan, Inc., Hedcor Sibulan, Inc., Hedcor Tudaya, Inc., and Luzon Hydro Corporation
Hedcor	Hedcor, Inc.
Hedcor Sabangan	Hedcor Sabangan, Inc.
Hedcor Sibulan	Hedcor Sibulan, Inc.
Hedcor Tudaya	Hedcor Tudaya, Inc.
HEPP	Hydroelectric Power Plant
IEMOP	Independent Electricity Market Operator of the Philippines Inc.

SEC FORM 20-IS (INFORMATION STATEMENT)

Installed Generating Capacity, Installed Capacity, Gross Capacity, or Nameplate Capacity	Refers to the registered capacity of a power plant in WESM, inclusive of the power plant's station use
IPPA	Independent Power Producer Administrator
IPO	Initial Public Offering
IRR	Implementing Rules and Regulations
JERA	JERA Co., Inc., a joint venture company organized under the laws of Japan and established in 2015 by TEPCO Fuel & Power Incorporated and Chubu Electric Power Company
JERA Asia	JERA Asia Private Limited
Joint Venture	Refers to a type of joint agreement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. "Joint control" is the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant activities require unanimous consent of the parties sharing control.
kV	Kilovolt or one thousand volts
kW	Kilowatt or one thousand watts
kWh	Kilowatt-hour, the standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour.
LGU	Local Government Unit
LHC	Luzon Hydro Corporation
Lima Enerzone	Lima Enerzone Corporation
LISP IV	Light Industry & Science Park IV

LTC	Lima Technology Center
Maaraw San Carlos	Maaraw Holdings San Carlos, Inc.
Mactan Enerzone	Mactan Enerzone Corporation
Magat Plant	Refers to the 360-MW Magat HEPP of SN Aboitiz Power-Magat located at the border of Isabela and Ifugao provinces
Malvar Enerzone	Malvar Enerzone Corporation
Maris Plant	Refers to the 8.5 MW run-of-river Maris Main Canal 1 Hydroelectric Power Plant of SN Aboitiz Power-Magat
MEPZ II	Mactan Export Processing Zone II
Meralco	Manila Electric Company
MOA	Memorandum of Agreement
MORE	Manila-Oslo Renewable Enterprise, Inc.
MVA	Megavolt Ampere
MW	Megawatt or one million watts
MWh	Megawatt-hour
MWp	Megawatt-peak
Net Attributable Capacity or Attributable Net Sellable Capacity	Refers to the capacity attributed to a company's ownership in the power plant, excluding station use and fuel constraints
NGCP	National Grid Corporation of the Philippines
NPC	National Power Corporation
NPPC	Refers to the Naga Power Plant Complex, the 55 MW land-based gas turbine power plant of Thema Power-Visayas, Inc. located in Colon, Naga City, Cebu
Oil Group or Oil Business Units	Refers to companies of the AboitizPower Group which own and/or operate Bunker C-fired power plants, including East Asia Utilities Corporation, Cebu Private Power Corporation, Therma Marine, Inc., Therma Mobile, Inc., Therma Power-Visayas, Inc., Southern Philippines

SEC FORM 20-IS (INFORMATION STATEMENT)

	Power Corporation, and Western Mindanao Power Corporation
Open Access	Retail Competition and Open Access
PA	Provisional Authority
Pagbilao Plant or Pag 1 and Pag 2	The 700-MW (2x350 MW) Pagbilao coal-fired thermal power plant located in Pagbilao, Quezon
Pag 3	The third generating unit with a net capacity of 420 MW within the Pagbilao Plant facilities
PBR	Performance-based Rate-setting Regulation
PCC	Philippine Competition Commission
PCRM	Pricing and Cost Recovery Mechanism
PDEX	Philippine Dealing & Exchange Corp., the fixed-income securities market which provides an electronic trading platform of exchange for fixed-income securities
PDTC	Philippine Depository and Trust Corporation
PEC	Pagbilao Energy Corporation
PEMC	Philippine Electricity Market Corporation
Person	An individual, corporation, partnership, association, joint stock company, trust, any unincorporated organization, or a government or political subdivision thereof
PEZA	Philippine Economic Zone Authority
PGC	Philippine Grid Code
PGPC	Philippine Geothermal Production Company, Inc.
Philippine Pesos or ₱	The lawful currency of the Republic of the Philippines
PhilRatings	Philippine Ratings Services Corporation
Pmax or Maximum Stable Load	The maximum demand in MW that a generating unit or generating block or module in the case of a combined cycle power plant, can

	reliably sustain for an indefinite period of time, based on the generator capability tests. It also refers to the registered maximum capacity.
Pmin or Minimum Stable Load	The minimum demand in MW that a generating unit, or a generating block or module in the case of combined cycle power plant, can reliably sustain for an indefinite period of time, based on generator capability tests. It also refers to the registered minimum capacity.
PPA	Power Purchase Agreement
Prism Energy	Prism Energy, Inc.
PSA	Power Supply Agreement
PSALM	Power Sector Assets and Liabilities Management Corporation
PSE	The Philippine Stock Exchange, Inc.
PV	Photovoltaic
RA	Republic Act
RE Law	RA No. 9513, otherwise known as the Renewable Energy Act of 2008
REPA	Renewable Energy Payment Agreement
RES	Retail Electricity Supplier
RESC	Renewable Energy Service Contract
Revised Corporation Code or RCC	RA No. 11232, otherwise known as the Revised Corporation Code of the Philippines, amending Batas Pambansa Blg. 68 (or the Corporation Code of the Philippines), and as may be further amended from time to time, and including the rules and regulations issued thereunder
Revised Manual	Refers to the Company's Revised Manual on Corporate Governance
RP Energy	Redondo Peninsula Energy, Inc.
RPT	Related Party Transaction

SEC FORM 20-IS (INFORMATION STATEMENT)

RTC	Regional Trial Court
Run-of-river hydroelectric plant	Refers to hydroelectric power plants that generates electricity from the natural flow and elevation drop of a river
SacaSun	San Carlos Sun Power Inc.
SacaSun Plant	Refers to the 59 MWp Greenfield, stand-alone solar power generation project of SacaSun located at San Carlos Ecozone, Barangay Punao, San Carlos City, Negros Occidental
SEC	Securities and Exchange Commission of the Philippines
SFELAPCO	San Fernando Electric Light & Power Co., Inc.
SN Aboitiz Power-Benguet	SN Aboitiz Power – Benguet, Inc. (formerly, SN Aboitiz Power – Hydro, Inc.), which owns and operates the Ambuklao-Binga Hydroelectric Power Complex in Bokod, Benguet
SN Aboitiz Power-Magat	SN Aboitiz Power – Magat, Inc., which owns and operates the 360-MW Magat Plant located in Ramon, Isabela and Alfonso Lista, Ifugao, and the 8.5-MW Maris Plant in Ramon, Isabela
SN Aboitiz Power Group	The group of companies formed out of the strategic partnership between AboitizPower and SN Power (now Scatec); particularly, MORE and its Subsidiaries, including SN Aboitiz Power-Benguet, SN Aboitiz Power-Gen, Inc., SN Aboitiz Power-RES, Inc., and SN Aboitiz Power-Magat.
SPPC	Southern Philippines Power Corporation
SRC	RA No. 8799 or the Securities Regulation Code of the Philippines
STEAG Power	STEAG State Power Inc.
Subic Enerzone	Subic Enerzone Corporation

Subsidiary	In respect of any Person, any entity: (i) over fifty percent (50.0%) of whose capital is owned directly by that Person; or (ii) for which that Person may nominate or appoint a majority of the members of the board of directors or such other body performing similar functions
Systems Loss	Refers to Electric Energy Input minus the Electric Energy Output, as defined in ERC Resolution No. 10-2018.
TCIC	Taiwan Cogeneration International Corporation
TeaM Energy	Team Energy Corporation
TLI	Therma Luzon, Inc.
TMI	Therma Marine, Inc.
TMO	Therma Mobile, Inc.
Tiwi-Makban Geothermal Facilities	Refers to the geothermal facilities composed of twelve geothermal plants and one binary plant of APRI located in the provinces of Batangas, Laguna and Albay.
TPI	Therma Power, Inc.
TPVI	Therma Power-Visayas, Inc.
Transco	National Transmission Corporation and, as applicable, NGCP which is the Transco concessionaire
TSI	Therma South, Inc. (formerly: Therma Pagbilao, Inc.)
TVI	Therma Visayas, Inc. (formerly: Vesper Industrial and Development Corporation)
US\$	The lawful currency of the United States of America
VAT	Value Added Tax
Visayan Electric	Visayan Electric Company, Inc.
Vivant Group	Refers to Vivant Corporation and its Subsidiaries
WESM	Wholesale Electricity Spot Market
WMPC	Western Mindanao Power Corporation

SEC FORM 20-IS (INFORMATION STATEMENT)

The Board Audit Committee Report to the Board of Directors

The Board Audit Committee is pleased to present its report for the financial year ended December 31, 2021.

Board Audit Committee Responsibility

The primary purpose of the Audit Committee is to assist the full Board in fulfilling its responsibility to the public, governmental and/or regulatory bodies in:

- (a) Ensuring the integrity of the Company's financial reporting processes, including ensuring the integrity of financial reports and other financial information provided by the Company to the public, governmental and/or regulatory bodies;
- (b) Ensuring excellence in the Company's control performance by having an adequate and effective internal control system, governance and risk management processes and reviewing the performance of the Company's internal audit function;
- (c) Reviewing the annual independent audit of the Company's financial statements and the external auditors qualifications and independence;
- (d) Ensuring compliance with applicable laws and regulations which may represent material financial exposure to the Company; and
- (e) Providing an avenue of communication among the Company's independent auditors, the management, the internal audit department and the Company.

The Committee in fulfilling its purpose, will establish a constructive and collaborative relationship with the Company's senior leadership especially the Company CEO, COO, CFO and the heads of the different departments.

Committee Membership

The Board Audit Committee is composed of five (5) members, three (3) of whom are independent directors including the Chairman.

Carlos C. Ejercito (Independent Director) is the Chairman of the Committee. Other members of the committee are **Raphael P.M. Lotilla** (Independent Director), **Eric O. Recto** (Independent Director), **Luis Miguel Aboitiz** (Non-Executive Director), and **Danel C. Aboitiz** (Director).

Meetings and Attendance

The Board Audit Committee carried out its function through its meetings with management, internal auditors, independent external auditors, advisers and others, where appropriate.

The Audit Committee Charter provided for the committee to hold at least four (4) regular meetings a year, with the authority to convene special meetings, when deemed required. It also holds an annual joint meeting with the Board Risk and Reputation Committee.

In 2021, five (5) meetings were held via videoconferencing. The attendance of the committee members is indicated below:

Committee Composition	March 3, 2021 Regular Meeting	April 27, 2021 Regular Meeting	July 28, 2021 Regular Meeting	Oct 29, 2021 Regular Meeting	Nov 15, 2021 Joint with Risk and Reputation Meeting
CARLOS C. EJERCITO Chairman, Independent Director	✓	✓	✓	✓	✓

SEC FORM 20-IS (INFORMATION STATEMENT)

Committee Composition	March 3, 2021 Regular Meeting	April 27, 2021 Regular Meeting	July 28, 2021 Regular Meeting	Oct 29, 2021 Regular Meeting	Nov 15, 2021 Joint with Risk and Reputation Meeting
ERIC O. RECTO Member, Independent Director	✓	✓	✓	✓	✓
ROMEO L. BERNARDO Member, Independent Director	✓	N/A	N/A	N/A	N/A
RAPHAEL P.M. LOTILLA Member, Independent Director	N/A	✓	✓	✓	✓
DANEL C. ABOITIZ Member, Director	✓	✓	✓	✓	✓
LUIS MIGUEL O. ABOITIZ Member, Director	N/A	✓	✗	✓	✓
ERRAMOM I. ABOITIZ Member, Director	✓	N/A	N/A	N/A	N/A

Attendees to these meetings also include the 1AP Group Internal Audit Head, Aboitiz Group Internal Audit Head, and, by invitation, the Chief Risk Officer, Chief Financial Officer, Controller and other key leaders when deemed appropriate.

Regular one-on-one sessions of 1AP Internal Audit Head with the AP Chairman of the Board Audit Committee prior to every scheduled Board Audit Committee meeting are also conducted.

Financial Reports

The Board Audit Committee reviewed, discussed, and approved for public disclosure the 2021 quarterly unaudited consolidated financial statements and endorsed for approval by the full Board the 2021 annual audited financial statements of Aboitiz Power Corp., its subsidiaries and alliances. Included in the review were the Management Discussion and Analysis of Financial Condition and Results of Operations following prior review and discussion with management, accounting, and the company's independent external auditor, SyCip Gorres Velayo & Co. (SGV) – a member practice of Ernst & Young (EY) in the Philippines.

The activities of the Board Audit Committee are performed in the context –

- That management has the primary responsibility for the financial statements and the financial reporting process; and
- That the company's independent external auditor is responsible for expressing an unqualified opinion on the conformity and consistency of application of the Company's audited financial statements with Philippine Financial Reporting Standards.

SEC FORM 20-IS (INFORMATION STATEMENT)

External Auditor

Upon endorsement of the Board Audit Committee to the full Board which, in turn, sought the approval of the shareholders of Aboitiz Power Corp., during its Annual General Stockholders Meeting held last April 26, 2021, SyCip Gorres Velayo & Co. (SGV) was re-appointed as the independent external auditor for 2021 with Maria Veronica Andresa R. Pore as the signing partner for SGV.

The overall scope and audit plan of SGV were reviewed and approved during the October 29, 2021 regular Board Audit Committee meeting. The audit plan, fees and terms of engagement which covers audit-related services provided by SGV were also reviewed and found to be reasonable.

The results of the SGV audits and its assessment of the overall quality of the financial reporting process were presented and discussed during the first Audit Committee meeting the following year, March 2, 2022.

In 2021, the Company did not engage SGV in any non-audit related service.

Internal Auditors

The Board Audit Committee is satisfied with the internal audit function and had assessed that it is operating effectively and is able to generally cover the relevant risks pertinent to the company in its audits despite the continued remote auditing and work-from-home arrangement given the pandemic. The Committee has reviewed and approved the annual audit program for the year which also covers the adequacy of resources, qualifications and competencies of the staff, and independence of the internal auditors.

With reference to the International Professional Practices Framework (IPPF) Attribute Standard 1100 which states that “The Internal Audit Activity must be independent, and internal auditors must be objective in performing their work.”, the Board Audit Committee confirms that the function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner. The Committee further confirms that, to the best of its knowledge and belief, the auditors have no personal or other impairments that would prevent them from objectively planning, conducting, reporting, or otherwise participating and reaching independent conclusions in their audit assignments in 2021. Internal audit is organizationally positioned to be independent – functionally reporting to the Board Audit Committee and administratively to the President and Chief Executive Officer.

The Board Audit Committee is satisfied with the content and quality of reports prepared and issued by the internal auditors during the year under review.

The 1AP Group Internal Audit remains to be the single-point-of-contact for the Board Audit Committee. It takes the lead in setting the standards, initiatives and overall direction of the audit team which, in turn, focus its reviews on the top risks of respective business units.

Information systems and technology-related risks, however, still remain to be an area mostly covered by the Aboitiz group IT and information systems auditors in 2021.

In line with the strategic intent of the Group Internal Audit to gradually decentralize the Information Systems Audit starting 2020 to 2022, 1AP internal audit had covered information systems related risks in their 2021 engagements as identified and agreed with Aboitiz Group IT/IS internal audit team.

Based on audit reports and highlights presented to the Board Audit Committee and with the contribution provided by management and other key leaders on the issues raised to their attention, ***the Board Audit Committee concurs with internal audit’s assessment that, generally, there is reasonable assurance that the existing system of internal controls, risk management and governance allow for a generally adequate management of identified risks and effectively supports the improvement of the management of the Company as a whole.*** There is a need, however, to further strengthen governance and controls over security standards for information and related technologies particularly in relation to cyber-security risks.

SEC FORM 20-IS (INFORMATION STATEMENT)

External Quality Assessment

The 1AP Internal Audit team with offices in Manila and Cebu, after undergoing the External Quality Assessment (EQA) review by the authorized validators of the Institute of Internal Auditors (IIA) Philippines that are duly accredited by the Institute of Internal Auditors (IIA) International, received the official EQAR results early 2017.

It is the opinion of the IIA that on the overall, the internal audit team of Aboitiz Power Corporation, “**Generally Conforms**” to the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics for internal audit practitioners. **Generally Conforms** is the highest rating awarded in connection with an EQA and the internal audit team has been commended for this achievement.

Acquiring the EQA global certification helps build the reputation not just of internal audit but of Aboitiz Power Corporation, as a company that not only conforms, complies and follows but adopts and implements the International *Standards* for the Professional Practice of Internal Auditing. **The EQA certification is valid for 5 years until 2022.** Until then, 1AP Group Internal Audit ensures that it continually works on its Quality Assurance Improvement Program by doing its interim self-assessment and/or peer reviews annually.

Review of the Audit Charters

Annual review and updating of the Board Audit Committee Charter was conducted. No further changes were effected in 2021 after the changes effected and approved in November 2020 regular board meeting and after the 2021 annual review and discussions. The existing Board Audit Committee charter reinforced the oversight responsibilities of the board audit committee in ensuring excellence in control performance by having an adequate and effective internal control system, governance and risk management processes. It likewise includes among its oversight duties and responsibilities the establishment of a fraud response plan.

The review and updating of the Internal Audit Team Charter are also done annually, and approved by the Board Audit Committee.

Self-Assessment

The Board Audit Committee conducted its annual self-assessment in accordance with the guidelines of SEC Memo Circular No. 4, series of 2012. The assessment results showed that it fully complied with the requirements set forth in the Audit Charter and met the necessary and most important requirements set by global standards and best practices.

Risk Management

The partnership between the functions of risk management and audit has remained solid. In order to continuously provide objective assurance to the Board on the effectiveness of risk management, a Joint Audit and Risk & Reputation Committee meeting is held at least once a year.

Presented in the joint Board Audit and Risk & Reputation Committee meeting last November 15, 2021 are the top strategic risks that present a significant impact to the Company’s ability to execute its plans and strategies as well as to achieve its business objectives.

These top risks are among the relevant factors in consideration for the preparation of the internal audit’s master plan for the following year.

Results of the 2021 series of existence and effectiveness validation review by internal audit on risk management or treatment plans identified and implemented by the different business units across AP as of October 2021 were likewise presented in the November 15, 2021 joint meeting. Assurance is given when results of the review show that majority of the risk management or treatment plans were generally acted upon (done) or being addressed (in-progress), and generally effective for those subjected to deep-dive reviews in 2021.

SEC FORM 20-IS (INFORMATION STATEMENT)

After considering, analyzing and reviewing all pertinent information to the integrity of financial reporting, adequacy of internal controls, risk management, governance and compliance within Aboitiz Power Corp. and its affiliated companies, the Committee is of the view that, in all material aspects, the duties and responsibilities as so outlined in its Charter have been satisfactorily performed.

In behalf of the Board Audit Committee,

(SGD.)

Carlos C. Ejercito

Chairman, Independent Director

Board Audit Committee Chairman

SEC FORM 20-IS (INFORMATION STATEMENT)



Internal Control and Compliance System Attestation

For the year ended, December 31, 2021

Aboitiz Power Corporation (AP) corporate governance system includes a combination of internal and external mechanisms such as the structure of the board of directors and our committees, the oversight it exercises over management, and the formulation of sound policies and controls.

- The Board of Directors is responsible for providing governance and in overseeing the effective implementation of adequate internal control mechanism and risk management processes;
- Management is primarily responsible for designing and implementing an adequate (effective and efficient) internal control system and risk management processes as well as in ensuring compliance with legal requirements (statutory and regulatory);
- Management is responsible for developing a system to monitor and manage risks;
- SGV & Co., the Company's external auditor is responsible for assessing and expressing an opinion on the conformity of the audited financial statement with Philippine Financial Reporting Standards and the overall quality of the financial reporting process;
- Internal Audit adopts a risk-based audit approach in developing an annual audit master plan and conducts reviews to assess the adequacy of the Company's internal control system;
- The Company's Resident Internal Audit Head that acts as the equivalent of a Chief Audit Executive and reports functionally to the Board Audit Committee to ensure independence and objectivity, allowing internal audit to fulfil its responsibilities; and
- Internal Audit activities conform to the International Standards for the Professional Practice of Internal Auditing and are continuously evaluated annually through self- assessment and peer reviews as well as through an independent Quality Assessment Review conducted every five years.

Based on the above assurance provided by the internal auditors as well as the external auditors as a result of their reviews, we attest that Aboitiz Power Corporation's internal control and compliance system, which covers governance, risk and control processes, are generally adequate.

Emmanuel V. Rubio

President & Chief Executive Officer

Saturnino E. Nicanor, Jr.

AP Internal Audit Head

SEC FORM 20-IS (INFORMATION STATEMENT)
