



March 25, 2024

via electronic mail

SECURITIES AND EXCHANGE COMMISSION

SEC Headquarters, 7909 Makati Avenue

Salcedo Village, Bel-Air, Makati City

ATTENTION : **DIR. OLIVER O. LEONARDO**
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 : **DISCLOSURE DEPARTMENT**

via electronic mail

PHILIPPINE DEALING & EXCHANGE CORP.

29th Floor BDO Equitable Tower

8751 Paseo de Roxas, Makati City 1226

ATTENTION : **ATTY. SUZY CLAIRE R. SELLEZA**
Head – Issuer Compliance and Disclosure Department

Gentlemen:

Attached is the SEC Form 20-IS (Definitive Information Statement) of Aboitiz Power Corporation for the 2024 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 2

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)

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NOTICE AND AGENDA OF THE 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 22, 2024, Monday at 9:30 a.m.** (Philippine time) (the "2024 ASM"). The meeting will be conducted virtually from 32nd Street, Bonifacio Global City, Taguig City, and will be accessible through the hyperlink provided in the Company's website at <https://aboitizpower.com/2024asm> (the "ASM Portal") beginning on March 25, 2024.

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 Annual Stockholders' Meeting held on April 24, 2023
4. Presentation of the President's Report
5. Approval of the 2023 Annual Report and Financial Statements
6. Appointment of the Company's External Auditor for 2024
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 April 24, 2023 up to April 22, 2024
9. Other Business
10. Adjournment

Only stockholders of record at the close of business hours on March 21, 2024 are entitled to notice of, to participate in, and to vote at this meeting by registering at the ASM Portal beginning on March 25, 2024. Once registered, stockholders may send in questions or remarks through the ASM Portal.

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

Registered stockholders may cast their votes by remote communication or *in absentia* using the online voting platform available at the ASM Portal beginning March 25, 2024. Votes cast by registered stockholders until 5:00 p.m. of April 19, 2024 will be tabulated and presented during the 2024 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 reflected in the minutes of the 2024 ASM and posted on the Company's website.

The procedures for attendance and voting during the 2024 ASM will be included in the Information Statement and will be 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 15, 2024 to the Office of the Corporate Secretary either through email at AP_BoardSecretariat@aboitiz.com or hard copies delivered prior to the cut-off date at 16F NAC Tower, 32nd Street, Bonifacio Global City, Taguig City. Validation of proxies is scheduled on April 19, 2024 and will be held virtually. **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 Annex "A" of this Definitive Information Statement and may also be viewed at AboitizPower's website at [www.aboitizpower.com/2024asm](https://aboitizpower.com/2024asm).

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

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

Date	: APRIL 22, 2024
Time	: 9:30 A.M.
Place	: Streamed live from NAC Tower, 32 nd Street, Bonifacio Global City, Taguig City accessible through the link available in the Company's website at https://abotizpower.com/2024asm
- Approximate date on which the Information Statement is first to be sent or given to security holders: **MARCH 26, 2024**
- In case of Proxy Solicitations: **No proxy solicitation is being made.**
- 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, 2023 7,205,854,307
Amount of Debt Outstanding as of December 31, 2023 ₱237,145,075,000.00

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

Issue Date	Series	Amount of Issuance	Maturity Date	Tenor
July 2017	Series A	₱3.00 billion	July 2027	10 years
October 2018	Series C	₱2.50 billion	October 2028	10 years
October 2019	Series D	₱7.25 billion	October 2026	7 years
July 2020	Series F	₱550 million	July 2025	5 years
March 2021	Series A	₱8.00 billion	March 2026	5 years

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Issue Date	Series	Amount of Issuance	Maturity Date	Tenor
December 2021	Series B	₱4.80 billion	December 2025	4 years
December 2021	Series C	₱7.20 billion	December 2028	7 years
March 2022	Series D	₱3.00 billion	March 2027	5 years
March 2022	Series E	₱7.00 billion	March 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 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").

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INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time, and place of the 2024 Annual Stockholders' Meeting

Date of meeting : **April 22, 2024**
Time of meeting : **9:30 a.m.**
Place of meeting : Streamed live from NAC Tower, 32nd Street, Bonifacio Global City, Taguig City accessible through the link provided in the Company's website at <https://aboitizpower.com/2024asm>

Approximate mailing date of this statement : **March 26, 2024**

Complete mailing address of the principal office of the Registrant : **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 2024 Annual Stockholders' Meeting ("2024 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.

In accordance with Section 81 of the Revised Corporation Code, any stockholder who wishes to exercise his appraisal right must have voted against the proposed corporate action. He must make a written demand on AboitizPower, within 30 days after the date on which the vote was taken, for payment of the fair value of his shares. Failure to make the demand within such period shall be deemed a waiver of such appraisal right. If the proposed corporate action is implemented or effected, AboitizPower shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within a period of 60 days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and AboitizPower cannot agree on the fair value of the shares, it shall be determined and appraised by three disinterested persons, one of whom shall be named by the stockholder, another by the Company, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by AboitizPower within 30 days after such award is made. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment. Upon payment by

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AboitizPower of the agreed or awarded price, the stockholder shall forthwith transfer the shares to 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.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Class of Voting Shares as of February 29, 2024:

Nationality	Class of Voting Shares	Number of Shares	Percentage
Filipino	Common	5,099,159,983	70.76%
Non-Filipino	Common	2,106,694,324	29.24%
Total No. of Shares Entitled to Vote		7,205,854,307	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 21, 2024 are entitled to notice of and to vote at AboitizPower's 2024 ASM.

(c) Election of Directors and Cumulative Voting Rights

With respect to the election of directors, stockholders may vote in person, by proxy, or through remote communication or *in absentia* the number of shares of stock in their own name in the stock and transfer book of the Company. Stockholders may vote such a number of shares for as many persons as there are directors to be elected. They 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 they shall see fit, provided that the total number of votes cast by the stockholders shall not exceed the total number of shares owned by each stockholder 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.

Article 6 of the Company's Amended Articles of Incorporation provides that the number of directors of AboitizPower shall be nine, who are to serve until their successors are elected and qualified as provided in the Company's By-Laws.

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

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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/2024asm> in order to register and vote on the matters at the 2024 ASM. Stockholders may cast their votes online until 5:00 p.m. on April 19, 2024. A stockholder voting remotely or *in absentia* shall be deemed present for purposes of quorum.

Please refer to **Annex "E"** on the Requirements and Procedure for the Voting and Participation in the 2024 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 2024 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 February 29, 2024:

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	3,817,195,833 (Record and Beneficial)	52.97%
Common	2. JERA Asia Private Limited (JERA Asia)³ 88 Market Street #42-01 Capita Spring, Singapore 048948 (Stockholder)	JERA Asia Private Limited	Japanese	1,986,823,063 (Record and Beneficial)	27.57%
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	1,026,941,045 (Record)	14.25%

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's 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 Incorporated). JERA is Japan's largest power generation company and has a global footprint through its subsidiaries operating in various countries around the world.

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 Messrs. Takao Onuki or Katsuya Harada, Authorized Representatives 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 a 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. None of the beneficial owners under a PCD participant own more than 5% of the Company's common shares, as of February 29, 2024.

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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 February 29, 2024, 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, Gov. Manuel A. Cuenco Avenue, Kasambagan, Cebu City (Stockholder)	Aboitiz & Company, Inc.	Filipino	2,735,600,915 (Record and Beneficial)	48.59%
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	1,070,687,539 (Record)	19.05%
Common	3. Ramon Aboitiz Foundation, Inc. 35 Lopez Jaena Street, Cebu City (Stockholder)	Ramon Aboitiz Foundation, Inc.	Filipino	426,804,093 (Record and Beneficial)	7.59%
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	321,225,596 (Record)	5.72%

(2) Security Ownership of Management as of February 29, 2024 (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%
		16,835,679	Indirect		0.23%
Common	Eric Ramon O. Recto Vice Chairman of the Board/ Lead Independent Director	1,000	Direct	Filipino	0.00%
		0	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	Luis Miguel O. Aboitiz Director	11,167,081	Direct	Filipino	0.15%
		21,238,323	Indirect		0.29%
Common	Danel C. Aboitiz Director/Chief Commercial and Stakeholder Engagement Officer	20,000,000	Direct	Filipino	0.28%
		0	Indirect		0.00%
Common	Toshiro Kudama Director	100	Direct	Japanese	0.00%
		0	Indirect		0.00%
Common	Izumi Kai Director	100	Direct	Japanese	0.00%
		0	Indirect		0.00%
Common	Edwin R. Bautista Director	1,000	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Cesar G. Romero	100	Direct	Filipino	0.00%

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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
	Independent Director	0	Indirect		0.00%
Common	Veronica C. So Group Treasurer	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Juan Alejandro A. Aboitiz Senior Vice President/Chief Financial Officer/Corporate Information Officer	0	Direct	Filipino	0.00%
		2,685,408	Indirect		0.04%
Common	Manuel Alberto R. Colayco Senior Vice President/ Chief Legal and Compliance Officer/ Corporate Secretary	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Ma. Clarisse S. Osteria Assistant Corporate Secretary	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Mark Louie L. Gomez Data Protection Officer and Vice President for Risk and Organizational Performance Management	0	Direct	Filipino	0.00%
		0	Indirect		0.00%
Common	Juan Pascual C. Cosare Internal Audit Head	0	Direct	Filipino	0.00%
		300	Indirect		0.00%
	TOTAL	78,113,627			1.09%

(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 2023-2024

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 2023-2024

The Company's Board is composed of nine directors, two of whom are Independent Directors, five are Non-Executive Directors, and two are Executive Directors. Below are the profiles of each director for 2023-2024 with their corresponding positions, offices, and business experience held for the past five years. Except for Mr. Izumi Kai who assumed his directorship on July 24, 2023, the directors were elected during AboitizPower's 2023 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: 59 years old

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<u>Citizenship:</u> Filipino	
<u>Date of First Appointment:</u> April 26, 2021	
<u>Tenure:</u> 2 years	
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 Cyber and Information Security Committee <i>(since April 26, 2021)</i>
Present Positions:	
Chairman of the Board	Aboitiz Power Corporation*
	Aboitiz Foundation, Inc.
	Advanced Data Innovation, Inc.
	Aboitiz Land, Inc.
	CRH Aboitiz Holdings, Inc.
	Manila-Oslo Renewable Enterprise, Inc.
	SN Aboitiz Power – Benguet, Inc.
Tenfold Ventures Corporation	
Director/President and Chief Executive Officer	Aboitiz Equity Ventures Inc.*
	Aboitiz & Company, Inc.
Director/President	AEV CRH Holdings, Inc.
Director	Aboitiz Construction International, Inc.
	Aboitiz Construction, Inc.
	Aboitiz Data Innovation Pte. Ltd.
	Aboitiz FeedAll Holdings, Inc.
	Aboitiz Impact Ventures, Inc.
	Aboitiz InfraCapital, Inc.
	AboitizPower International Pte. Ltd.
	AEV International Pte Ltd.
	Apo Agua Infraestructura, Inc.
	CCEP Aboitiz Beverages Philippines, Inc.
	GMR Megawide Cebu Airport Corporation
	Lima Land, Inc.
	Pilmico Animal Nutrition Corporation
	Pilmico Foods Corporation
	Republic Cement & Building Materials, Inc.
	Republic Cement Services, Inc.
	Therma Luzon, Inc.
Therma South, Inc.	
Unity Digital Infrastructure Inc.	
Union Bank of the Philippines, Inc *	
UnionDigital Bank, Inc.	
Head	Private Sector Advisory Council
Business Advisory Council (ABAC) PH Member	Asia-Pacific Economic Cooperation
* A publicly listed company	
Previous Positions:	
First Vice President	Aboitiz Equity Ventures Inc.
Senior Vice President	
Executive Vice President and	

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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.	

ERIC RAMON O. RECTO	
Vice Chairman of the Board Lead Independent Director	
<u>Age</u> : 60 years old	
<u>Citizenship</u> : Filipino	
<u>Date of First Appointment</u> : May 21, 2018	
<u>Tenure</u> : 5 years	
Committee Memberships:	
Chairman	Board Related Party Transactions Committee <i>(since May 21 2018)</i>
	Board Cyber and Information Security Committee <i>(since April 26, 2021)</i>
	Board Audit Committee <i>(since April 25, 2022)</i>
Member	Board Environmental, Social and Corporate Governance Committee <i>(since April 26, 2021)</i>
	Board Risk and Reputation Management Committee <i>(since May 21, 2018)</i>
Present Positions:	
Vice Chairman of the Board/ Lead Independent Director	Aboitiz Power Corporation*
Chairman of the Board	Philippine Bank of Communications*
Chairman of the Board and President	Bedfordbury Development Corporation
Chairman of the Board and Chief Executive Officer	Alphaland Corporation
	Atok-Big Wedge Co., Inc.*
President/Director	Q-Tech Alliance Holdings, Inc.
Director	DITO CME Holdings Corp.*
	Miescor Infrastructure Development Corporation
Independent Director	PH Resorts Group Holdings, Inc.*
Independent Director	Manila Water Company, Inc.*
Senior Adviser	Stonepeak Infrastructure Partners
* A publicly listed company	
Previous Positions:	
Vice Chairman	Alphaland Corporation
President	Top Frontier Investment Holdings, Inc.
Director	San Miguel Corporation
	Manila Electric Company (Meralco)
	Maynilad Water Services, Inc.
	Metro Pacific Investments Corporation
Independent Director	Philippine National Bank
	Davao Insular Hotel Company Inc.

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	Energy Development Corporation
	Waterfront Cebu City Casino Hotel Inc.
Undersecretary	Department of Finance

Educational Background:

College	Bachelor of Science Degree in Industrial Engineering University of the Philippines – Diliman
Graduate Studies	Master’s 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.

LUIS MIGUEL O. ABOITIZ
Non-Executive Director

Age: 59 years old
Citizenship: Filipino
Date of First Appointment: September 1, 2018
Tenure: 5 years

Committee Memberships:

Member	Board Audit Committee <i>(since April 26, 2021)</i>
	Board Risk and Reputation Management Committee <i>(since April 25, 2022)</i>
	Board Environmental, Social and Corporate Governance Committee <i>(since December 22, 2021)</i>
	Board Executive Committee <i>(since April 26, 2021)</i>
	Board Cyber and Information Security Committee <i>(since April 26, 2021)</i>
	Board Related Party Transactions Committee <i>(since April 25, 2022)</i>

Present Positions:

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

* A publicly listed company

Previous Positions:

Vice Chairman of the Board	Aboitiz Power Corporation
Executive Vice President – Chief Strategy Officer	
Executive Vice President and Chief Operating Officer – Corporate Business Group	
Senior Vice President-Power	

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Marketing and Trading	
Educational Background:	
College	Bachelor of Science in Computer Science and Engineering Santa Clara University, California, U.S.A.
Graduate Studies	Master's degree 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	
<u>Age:</u> 59 years old	
<u>Citizenship:</u> Filipino	
<u>Date of First Appointment:</u> January 1, 2020	
<u>Tenure:</u> 4 years	
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>
Ex-Officio 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	AA Thermal, Inc.
	Aboitiz Renewables, Inc.
Director	1882 Energy Ventures, Inc.
	Aboitiz Power Distributed Energy, Inc.
	Aboitiz Power Distributed Renewables, Inc.
	Cotabato Light & Power Company
	Davao Light & Power Co., Inc.
	Redondo Peninsula Energy, Inc.
	STEAG State Power, Inc.
Alternate Director	AboitizPower International Pte. Ltd.
Trustee	Aboitiz Foundation, Inc.
* A publicly listed company	
Previous Positions:	
Executive Vice President and Chief Operating Officer – Power Generation Group	Aboitiz Power Corporation
Executive Vice President - Chief Operating Officer	Aboitiz Power Corporation
Educational Background:	

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College	Bachelor of Science in Industrial Management Engineering with a minor in Mechanical Engineering De La Salle University, Manila
Graduate Studies	Master's 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 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.

* Mr. Rubio will be retiring from the Company effective at the end of June 30, 2024. During a special board meeting held on March 21, 2024, the Board of Directors of the Company unanimously approved the appointment of Mr. Danel C. Aboitiz as President and Chief Executive Officer, replacing Mr. Rubio, effective July 1, 2024.

TOSHIRO KUDAMA

Non-Executive Director

Age: 66 years old

Citizenship: Japanese

Date of First Appointment: December 22, 2021

Tenure: 2 years

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

* A publicly listed company

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

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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.

EDWIN R. BAUTISTA
Non-Executive Director

Age: 63 years old
Citizenship: Filipino
Date of First Appointment: April 26, 2021
Tenure: 2 years

Committee Memberships:

Member	Board Environmental, Social and Corporate Governance Committee <i>(since April 25, 2022)</i>
	Board Audit Committee <i>(since April 25, 2022)</i>

Present Positions:

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

* A publicly listed company

Previous Positions:

Chief Operating Officer	Union Bank of the Philippines
Senior Executive Vice President	
Executive Vice President	
Director	City Savings Bank
	Petnet, Inc.

Educational Background:

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

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

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DANEL C. ABOITIZ*

Executive Director

Age: 42 years old

Citizenship: Filipino

Date of First Appointment: December 11, 2018

Tenure: 5 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*
Chairman of the Board	Republic Cement Services, Inc.
Vice Chairman of the Board	Republic Cement & Building Materials, Inc.
Vice Chairman	Independent Power Producers Association
Vice Chairman, Energy Committee	Management Association of the Philippines
Director	1882 Energy Ventures, Inc.
	AA Thermal, Inc.
	Aboitiz Land, Inc.
	Aboitiz Renewables, Inc.
	AboitizPower International Pte. Ltd.
	Abovant Holdings, Inc.
	AEV CRH Holdings, Inc.
	AP Renewables, Inc.
	Balamban Enerzone Corporation
	Cebu Energy Development Corporation
	Cebu Private Power Corporation
	Cotabato Light & Power Company
	CRH Aboitiz Holdings, Inc.
	Davao Light and Power Co., Inc.
	East Asia Utilities Corporation
	Lima Enerzone Corporation
	Mactan Enerzone Corporation
	Malvar Enerzone Corporation
	Manila-Oslo Renewable Enterprise, Inc.
	Neptune Hydro, Inc.
	Pagbilao Energy Corporation
	Redondo Peninsula Energy, Inc.
	San Fernando Electric Light & Power Co., Inc.
	STEAG State Power, Inc.
	Subic Enerzone Corporation
	Therma Dinginin Holdings, Inc.
	Therma Luzon, Inc.
	Therma Marine, Inc.
	Therma Mobile, Inc.
	Therma NatGas Power Inc.
Therma Power, Inc.	
Therma Power-Visayas, Inc.	
Therma South, Inc.	

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	Therma Visayas, Inc.
	Visayan Electric Company, Inc.
Management Committee Representative	GNPower Dinginin Ltd. Co.
Member of the Board of Advisors	Aboitiz & Company, Inc.
Board Observer	Aboitiz FeedAll Holdings, Inc.
Private Sector Representative for Mindanao, Inter-Agency Investment Promotion Coordination Committee	Department of Trade and Industry

* A publicly listed company

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
Vice Chairman	Philippine Independent Power Producers Association

He is not a director of any other publicly-listed company in the Philippines.

* Mr. Aboitiz is the incoming President and Chief Executive Officer of AboitizPower, effective July 1, 2024. His appointment was unanimously approved by the Board of Directors of the Company in a special board meeting held on March 21, 2024.

CESAR G. ROMERO
Independent Director

Age: 58 years old
Citizenship: Filipino
Date of First Appointment: October 1, 2022
Tenure: 1 year

Committee Memberships:

Chairman	Board Environmental, Social and Corporate Governance Committee <i>(since October 1, 2022)</i>
Member	Board Risk and Reputation Management Committee <i>(since October 1, 2022)</i>
	Board Audit Committee <i>(since October 1, 2022)</i>
	Board Related Party Transactions Committee <i>(since October 1, 2022)</i>

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Present Positions:	
Independent Director	Aboitiz Power Corporation*
	Aboitiz Equity Ventures Inc.*
	Robinsons Retail Holdings, Inc.*
* A publicly listed company	
Previous Positions:	
President and Chief Executive Officer	Pilipinas Shell Petroleum Corporation
Vice President – Global Retail Network	Shell’s Global Downstream Business
Vice President of Retail Sales and Operations East	
Vice President for Supply – East based in Singapore	
Vice President for Downstream Management Consultancy based in London	
Business Assistant to the Executive Director	
Educational Background:	
College	Bachelor of Science in Mechanical Engineering (<i>cum laude</i>), University of the Philippines
Graduate Studies	Master’s Degree in Business Administration (with High Distinction), University of Michigan, Michigan, U.S.A.
Various Management Development Courses	London Business School
	Wharton Business School
He is not connected with any Philippine government agency or instrumentality.	

IZUMI KAI	
Non-Executive Director	
<u>Age</u> : 49 years old	
<u>Citizenship</u> : Japanese	
<u>Date of First Appointment</u> : July 24, 2023	
<u>Tenure</u> : 6 months	
Committee Memberships:	
Observer	Board Environmental, Social and Corporate Governance Committee (<i>since August 15, 2023</i>)
	Board Audit Committee (<i>since August 15, 2023</i>)
	Board Cyber and Information Security Committee (<i>since August 15, 2023</i>)
Present Positions:	
Director	Aboitiz Power Corporation
Executive Director – Head of Platform Business Division	JERA Co., Inc.

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** A publicly listed company*

Previous Positions:

Chief Strategy Officer	JERA Americas Holdings, Inc.
President	JERA Energy America LLC
General Manager for Global Fuel Trading Business Development	JERA Co., Inc.
Senior Manager for Marketing and Sales of LNG	Japan Petroleum Exploration Co., Ltd.

Educational Background:

College	Bachelor's Degree in Engineering Ritsumeikan University, Japan
Graduate Studies	Master's Degree in Business Administration in Global Management with a major in Finance Arizona State University, USA

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

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, the Compliance Officer, and the Group Internal Audit Head.

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. AboitizPower complied with this requirement in 2023 with the engagement of the Institute of Corporate Directors ("ICD"), a non-stock, not-for-profit national association of corporate directors and other stakeholders engaged in corporate governance to support its Board performance assessment exercise.

For more discussion on the Board's (i) performance assessment, and (ii) attendance record at Board, Board Committee, and stockholders' meetings for the year 2023, please refer to the Board Matters portion of Part III – Corporate Governance on page 142 of this Definitive Information Statement.

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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, 2024 and the table for nominations was closed on February 15, 2024, 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 the report including any relationship with the nominee.

On February 15, 2024, the Chairman of the Board of the 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 2023, Mr. Cesar G. Romero, Independent Director, was the Chairman of the Board ESCG Committee. The other voting members are Messrs. Eric Ramon O. Recto, Sabin M. Aboitiz, Luis Miguel O. Aboitiz and Edwin R. Bautista, while the *ex-officio* non-voting members are Mr. Manuel Alberto R. Colayco, Ms. Maria Luisa C. Inofre, and Mr. Ronald Francis A. Suarez.

Independent Directors shall be elected at the stockholders' meeting during which other members of the Board are to be elected. However, no nominations for Independent Director shall be accepted at the floor during the 2024 ASM.

Messrs. Eric Ramon O. Recto and Cesar G. Romero are the nominees for Independent Directors of AboitizPower for the 2024 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. Recto and Romero, respectively.

AboitizPower stockholders, Mesdames Esmeralda C. Dano and Katrina B. Aliman, have respectively nominated Messrs. Recto and Romero 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 15, 2024, the following were also nominated and qualified as candidates to the AboitizPower Board of Directors for the ensuing year 2024-2025:

Sabin M. Aboitiz
Erramon I. Aboitiz
Emmanuel V. Rubio
Danel C. Aboitiz
Edwin R. Bautista
Toshiro Kudama

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Izumi Kai

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 22, 2024, or not later than March 26, 2024.

All other information regarding the positions and offices held by nominees are integrated in Item 5(a)(1) above. Mr. Erramon I. Aboitiz, previously the President and Chief Executive Officer of AboitizPower, is being nominated again to the Board of Directors.

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

ERRAMON I. ABOITIZ	
<u>Nomination:</u> Non-Executive Director	
<u>Age:</u> 67 years old	
<u>Citizenship:</u> Filipino	
Present Positions:	
Director	Aboitiz Equity Ventures Inc.* Aboitiz InfraCapital Inc.
Chairman of the Board of Directors	Union Bank of the Philippines * Endeavor Philippines
Chairman of the Board of Trustees	Asian Institute of Management
Board Observer	Aboitiz & Company, Inc.
<small>* A publicly listed company</small>	
Previous Positions:	
President and Chief Executive Officer	Aboitiz Power Corporation Aboitiz Equity Ventures Inc.
Director/ Chairman of the Board	Aboitiz Power Corporation
Executive Vice President and Chief Operating Officer	Aboitiz Equity Ventures Inc.
Trustee	Philippine Disaster Recovery Foundation
Educational Background:	
College	Bachelor of Science Degree in Business Administration, Major in Accounting and Finance Gonzaga University, Spokane, Washington, U.S.A
Graduate Studies	Honorary Doctorate Degree in Management Asian Institute of Management
He is not connected with any Philippine government agency or instrumentality.	

Officers for 2023-2024

Below is the list of AboitizPower’s officers for 2023-2024 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 2023 for a term of one year.

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SABIN M. ABOITIZ
Chairman – Board of Directors

Refer to Item 5 (a)(1) for the profile of Mr. Sabin M. Aboitiz

ERIC RAMON O. RECTO
Vice Chairman – Board of Directors

Refer to Item 5 (a)(1) for the profile of Mr. Eric Ramon O. Recto.

EMMANUEL V. RUBIO
Director/President and Chief Executive Officer

Refer to Item 5 (a)(1) for the profile of Mr. Emmanuel V. Rubio.

JUAN ALEJANDRO A. ABOITIZ
Senior Vice President – Chief Financial Officer/Corporate Information Officer

Age: 39 years old
Citizenship: Filipino

Committee Memberships:

<i>Ex-Officio Member</i>	Board Risk and Reputation Management Committee <i>(since November 1, 2023)</i>
	Board Executive Committee <i>(since November 1, 2023)</i>

Present Positions:

Senior Vice President – Chief Financial Officer/Corporate Information Officer	Aboitiz Power Corporation*
Chairman of the Board	Aboitiz Energy Solutions, Inc.
	Adventenergy, Inc.
	AP Renewables, Inc.
	Prism Energy, Inc.
	Therma Luzon, Inc.
Director	SN AboitizPower – RES, Inc.
	1882 Energy Ventures Incorporated
	Aboitiz FeedAll Holdings, Inc.
	Aboitiz InfraCapital, Inc.
	AboitizPower International Pte. Ltd.
	Aboitiz Renewables, Inc.
	AP Lariang Pte. Ltd.
	Cebu Private Power Corporation
	GNPower Mariveles Energy Center Ltd. Co.
	Manila-Oslo Renewable Enterprise, Inc.
	Mazzaraty Energy Corporation
	Pilmico Animal Nutrition Corporation
	Pilmico Foods Corporation
	Therma Dinginin Holdings, Inc.
Therma Mariveles Holdings, Inc.	
Therma NatGas Power, Inc.	

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	Therma Power, Inc.
	Therma Power-Visayas, Inc.
	Therma Visayas, Inc.
President	Aboitiz Power Distributed Energy, Inc. Aboitiz Power Distributed Renewables, Inc.
Chairman of the Committee	Board Audit Committee of Aboitiz InfraCapital, Inc.
Nominee and Treasurer	Solviva Energy OPC

** A publicly listed company*

Previous Positions:

Director	Union Bank of the Philippines
Senior Vice President for Commercial Operations	Aboitiz Power Corporation
First Vice President for Energy Trading & Sales	
Regulatory Affairs Manager	
Assistant Vice President for Corporate Finance	Aboitiz Group
Department Head for Billing and Collection	Visayan Electric Company, Inc.

Educational Background:

College	Bachelor of Science Degree in Accounting Loyola Marymount University, Los Angeles, California, U.S.A.
Graduate Studies	Master of Business Administration The Hong Kong University of Science and Technology
	MBA International Exchange Program IESE Business School – University of Navarra, Barcelona, Spain

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.

MARIA VERONICA C. SO
Group Treasurer

Age: 52 years old
Citizenship: Filipino

Committee Memberships:

None	N/A
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Present Positions:

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

** A publicly listed company*

Previous Positions:

First Vice President – Deputy Group Treasurer	Aboitiz Equity Ventures Inc.
Vice President – Treasury Services	

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Various treasury and finance positions	Globe Telecom
Educational Background:	
College	Bachelor of Science in Business Management Ateneo de Manila University, Manila
Graduate Studies	Master's 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 Senior Vice President/ Chief Legal and Compliance Officer/ Corporate Secretary	
<u>Age:</u> 54 years old <u>Citizenship:</u> Filipino	
Committee Memberships:	
None	N/A
Present Positions:	
Senior Vice President/ Chief Legal and Compliance Officer/ Corporate Secretary	Aboitiz Power Corporation*
<small>* A publicly listed company</small>	
Previous Positions:	
Senior Vice President and Chief Legal Officer/Corporate Secretary	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.	

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MA. CLARISSE S. OSTERIA
Assistant Corporate Secretary

Age: 35 years old
Citizenship: Filipino

Committee Memberships:

None	N/A
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Present Positions:

Assistant Corporate Secretary	Aboitiz Power Corporation*
Assistant Vice President for Governance and Compliance	
Corporate Secretary	Various Subsidiaries of the AboitizPower Group
Assistant Corporate Secretary	Various Subsidiaries of the AboitizPower Group

* A publicly listed company

Previous Positions:

Corporate Secretary	RL Fund Management, Inc.
	RL Property Management, Inc.
Assistant Corporate Secretary	Altus Property Ventures Inc.
	Robinsons Land Corporation

Educational Background:

College	Bachelor of Arts in Journalism University of the Philippines – Diliman
Graduate Studies	Juris Doctor University of the Philippines – Diliman

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 any publicly-listed company in the Philippines.

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

Age: 43 years old
Citizenship: Filipino

Committee Memberships:

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

Vice President for Risk and Organizational Performance Management and Data Protection Officer	Aboitiz Power Corporation*
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* A publicly listed company

SEC FORM 20-IS (INFORMATION STATEMENT)

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 and a certified risk management professional. He is not connected with any Philippine government agency or instrumentality. He is not a director of any publicly-listed company in the Philippines.

JUAN PASCUAL C. COSARE

Internal Audit Head

Age: 38 years old

Citizenship: Filipino

Committee Memberships:

None	N/A
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Present Positions:

Internal Audit Head/Chief Audit Executive	Aboitiz Power Corporation*
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* A publicly listed company

Previous Positions:

Audit Operations Head/Senior Manager	Aboitiz Power Corporation
Internal Audit Manager	
Internal Audit Supervisor	

Educational Background:

College	Bachelor of Science in Accountancy (<i>Cum Laude</i>) University of Immaculate Conception, Davao City
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Mr. Cosare is a Certified Public Accountant, Certified Internal Auditor, Certified Asset Management Assessor (taken in Singapore), and an Information Security Management Systems (ISMS) Lead Auditor Candidate (taken in Malaysia), as well as an ISO 45001:2018 OSH Management Systems Lead Auditor Candidate. 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.

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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. Otherwise, said vacancy must be filled by the stockholders or members in a regular or special meeting called for that purpose. The director so chosen shall serve for the unexpired term of their predecessor in office.

When the vacancy arises as a result of removal by the stockholders or members, the election may be held on the same day of the meeting authorizing the removal and this fact must be so stated in the agenda and notice of said meeting. In all other cases, the election must be held no later than 45 days from the time the vacancy arose. The director so chosen to fill a vacancy shall serve for the unexpired term of his/her predecessor in office.

When the vacancy prevents the remaining directors from constituting a quorum and emergency action is required to prevent grave, substantial, and irreparable loss or damage to the corporation, the vacancy may be temporarily filled from among the officers of the corporation by unanimous vote of the remaining directors. The action by the designated director shall be limited to the emergency action necessary, and the term shall cease within a reasonable time from the termination of the emergency or upon the election of the replacement director, whichever comes earlier.

(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 February 29, 2024

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 have been involved in any of the following during the past five years up to February 29, 2024:

- (a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his/her involvement in any type of business, securities, commodities or banking activities; and
- (d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized

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trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

(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 management fees and corporate center services such as tax compliance and information technology. 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 two independent directors and one non-Executive director.

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 2023 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 February 29, 2024, AEV owns 52.97% of the voting shares of AboitizPower. In turn, ACO owns, as of February 29, 2024, 48.68% 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

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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:

Name of Officer and Principal Position*	Year	Salary	Bonus	Other Compensation
Chief Executive Officer and the Four Most Highly Compensated Executive Officers:				
1. EMMANUEL V. RUBIO - President and Chief Executive Officer				
2. LIZA LUV T. MONTELIBANO* - Senior Vice President - Chief Financial Officer/Corporate Information Officer				
3. JUAN ALEJANDRO A. ABOITIZ** - Senior Vice President - Chief Financial Officer/Corporate Information Officer				
4. DANEL C. ABOITIZ - Chief Commercial and Stakeholder Engagement Officer				
5. MARK LOUIE M. GOMEZ - Data Privacy Officer and Vice President for Risk and Organizational Performance Management				
5. MANUEL ALBERTO R. COLAYCO - Senior Vice President – Chief Legal Officer/Corporate Secretary/Chief Compliance Officer				
All above named officers as a group	Actual 2023	₱141,867,934.00	₱12,937,748.00	₱10,531,199.00
	Actual 2022	₱117,580,000.00	₱6,080,000.00	₱22,330,000.00
	Projected 2024	₱144,041,609.00	₱14,022,797.00	₱11,460,411.00
All other officers and directors as a group	Actual 2023	₱9,360,515.00	₱2,181,485.00	₱39,150,000.00
	Actual 2022	₱3,090,000.00	₱280,000.00	₱34,600,000.00
	Projected 2024	₱10,296,566.00	₱2,399,634.00	₱39,839,217.00

*Resigned effective November 12, 2023

**Before assuming the role of Chief Financial Officer/Corporate Information on November 12, 2023, Mr. Juan Alejandro A. Aboitiz was AboitizPower's Senior Vice President for Commercial Operations Business Unit.

The 2020 Amended By-Laws of the Company, as approved by the Securities and Exchange Commission (SEC) on October 1, 2020, defines corporate officers as follows: the Chairman of the Board, the Vice Chairman, the Chief Executive Officer, the Chief Operating Officer, the President, 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 2023, 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.

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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

AboitizPower 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
Audit Committee Meeting	₱100,000.00	₱150,000.00

In compliance with Section 29 of the Revised Corporation Code, the total compensation of each of the Company's directors as of December 31, 2023 is as follows:

Name of Director	Total Compensation Received as a Director ⁷
SABIN M. ABOITIZ* <i>Chairman of the Board of Directors</i>	₱6,750,000.00
ERIC RAMON O. RECTO <i>Lead Independent Director/ Vice Chairman of the Board of Directors</i>	₱6,800,000.00
CESAR G. ROMERO <i>Independent Director</i>	₱6,450,000.00
LUIS MIGUEL O. ABOITIZ <i>Director</i>	₱5,800,000.00
EMMANUEL V. RUBIO* <i>Director/President and Chief Executive Officer</i>	₱4,800,000.00
EDWIN R. BAUTISTA <i>Director</i>	₱4,900,000.00
DANEL C. ABOITIZ* <i>Director/Chief Commercial and Stakeholder Engagement Officer</i>	₱4,900,000.00
TOSHIRO KUDAMA <i>Director</i>	₱4,300,000.00
SATOSHI YAJIMA <i>Director</i>	₱2,550,000.00
IZUMI KAI** <i>Director</i>	₱1,600,000.00

*A portion of the director's compensation was paid to ACO.

**Appointed as Director on July 24, 2023.

⁷ 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, 2023.

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(2) Other Arrangements

Other than payment of the directors' per diem and monthly allowance as previously 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.

(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, 2024 Board Meeting, the Chairman of the Audit Committee, Mr. Eric Ramon O. Recto, 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 2024.

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 2024.

The accounting firm of SGV has been AboitizPower's Independent Public Accountant for the last 24 years. Ms. Jhoanna Feliza C. Go is AboitizPower's audit partner from SGV since 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 has been no event in the past 24 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 disclosures or auditing scope or procedures.

Representatives of SGV will be present during the 2024 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. Eric Ramon O Recto, an Independent Director. The other members are Mr. Cesar G. Romero, an Independent Director, and Messrs. Danel C. Aboitiz, Edwin R. Bautista, and Luis Miguel O. Aboitiz, who are directors of AboitizPower.

Item 8. Compensation Plans

No action is to be taken during the 2024 ASM with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

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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 2024 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.

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 Corporation (BPI Capital) as Issue Manager and Underwriter, BPI Asset Management and Trust Group (BPI-AMTG) as Trustee, and the Philippine Depository & Trust Corporation (PDTC) as the Registrar and Paying Agent. The Series "A" bonds received a credit rating of "PRS Aaa" with Stable Outlook from the Philippine Rating Services Corporation (PhilRatings), and is listed with the Philippine Dealing & Exchange Corporation (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) (in '000)	Actual Usage (in '000)
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

Series "C" 2.5 Billion Peso Fixed Rate Bonds issued in October 2018

The Series "C" bonds, with an amount of ₱2.51 bn were issued on October 12, 2018. 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.

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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 (BDO Trust) as Trustee, and PDTC as the Registry and Paying Agent for the transaction. The Series “C” bonds received the highest possible rating of PRS “Aaa” from PhilRatings and is listed with PDEX.

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

Use of Proceeds

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

Name of Project	Projected Usage (Per Prospectus) (in ‘000)	Actual Usage (in ‘000)
Refinancing of the Medium-Term Loan of Therma Power, Inc.	₱2,470,866	₱2,500,000
Bond issuance costs	29,234	
TOTAL	₱2,500,000	₱2,500,000

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 (FMIC) as Joint Issue Managers, Joint Bookrunners and Joint Lead Underwriters, and BDO Trust 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) (in ‘000)	Actual Usage (in ‘000)
Repayment of short-term loan	₱7,161,972	₱7,250,000
Bonds issuance cost	88,028	-
TOTAL	₱7,250,000	₱7,250,000

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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 Trust as Trustee, and PDTC as the Registry and Paying Agent for the transaction. The 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 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) (in ‘000)	Actual Usage (in ‘000)
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

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

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

On March 1, 2021, 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 principal amount of ₱30 bn (the “2021 Bonds”). The 2021 Bonds were registered under the shelf registration program of the SEC and were issued in tranches.

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

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Underwriters. BDO Trust was appointed as Trustee. The Series “A” Bonds received the credit rating of “PR3 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.

Use of Proceeds

As of December 31, 2022, the proceeds of the Series “A” Bonds were fully utilized for the following projects:

Name of Project	Projected Usage (Per Prospectus) (in ‘000)	Actual Usage (in ‘000)
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

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 Trust was appointed as Trustee. The Second Tranche Bonds received the credit rating of “PR3 Aaa” with Stable Outlook. AboitizPower listed the Second 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.

Use of Proceeds

As of December 31, 2023, the proceeds of the Second Tranche Bonds were utilized for the following projects:

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Name of Project	Projected Usage (Per Prospectus) (in '000)	Actual Usage (in '000)
Partially fund the equity contributions for the construction of the 74 MW Solar power plant in Pangasinan province	₱1,000,000	₱1,000,000
Refinancing of the 2020 Series E Bonds Maturing in 2022	9,000,000	9,000,000
Fund future renewable projects	1,839,849	600,783
Bond issuance costs	160,151	150,195
TOTAL	₱12,000,000	₱10,750,978

	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, 2023: ₱1,249,022,000.00

Series “D” and “E” Ten Billion Peso Fixed Rate Bonds issued in March 2022

Series “D” and Series “E” bonds (collectively, the “Third Tranche Bonds”), with an aggregate amount of up to ₱7 bn and an oversubscription option of up to ₱3 bn was issued on March 17, 2022. Series “D” of the Third Tranche Bonds have a fixed interest rate of 5.3066% per annum maturing in 2027, and the Series “E” bonds have a fixed interest rate of 5.7388% per annum maturing in 2029. Interest is payable in arrears on March 17, June 17, September 17, and December 17 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, and FMIC as Joint Issue Managers; and BDO Capital, China Bank Capital, FMIC, and SB Capital Investment Corporation as Joint Lead Underwriters and Joint Bookrunners. The Third Tranche Bonds received a credit rating of “PR3 Aaa” with Stable Outlook from PhilRatings. AboitizPower listed the Third Tranche Bonds with PDEX on March 17, 2021.

AboitizPower received the aggregate amount of ₱10 bn as proceeds from the offer and sale of the Third Tranche Bonds.

Use of Proceeds

As of December 31, 2023, the proceeds of the Third Tranche Bonds were fully utilized for the following projects:

Name of Project	Projected Usage Per Prospectus (in '000)	Actual Usage (in '000)
Early Redemption of the 2018 Series B Bonds	₱7,700,000	₱7,700,000
Fund future renewable energy projects	2,165,427	2,165,427

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Bond issuance costs	134,573	134,573
TOTAL	10,000,000	10,000,000

	Per Final Prospectus	Actual
Gross proceeds	₱10,000,000	₱10,000,000
Net proceeds	9,865,427	9,870,125

Item 10. Modification or Exchange of Securities

No action is to be taken during the 2024 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 2024 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 2024 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 2024 ASM with respect to acquisition or disposition of any property of AboitizPower.

Item 14. Restatement of Accounts

No action is to be taken during the 2024 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 2024 ASM:

- (a) Approval of the Minutes of the 2024 Annual Meeting of Stockholders ("2024 ASM") dated April 24, 2023 (A summary and copy of the draft 2023 ASM Minutes are 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/media/AP-Minutes-2023---\(04242023\)-Annual-Stockholders'-Meeting.pdf](https://abotizpower.com/uploads/media/AP-Minutes-2023---(04242023)-Annual-Stockholders'-Meeting.pdf) and covers the following matters:
- 1) Approval of the minutes of the previous Annual Stockholders' Meeting on April 25, 2022;
 - 2) Approval of the 2022 Annual Report and Audited Financial Statements;
 - 3) Appointment of SyCip Gorres Velayo & Co. as the Company's External Auditor for 2023;
 - 4) Election of the Members of the Board of Directors; and
 - 5) Ratification of the Acts, Resolutions, and Proceedings of the Board of Directors, Corporate Officers, and Management in 2022 until April 24, 2023.

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- (b) Approval of the 2023 Annual Report of Management and Financial Statements;
- (c) Appointment of the Company's External Auditor for 2024; and
- (d) General ratification of the acts of the Board of Directors, corporate officers, and management in 2023 up to April 22, 2024. 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 2024 ASM. The President's Report will be an assessment of the Company's 2023 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 2024 ASM is not yet available at the time that the Company's Definitive Information Statement is due to be submitted to the SEC on March 25, 2024. It will be uploaded and may be viewed at the Company's website at <https://abotizpower.com/2024asm> 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 from April 21, 2023 up to April 22, 2024 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 21, 2023 to March 5, 2024:

Regular Board Meeting, April 21, 2023

- (a) Update the Company's Bank Signatories
- (b) Appoint Representatives to Attend Stockholders' Meetings of its Investee Companies, and to Apply for Memberships and Attend Meetings of Special Interest Groups, Business Organizations, and Associations
- (c) Appoint Representatives to Enter into Preliminary Agreements Involving Potential Acquisitions or Transactions
- (d) Appoint Representatives to Enter into Preliminary Agreements Involving Human Resources (HR) and Information Technology (IT)-related Transactions
- (e) Appoint Representatives to Purchase, Sell, or Deal in Any Manner with the Motor Vehicles of the Company
- (f) Appoint Authorized Representatives for Various Credit Line Accommodations with Suppliers
- (g) Update Representatives to Transact with PDTC
- (h) Appoint Representatives to Transact and File Reports with the PSE, PDEX, and SEC
- (i) Renew the Data Privacy Officer's Authority to Transact with the National Privacy Commission
- (j) Update Representatives to Transact with the Home Development Mutual Fund

Regular Board Meeting, May 25, 2023

- (a) Process and Issue Bank Certifications for Company-sponsored Visa Applications
- (b) Sell the Company's Redeemable Preferred Shares in Hedcor, Inc. (Hedcor) to Aboitiz Renewables, Inc. (ARI).

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- (c) First Ranking Interest in the Shares of STEAG State Power, Inc. (SPI)
- (d) Implement Company Reorganization
- (e) Implement a Redundancy Program

Special Board Meeting, June 15, 2023

- (a) Guarantee its Affiliate's Participation and Bid in the Green Energy Auction Program (GEAP)
- (b) Appoint Authorized Representative to Submit Comments on Draft Policies and Resolutions of Government Agencies

Regular Board Meeting, June 30, 2023

- (a) Transact with Various Banks for Potential Hedging and Trade Finance Requirements
- (b) Update General Authority for FX Transactions
- (c) Update the Company's Bank Signatories
- (d) Update the Company's Authorized Representatives for its Retirement Fund
- (e) Guarantee its Affiliate's Participation and Bid in the Green Energy Auction-2

Regular Board Meeting, July 24, 2023

- (a) Enter into Academe Engagements
- (b) Resignation and Appointment of Director
- (c) Approval of Changes in Board Committee Members

Regular Board Meeting, August 29, 2023

- (a) Set-up a Share Buyback Program
- (b) Open and Maintain Accounts with Stock Brokerage Firms
- (c) Issue Parent Guarantee in favor of its Subsidiary
- (d) Create Account with BIR's Online Registration and Update System (ORUS)
- (e) Implement a Redundancy Program
- (f) Appoint Independent Director and Board Committee Members

Regular Board Meeting, September 26, 2023

- (a) Invest in Special Purpose Vehicles for Various Development Projects

Regular Board Meeting, October 30, 2023

- (a) Update the Company's Bank Signatories
- (b) Appoint Representatives to Attend Stockholders' Meetings of its Investee Companies, and to Apply for Memberships and Attend Meetings of Special Interest Groups, Business Organizations, and Associations
- (c) Appoint Representatives to Enter into Preliminary Agreements Involving Potential Acquisitions or Transactions
- (d) Appoint Representatives to Purchase, Sell, or Deal in Any Manner with the Motor Vehicles of the Company
- (e) Appoint Authorized Representatives for Various Credit Line Accommodations with Suppliers
- (f) Update Representatives to Transact with PDTC
- (g) Invest in Special Purpose Vehicles for Various Projects
- (h) Authorize Investments in its Subsidiaries' Projects

Regular Board Meeting, November 22, 2023

- (a) Invest in a Joint Venture Company
- (b) Amend the Board Audit Committee Charter
- (c) Reverse Appropriated Retained Earnings
- (d) Apply for Creditable Withholding Tax Refund with the BIR

Regular Board Meeting, December 12, 2023

- (a) Extend Advances to a Subsidiary

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Regular Board Meeting, January 23, 2024

- (a) Purchase Insurance Plans
- (b) Implement a Redundancy Program
- (c) Renewal of Business Permits

Regular Board Meeting, February 27, 2024

- (a) Acquire through a 40%-owned joint venture with Meralco Powergen Corporation, a 26.8% Economic and Beneficial Ownership Interest in South Premiere Power Corp., Excellent Energy Resources, Inc., Linseed Field Corporation, and Ilijan Primeline Industrial Estate Corp.
- (b) Authorize its Subsidiaries to Enter into a Coal Supply Agreement
- (c) Convert Shares and Extend of Advances to a Subsidiary

Regular Board Meeting, March 5, 2024

- (a) Approve the Audited Financial Statements
- (b) Engage Counsel for a Subsidiary's Engineering, Procurement, and Construction Agreement
- (c) Authorize the Use of an Affiliate's Annual Stockholders' Meeting Platform and to Enter into a Software Sharing Agreement
- (d) Declare Cash Dividends
- (e) Update the Company's Bank Signatories
- (f) Update the Authorized Representatives to Purchase, Sell, or Deal in Any Manner with the Motor Vehicles of the Company

A resolution to ratify the acts, resolutions, and proceedings of the Board of Directors, corporate officers and management from April 21, 2023 up to the date of the 2024 ASM shall be presented to the stockholders for approval.

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

No action is to be taken during the 2024 ASM with respect to the amendment of the Company's Charter, By-Laws or other documents.

Item 18. Other Proposed Actions

- (a) *Approval of the 2023 Annual Report and Financial Statements.* The proposal is intended to present to the stockholders the results of the Company's operations in 2023, in accordance with Section 74 of the Revised Corporation Code.

The Company's audited financial statements as of December 31, 2023 will be integrated and made part of the Company's Definitive Information Statement. The Definitive Information Statement is distributed to the stockholders at least 15 business days prior to the ASM, and is 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 2023 Annual Report and Audited Financial Statements shall be presented to the stockholders for approval.

- (b) *Appointment of the Company's External Auditor for 2024.* 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 2023 for the stockholders to appoint.

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

A resolution for the appointment of the Company's external auditor for 2024 shall be presented to the stockholders for approval.

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- (c) *Ratification of Acts, Resolutions, and Proceedings of the Board of Directors, Corporate Officers, and Management in 2023 up to April 22, 2024.* 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.aboitizpower.com.

A resolution to ratify the acts, resolutions, and proceedings of the Board of Directors, corporate officers, and management in 2023 up to the date of the 2024 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 AboitizPower 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 2024 ASM is required to approve the proposed actions. There are no proposed actions in the 2024 ASM that requires approval by a higher percentage of votes from the stockholders.

(b) The Method by which Votes will be Counted

The Company intends to conduct the 2024 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/2024asm>. 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 greatest 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

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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 2024 ASM.

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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: AP_BoardSecretariat@aboitiz.com

Attention: Ms. Ma. Clarisse S. Osteria

This Information Statement and the Annual Report in SEC Form 17-A will also be posted at AboitizPower's website: www.aboitizpower.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 25, 2024.

ABOITIZ POWER CORPORATION

By:



MANUEL ALBERTO R. COLAYCO
Corporate Secretary

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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 has become a leader in the Philippine power industry with dominant presence in power generation, distribution, and retail electricity supply. As of March 21, 2024, AboitizPower had a market capitalization of ₱265.896 bn, with a common share price of ₱36.90 per share.

AboitizPower had four strategic business units:

- (a) Power Generation, where AboitizPower is among the largest in the country, in terms of overall installed capacity⁸;
- (b) Power Distribution, where AboitizPower is the second largest distribution utility, in terms of captive customer connections and energy sales⁹;
- (c) Retail Electricity Services (RES), where the combined RES segment of AboitizPower has the second highest number of customers and the largest in terms of contract capacity in megawatts (MW) and total retail market share¹⁰; and
- (d) Distributed Energy.

AboitizPower, which has the largest portfolio of renewable electricity in the country to date, is a pioneer in building and operating run-of-river hydropower plants in the country¹¹. The Company continues to pursue energy projects to help ensure the Philippines' energy system is secure and is able to reliably support aggregate demand.

(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.

AboitizPower's portfolio of power generating plants assets strategically consist of a mix of renewable and non-renewable power plants. AboitizPower's baseload coal and geothermal plants and immediate and peaking hydropower, solar, and oil-based power plants enable the Company to effectively address the country's growing aggregate demand. Most of AboitizPower's plants are also capable of providing ancillary services, which is critical in stabilizing grid operations. AboitizPower has an installed capacity which is equivalent to 19.18% market share of the national grid's installed generating capacity.¹² As of February 29, 2024, AboitizPower had a total of 5,322 MW net sellable capacity, of which 3,962 MW is the portion attributable to the Company. The Company continues to grow its portfolio of generation assets with renewables and selective baseload builds. This is expected to come from a portfolio of renewables and selective baseload builds. AboitizPower's renewable investments are held primarily through its wholly-owned Subsidiary, ARI, along with ARI's Subsidiaries and Joint Ventures.

AboitizPower also owns interests in nine Distribution Utilities in Luzon, Visayas, and Mindanao, including Visayan Electric Company, Inc. (Visayan Electric) and Davao Light & Power Co., Inc. (Davao Light), the second and third largest distribution utilities in the Philippines, respectively in terms of customer size and annual

⁸ Based on Resolution 03-2023 published by the Energy Regulatory Commission on April 5, 2023

⁹ Based on DOE's Distribution Development Plan 2021-2030

¹⁰ ERC Competitive Retail Electricity Market Monthly Statistical Data as of July 2023

¹¹ Based on ERC Resolution No. 03, Series of 2023 dated April 5, 2023

¹² Based on Energy Regulatory Commission (ERC) Grid Limit Resolution

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sales. AboitizPower's Subsidiaries engaged in the distribution of electricity sold a total of 8,203,148 MWh in 2023.

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 6.27 Terawatt hours (TWh) in 2023.

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 February 29, 2024, AEV owned 52.97% of the outstanding capital stock of AboitizPower, 27.57% is owned by JERA Asia, 1.09% 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 and Power Company (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 the National Power Corporation (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.</i>

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Year	Milestones
2007	<p>Entered into a share swap agreement with AEV in exchange for AEV's ownership interests 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 Corporation (Subic Enerzone); and (i) An effective 44% ownership interest in San Fernando Electric Light & Power Co., Inc. (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 Corporation (Mactan Enerzone) and 60% interest in Balamban Enerzone Corporation (Balamban Enerzone) from Aboitiz Land, Inc. (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, Inc. (SN AboitizPower-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 (the "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. (SPI) from Evonik Steag GmbH in August 2007.</p> <p>Purchased Team Philippines Industrial Power II Corporation's 20% equity in Subic Enerzone.</p>
2008	<p>SN Aboitiz Power-Benguet submitted the highest bid for the Ambuklao-Binga Hydroelectric Power Complex.</p> <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 (JVA) 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>

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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), then a wholly-owned Subsidiary of Aboitiz Land, Inc. (AboitizLand).</p> <p>TPI entered into a Shareholders' Agreement with the Vivant Group for the latter's acquisition of 20% issued and outstanding shares in Therma Visayas, Inc. (TVI).</p>
2015	<p>ARI formed San Carlos Sun Power, Inc. (SacaSun) as a Joint Venture 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 GNPower Mariveles Coal Plant Ltd. Co. (now: GNPower Mariveles Energy Center Ltd. Co. or GMEC) and a 50% beneficial ownership interest in GNPower Dinginin Ltd. Co. (GNPD).</p> <p>Through TPI, acquired the remaining 50% interest in EAUC from El Paso Philippines.</p>
2017	<p>AboitizPower International completed its acquisition of SunEdison Philippines, and consolidated 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 Power Supply Agreement (PSA) with Meralco, after the facility went into preservation mode on February 5, 2019. TMO re-registered with Independent Electricity Market Operator of the Philippines (IEMOP) on April 26, 2019.</p> <p>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> <p>Announced two battery projects – the TMI Hybrid Battery Energy Storage System (“TMI BESS”) and SN AboitizPower-Magat Battery Energy Storage System (“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. The facility commenced partial commercial operation last November 2022. The Magat BESS Project is for the construction of a 24 MW battery energy storage unit located in Ramon, Isabela.</p>
2021	<p>PV Sinag Power, Inc. (PV Sinag), a wholly-owned of ARI, awarded the Engineering, Procurement, and Construction (EPC) contract for the construction of its 94-megawatt peak (MWp) solar power project in Cayanga, Bugallon, Pangasinan to JGC Philippines, Inc. This is the Company's second solar facility.</p>
2022	<p>The SN Aboitiz Power Group signed construction and financing agreements for the Magat BESS project.</p> <p>PV Sinag awarded the EPC contract for the construction of its 159-MWp Laoag and Laoag 2 solar power project in Barangay Laoag, Aguilar, Pangasinan to SUMEC Complete Equipment and Engineering Co., Ltd. and Hansei Corporation. This is the Company's second solar venture in the province of Pangasinan.</p> <p>Acquired an additional 35.4% equity stake in SPI.</p> <p>ARI entered into a JVA with Mainstream Renewable Power (Mainstream) for a 90-MW onshore wind project in Libmanan, Camarines Sur.</p>
2023	<p>ARI entered into a JVA with Vena Energy (Vena) for a 102-MW wind power project in Rizal and Laguna</p> <p>ARI entered into a JVA with Vena and Vivant Energy Corporation (VEC) for a 206-MW wind power project in San Isidro, Northern Samar.</p>
2024	<p>Signed a Share Purchase Agreement with STEAG GmbH (STEAG) for the acquisition of an additional 15.6% equity stake in SPI.</p> <p>Through its subsidiary, Therma NatGas Power Inc. (Therma NatGas), entered into an Investment Agreement with Meralco PowerGen Corporation and acquired a 40% equity interest in Chromite Gas Holdings, Inc.</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.

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As of February 29, 2024, 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.

(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, 2023, the power generation business accounted for 106% 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, 2023, compared to the same period in 2022 and 2021:

Generation Companies	Energy Sold			Revenue		
	2023	2022	2021	2023	2022	2021
	(in GWh)			(in mn Pesos)		
APRI	3,206	3,316	2,787	16,754	18,797	11,405
SacaSun	82	63	61	724	477	311
Hedcor	155	137	149	864	834	758
LHC	259	315	238	868	1,002	687
Hedcor Sibulan	271	262	251	1,477	1,408	1,858
Hedcor Tudaya	39	39	40	228	232	234
Hedcor Sabangan	44	49	55	262	289	325
Hedcor Bukidnon	354	386	271	2,080	2,265	1,827
SN Aboitiz Power-Magat	2,404	3,472	2,195	10,207	15,194	7,352
SN AboitizPower-Benguet	1,803	1,937	2,120	8,686	10,762	7,412
TLI	6,351	6,322	7,979	40,231	41,293	33,447
TSI	1,987	1,739	1,891	13,530	14,604	11,173
TVI	2,543	2,192	2,434	15,295	15,049	10,686
Cebu Energy	1,949	1,957	2,028	12,165	14,259	8,984
SPI	1,445	1,574	1,845	8,822	8,932	3,918
GMEC	4,675	3,778	2,703	30,901	36,128	19,676
GNPD*	10,448	6,537	N/A	58,164	54,403	N/A
WMPC	851	784	802	1,499	1,793	1,596
SPPC	0	0	0	0	0	0
CPPC	31	93	381	660	1,060	1,275
EAUC	225	408	363	985	1,214	963
TMI	534	920	1,253	776	1,435	1,276

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Generation Companies	Energy Sold			Revenue		
	2023	2022	2021	2023	2022	2021
	(in GWh)			(in mn Pesos)		
TMO	1,023	1,139	1,367	2,993	2,158	1,293
TPVI*	12	34	29	270	418	367
Davao Light** (decommissioned)	0	0	0	Revenue Neutral	Revenue Neutral	Revenue Neutral
Cotabato Light**	0	0	0	Revenue Neutral	Revenue Neutral	Revenue Neutral

*GNPD Unit 1 began running and serving its PSAs from its own generation on January 25, 2022, subject to completion of certain tests and works by the EPC contractor. Meanwhile, GNPD Unit 2 synchronized on April 2, 2022.

**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.

Renewables

Aboitiz Renewables, Inc. (ARI)

As of February 29, 2024, AboitizPower's renewable energy portfolio in operation consisted of net sellable capacity of approximately 944.3MW, divided into 46.8 MW of solar, 595.5 MW of hydro, and 290MW of geothermal, and 12 MW of battery storage.

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 2021, AboitizPower disclosed its ten-year energy transition strategy of achieving, by 2030, a balanced 50:50 portfolio between thermal and renewable energy. As of end-2023, ARI had over 1,000 MW of ongoing and disclosed renewable energy projects. The growth of ARI's portfolio plays an important role in achieving AboitizPower's energy transition strategy which aims to assist in the decarbonization of the Philippine energy market while supporting the country's economic growth.

Milestones and Outlook

- Established a pipeline of over 3 gigawatts (GW) of renewable energy projects in development;
- SN Aboitiz Power Group's first energy storage project, the 24-MW Magat battery energy storage system (BESS), completed construction in July 2023 and concluded testing and commissioning with the grid operator in December 2023. It started commercial operations in January 2024.
- The 94-MWp Cayanga Solar project in Bugallon, Pangasinan synchronized last October 23, 2023 and is already providing power to the grid;
- Ongoing construction of the 159-MWp Laoag Solar project in Aguilar, Pangasinan, with projected completion in Q2 2024;
- Ongoing construction of the 17-MW Tiwi binary power plant, expected to be completed in Q2 2024;
- Marking AboitizPower's first foray into wind energy, entered into a JVA with Mainstream Renewable Power to build a 52-MWp onshore wind project in Libmanan, Camarines Sur, which won in the second Green Energy Auction by the Department of Energy in July 2023;
- Entered into a JVA with Singapore-based company, Vena, to invest in Vena's greenfield 102 MW Wind Power Project in between Rizal and Laguna;
- Entered into a JVA with Vena and VEC to develop, construct, and operate another 206 MW Wind Power Project in San Isidro, Northern Samar, Visayas;
- Completed make-up well drilling campaign for APRI Makban and Tiwi geothermal facilities, with 12 make-up wells completed, delivering a total incremental steam contribution of 94 MW;
- Started construction for the 44 MWp Solar Plant in Armenia, Tarlac, and 173 MWp Solar Plant in Calatrava, Negros Occidental which are expected to be completed by the end of 2024 to early 2025; and
- Expected groundbreaking on the 212-MWp Solar Plant in Olongapo, Zambales which is targeted to be completed in 2025.

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AboitizPower, through and/or with ARI, owns equity interests in the following renewable 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	49.1	49.1	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	FIT
SN Aboitiz Power-Benguet	60%**	Ambuklao (Benguet, Luzon)	Large Hydroelectric	112.5	56.3	WESM/ ASPA/ Electric Cooperatives
		Binga (Luzon)	Large Hydroelectric	140	70	WESM/ASPA/ Electric Cooperatives
SN Aboitiz Power-Magat	60%**	Magat (Luzon)	Large Hydroelectric	388	194	WESM/ASPA
		Maris Main Canal 1 (Luzon)	Run-of-river hydro	8.5	4.3	FIT
		Magat BESS (Luzon)	Battery energy storage	24	12	WESM
Total				1,280.7*	944.3*	

Notes:

* Sum figures will differ due to rounding effect.

**The 60% equity is owned by MORE.

Run-of-River Hydros

In 2023, the Hedcor Group, composed of Hedcor, Hedcor Sibulan, Inc. (Hedcor Sibulan), Hedcor Tudaya, Inc. (Hedcor Tudaya), Hedcor Sabangan, Inc. (Hedcor Sabangan), Hedcor Bukidnon, Inc. (Hedcor Bukidnon), and Luzon Hydro Corporation (LHC), had a total generated gross of 1,110 GWh of Cleanergy across the Philippines. This is higher than the generated gross of renewable energy in 2022 of 1,148 GWh, or a decrease of 3.45% during 2023 compared to 8.27% in 2022. The Hedcor Group achieved this level of generation as a result of minimized outages. Table below shows the breakdown:

Generation Company	Generated Net Generation (in MWh)		% Change
	2023	2022	
Hedcor	156,924,233	141,908,629	9.57%
Hedcor Sabangan	45,226,930	50,048,873	-10.66%
LHC	234,691,870	288,045,580	-22.73%

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Hedcor Bukidnon	391,593,156	386,849,840	1.21%
Hedcor Sibulan	242,271,902	241,618,667	0.27%
Hedcor Tudaya	38,929,131	39,452,803	-1.35%
TOTAL	1,109,637,222	1,147,924,392	-3.45%

The 3% decrease in KWh generation of 2023 in comparison to 2022 is attributed to low water inflow across hydropower plants of the Hedcor group. This is opposite to 2022 where there were abnormally high water inflows across all plants which compensated for the kWh loss of FLS and Ampohaw hydroelectric power plants (HEPPs) of Hedcor, which were affected by the July 27, 2022 earthquake. Ampohaw HEPP was synchronized to the grid in September 2022 and FLS HEPP on September 5, 2023.

The Hedcor Group controls and monitors its 22 Run-of-River plants via the National Operations Control Center which was inaugurated in 2022. The Hedcor Group is also an ISO Certified with Quality, Environmental, Asset Management, Information Security and Business Continuity Management System Certification, aligning its process and systems with international standards.

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 74.80 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 the National Grid Corporation of the Philippines (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 2023, LHC generated a total of 139,201 GWh of Cleanergy, higher than the generated gross renewable energy in 2022 of 147,045 GWh. This 0.9% decrease is caused by repair works due to *force majeure*.

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 HEPPs 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 sold to the WESM and to Hedcor Sibulan pursuant to PPAs with off-takers. Irisan 1 Hydro and La Trinidad Hydro sell energy under the Feed-in-

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Tariff (“FIT”) mechanism through a renewable energy payment agreement (“REPA”) with the National Transmission Corporation (“Transco”).

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 2022. The company was incorporated on December 2, 2005.

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 Power Agreement (REPA) with Transco following the commencement of the commercial operations of the WESM in Mindanao last January 2023.

Hedcor Sabangan, Inc. (Hedcor Sabangan)

Hedcor Sabangan, a wholly-owned Subsidiary of ARI, owns, operates, and manages the Sabangan run-of-river hydroelectric power plant (HEPP) with an installed 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 installed capacity of 73.33 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 45.94 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.

The Manolo Fortich Plant is selling under the FIT mechanism through a REPA with Transco, following the commercial operation of WESM in Mindanao in January 2023.

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 Province (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.

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SN Aboitiz Power-Magat is ARI's Joint Venture with SN Power Philippines Inc. (SN Power Philippines), 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. As of February 29, 2024, SN Aboitiz Power-Magat was 60% owned by MORE, while Scatec, through SN Power Philippines, owned 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.

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.

The Magat Plant's total sold quantities from spot energy generation and ancillary services (AS) during 2023 was at 1.3 TWh, a decrease from 2022's sold capacity of 2.2 TWh. This is equivalent to a sold capacity factor of 38%, compared to 64% in 2022. Spot and AS revenue for the year 2023 was ₱2.44 bn, 59% lower than 2022's ₱5.96 bn. SN Aboitiz Power-Magat's Bilateral Contract Quantity (BCQ) margin for 2023 was a ₱.44 mn loss, significantly lower than 2022's BCQ loss of ₱.93 bn. This was mainly driven by the higher spot market prices during 2023 compared to 2022.

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 the expansion of the 200 kW pilot project into commercial scale. The Magat Floating Solar project is in the feasibility study stage and is in the process of securing pertinent permits and agreements. The project has received endorsements from the barangay and municipal local government units, as well as a Greenlane Certificate for Strategic Investments from the Board of Investments. Technical feasibility studies are ongoing while waiting for DENR's lifting of the moratorium for processing Environmental Compliance Certificate applications for floating solar projects.

The Magat BESS project is co-located with the Magat HEPP in Ramon, Isabela. It is an energy storage system using lithium iron phosphate (LFP) batteries with 24-MW capacity designed to provide ancillary services to the grid. The EPC contract was awarded to Hitachi Energy in March 2022, with a groundbreaking ceremony held on April 25, 2022. Construction, which started in August 2022, was completed within the first half of 2023. The testing and commissioning including energization were completed in December 2023 and passed the compliance test procedures conducted by the NGCP. These include the grid compliance test, ancillary service certification test via active power frequency control and automatic governor control mode for regulating reserve, contingency reserve and reactive power support. The Magat BESS received a Provisional Authority to Operate from the ERC and began commercial operation in the Reserve Market for ancillary services in January 2024. The addition of BESS will support the influx of variable renewable energy sources by helping to regulate the increasing frequency variability in the grid.

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On October 22, 2020, the 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 (the “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 verified and audited by DQS Philippines in 2021. The company recorded 3.4 mn manhours without lost time incident as of February 29, 2024.

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 February 29, 2024, MORE owned 60% equity interest, while SN Power owned 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.

The Ambuklao Plant’s total sold capacity from spot energy generation and ancillary services in 2023 was 472 GWh, an improvement from 2022’s sold capacity of 326 GWh. This was equivalent to a sold capacity factor of 48% during 2023, as compared to the 35% during 2022. The Binga Plant’s total sold capacity from spot energy generation and AS in 2023 was 7.71 GWh, or 77% of the 1.00 TWh sold capacity in 2022. This is equivalent to a sold capacity factor of 63% for 2023, compared to 82% in 2022.

The resulting combined spot and AS revenue of the Ambuklao and Binga Plants for 2023 was ₱4.10 bn, compared to ₱6.01 bn in 2022. SN Aboitiz Power-Benguet’s BCQ margin for 2023 was a ₱1.26 bn gain, which was significantly higher than 2022’s BCQ margin of ₱.521 bn. This was mainly driven by higher generation and lower purchases from the spot market during 2023 compared to 2022.

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 5.6 mn man hours of no lost time incident as of February 29, 2024.

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.

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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).

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) which started in April 2021 was completed in 2023, bringing in a total of additional output of 94MW, almost double the initial estimate. In all, twelve production wells were added to the system for Makban and Tiwi.

On May 20, 2022, the DOE issued the Certificate of Confirmation of Commerciality and Certificate of Additional Investment confirming the commercial viability of APRI's 17-MW Tiwi Binary Geothermal Power Plant Project (Tiwi Binary), and authorizing the company to undertake construction and operation. The groundbreaking ceremony was held on January 17, 2023, and the testing and commissioning is targeted in the second quarter of 2024.

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").

SacaSun was incorporated on July 25, 2014, initially as a Joint Venture between ARI and SunEdison Philippines. The SacaSun Plant was inaugurated on April 19, 2016. On December 4, 2017, AboitizPower acquired 100% effective equity ownership in SacaSun.

In 2023, the energy generated from the SacaSun Plant benefited more than 5,151 homes within the Visayas grid and displaced the energy equivalent to 2,978,676 gallons of gasoline or approximately 29,288,309 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-Bungallon solar project located in Cayanga, Bugallon, Pangasinan. PV Sinag issued a notice to proceed ("NTP") on September 15, 2021 for the construction of an access road. 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 project is expected to commence commercial operations by the first quarter of 2024, in line with PV Sinag's PSA with a retail customer.

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

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 February 29, 2024, APX had approximately 4.183MWp of rooftop solar projects, operating under a Power Purchase Agreement, a turnkey solution for customers, or about to start construction or installation.

CELL Power Energy Corporation (CPEC)

CPEC is the project company engaged in the development of several energy storage systems (ESS) projects to provide ancillary services to grids across the country.

CPEC was incorporated on February 9, 2010 as Olongapo Energy Corporation, and is a wholly-owned Subsidiary of AboitizPower.

Cornerstone Energy Development, Inc. (CEDI)

On October 13, 2022, AboitizPower, through ARI, signed a joint venture with global renewable energy company Mainstream Renewable Power (Mainstream) to build a 90-MW onshore wind project in Libmanan, Camarines Sur.

4 Barracuda Energy Corporation (4 Barracuda)

On August 3, 2023, ARI signed a joint venture agreement with Singapore-based company, Vena Energy, to invest in Vena Energy’s greenfield 102-MW Wind Power Project in Rizal and Laguna.

Aura Energy Holdings, Inc.

On September 27, 2023, ARI signed a joint venture agreement with Vena Energy and VEC to develop, construct, and operate the 206-MW San Isidro Wind Power Project in San Isidro, Northern Samar, Visayas.

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 2023, SN Aboitiz Power-Gen continued to develop and execute pertinent activities for the proposed 120-MW Alimit HEPP, and the 20-MW Oilicon HEPP. In September 2023, SNAP signed a Memorandum of Understanding with the National Irrigation Administration (NIA) to conduct the feasibility study of Alimit as a multipurpose facility, adding an irrigation component to the already completed power component feasibility study. The potential addition of the irrigation component will contribute not only

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to energy security, but to food security as well. As the Philippine ancillary services market evolves, SN Aboitiz Power-Gen will continue to evaluate its development strategy for these projects.

SN Aboitiz Power-Gen was incorporated on March 10, 2011. As of February 29, 2024, 60% equity interest in the company was owned by MORE, with the remaining 40% owned by SN Power Philippines.

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 February 29, 2024, AboitizPower, by itself, through and/or with TPI, owned equity interests in the following thermal plants:

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/ASPA
PEC	50%	Pagbilao 3 (Luzon)	Coal-fired	388.4	194.2	Bilaterals
TSI	100%	TSI Plant (Mindanao)	Coal-fired	272.6	272.6	Bilaterals/WESM
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
GNPD	70.00%	GN Power Dinginin Ltd. Co.	Coal-fired	1,336	935.2	Bilaterals/WESM
SPI**	69.4%***	STEAG Power Plant (Mindanao)	Coal-fired	210	145.7	NPC (2031)
Oil Group						
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	210	210	WESM/ASPA
TPVI	100%	TPVI Plant (Visayas)	Bunker-C fired	33	33	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				4,757	3,554*	

* Sum figures will differ due to rounding effect

** Directly owned by AboitizPower

*** On February 21, 2024, AboitizPower signed a share purchase agreement with STEAG for the acquisition of an additional 15.6% interest in SPI. Upon completion of this transaction, AboitizPower will be the legal and beneficial owner of an 85% equity interest in SPI.

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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 Mobile 2 (previously known as PB 117), which have a total installed capacity of 200-MW. Mobile 1 is currently moored at Barangay San Roque, Maco, Davao De Oro, while Mobile 2 is moored at Barangay Sta. Ana, Nasipit, Agusan del Norte. The company was incorporated on November 12, 2008.

On November 28, 2022, TMI commissioned its BESS as an auxiliary to Mobile 1. This is the first Hybrid Diesel-Battery Energy Storage System and one of the BESS projects of AboitizPower. Located in Barangay San Roque, Maco, Davao De Oro, Mobile 1's BESS has a storage capacity of 49 MW and is intended to provide Ancillary Services to the Mindanao Grid.

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 capacity of 241 MW. TMO operates with a net available capacity of 165-MW. The company was incorporated on October 20, 2008 and is currently an ancillary service provider.

East Asia Utilities Corporation (EAUC)

EAUC was incorporated on February 18, 1993. EAUC started its commercial operations on December 25, 1997 and full commercial operations on May 25, 1998.

EAUC, a wholly-owned Subsidiary of TPI, owns, operates, and maintains a Bunker-C fired power plant with a rated capacity of 49.600 MW located in Mactan Economic Processing Zone (MEPZ 1), Lapu-Lapu City, Cebu. EAUC serves its capacity to MEPZ 1 and the WESM.

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.

On July 16, 2018, TPVI embarked on the rehabilitation of the 44.580-MW (rated capacity) diesel plant. 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 is a joint venture between AboitizPower and the Vivant Group. The company was incorporated on July 13, 1994. As of February 29, 2024, AboitizPower beneficially owns 60% interest in CPPC.

CPPC owned and operated a 70.590-MW (rated capacity) Bunker C-fired power plant located in Ermita, Cebu City, one of the largest diesel-powered plants on the island of Cebu, under a build-operate-transfer (BOT) scheme. In 2023, CPPC's BOT contract was concluded with the transfer of assets upon the expiration of the contract term.

Southern Philippines Power Corporation (SPPC)

SPPC owns a Bunker C-fired power plant with installed capacity of 61.72-MW and net capacity of 55-MW located in Barangay Baluntay, Alabel, Sarangani, a municipality outside General Santos City in Southern Mindanao. SPPC's 18-year "Build-Operate-Own" (BOO) arrangement with NPC expired on

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April 28, 2016. The company was incorporated on March 15, 1996.

After the expiration of its PSAs with Davao Light and Cotabato Light on April 18, 2018, SPPC operated briefly until July 2018 as a replacement power for a generation facility undergoing preventive maintenance (PMS). The company has since been on asset preservation status.

As of February 29, 2024, AboitizPower had a 20% equity interest in SPPC, a Joint Venture among AboitizPower, Alsing Power Holdings, Inc., and Tomen Power (Singapore) Pte. Ltd.

Western Mindanao Power Corporation (WMPC)

WMPC owns and operates a Bunker C-fired power plant with installed capacity of 112-MW and net capacity of 100MW located in Barangay Sangali, 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 existing 50-MW PSA with Zamboanga City Electric Cooperative, Inc. (ZAMCELCO) and has been registered with the WESM as a direct member starting April 23, 2020. WMPC has been issued an Ancillary Services (AS) Certificate by the NGCP effective from September 20, 2023, to September 19, 2025. WMPC has a five-year ASPA with NGCP beginning April 26, 2019, for 50-MW non-firm Dispatchable Reserve, and Reactive Power Support and Blackstart Support Services.

WMPC participated in NGCP's competitive selection process. The invitation to bid was published on January 31, 2023, for the supply of ancillary services to the NGCP. NGCP subsequently awarded the ASPA to WMPC on April 18, 2023, on a firm basis. The awarded ancillary services contracted capacity to WMPC consist of 30-MW for dispatchable reserve, 15-MVAR/20-MW for reactive power support, and for black start service for the plant's certified capacity of 100-MW, pending ERC approval.

WMPC is also a participant in the Reserve Market since its commercial operations began on January 26, 2024. Currently, the plant continues to provide ancillary services to the Mindanao Grid.

As of February 29, 2024, AboitizPower had 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 contracted capacity) 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 (net) 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

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3 is not 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 had 50% equity interest in PEC, while TPEC Holdings Corporation owned the remaining 50% as of February 29, 2024.

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 installed capacity (2x150-MW) 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 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.

As of February 29, 2024, AboitizPower, through TPI, effectively owns an 80% equity interest in TVI, with the remaining 20% being held by the Vivant Group.

TVI supplies power to distribution utilities and also provides ancillary services.

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 (ISO 45001:2018). The company provides power to the province of Cebu and its neighboring province, Bohol.

As of February 29, 2024, Abovant had a 44% equity interest in Cebu Energy, while Global Formosa owned the remaining 56%. Consequently, AboitizPower, through TPI, held 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-

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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 February 29, 2024, AboitizPower, through TPI, and TCIC each retained a 25% stake in RP Energy.

STEAG State Power Inc. (SPI)

Incorporated in December 19, 1995, SPI 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 SPI 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. PSALM acceded to the PPA under the Accession Undertaking.

SPI holds valid COCs from the ERC, including those for the following self-generation facilities: (i) 400kW diesel generator; and (ii) 1.25MW diesel generator. From time to time, SPI's power plant units are required to be in economic shutdown by PSALM, in accordance with its Power Purchase Agreement (PPA). For the year 2023, the power plant units were not required to be in economic shutdown.

On September 2022, AboitizPower acquired 35.4% interest from STEAG GmbH (STEAG). The transaction was completed in January 2024, resulting in AboitizPower's 69.4% effective equity interest in SPI. STEAG and La Filipina Uy Gongco Corporation (LFUGC) held the remaining 15.6% and 15% equity, respectively, in SPI.

On February 21, 2024, STEAG and AboitizPower signed a Share Purchase Agreement for the sale of the remaining 15.6% shares of STEAG, subject to the completion of conditions precedent. Upon the completion of the transaction, AboitizPower will be the legal and beneficial owner of an 85% equity interest in SPI.

AA Thermal, Inc.

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

The AA Thermal platform holds indirect limited partnership interests in each of GMEC and GNPD, where AboitizPower, through TPI, already holds direct partnership interests.

GNPower Mariveles Energy Center Ltd. Co. (GMEC)

GMEC, formerly known as GNPower Mariveles Coal Plant Ltd. Co., is a private limited partnership organized and registered with the SEC on May 13, 2007 engaged in the operation, and ownership of approximately 2x345 MW (gross) coal-fired power plant (the "GMEC Facility") in Mariveles, Bataan.

The GMEC Facility is in Bataan Province, at the north entrance to Manila Bay It is one of the lowest-cost power generation facilities in the Philippines that fully complies with the most stringent local (DENR) and international (World Bank and Equator Principles) environmental and emission standards.

The equity owners of GMEC are:

- (i) TPI;
- (ii) AC Energy and Infrastructure Corporation (formerly: AC Energy, Inc.) ("ACEIC"); and
- (iii) Power Partners Ltd. Co. ("Power Partners").

As of February 29, 2024, AboitizPower had a 78.3% effective partnership interest in GMEC.

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GNPower Dinginin Ltd. Co. (GNPD)

GNPD is a private limited partnership organized and registered with the SEC on May 21, 2014 engaged in the operation and ownership of a 2x725 MW (gross) supercritical coal-fired power plant and a private port facility located in Mariveles, Bataan.

GNPD is under limited partnership among (i) TPI; (ii) ACEIC; and (iii) Power Partners.

At present, GNPD is the largest coal-fired power plant in the country utilizing supercritical technology, which fully complies with the most stringent local (DENR) and international (World Bank and Equator Principles) environmental and emission standards.

As of February 29, 2024, AboitizPower owned a 70% effective partnership interest in GNPD.

Other Generation Assets

As of February 29, 2024, Cotabato Light maintained a stand-by maximum capacity of 9.641-MW Bunker C-fired power plant capable of supplying approximately 12.79% of its requirements.

Future Projects

AboitizPower continues to assess the feasibility of new power generation projects focusing on addressing the needs of the market, namely: (1) providing reliable supply, at a (2) reasonable cost, and with (3) minimal impact on the environment and communities. Other 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 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 2023 was equivalent to 12.24%. The Distribution Utilities had a total customer base of 1,169,606 as of end-2023. This was 1,137,402 as of end-2022, and 1,106,783 as of end-2021.

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

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Company	Electricity Sold (MWh)			Peak Demand (MW)			No. of Customers		
	2023	2022	2021	2023	2022	2021	2022	2022	2021
Davao Light	2,842,932	2,699,306	2,597,592	510	472	459	482,427	470,868	458,498
Cotabato Light	203,930	189,763	178,535	38	35	34	50,499	49,055	47,098
Visayan Electric	3,548,720	3,175,656	3,144,768	615	588	554	501,080	486,414	477,732
SFELAPCO	810,311	786,935	716,888	198	151	147	130,148	126,313	118,806
Subic Enerzone	287,300	282,997	267,047	57	55	50	3,674	3,615	3,581
Mactan Enerzone	88,600	100,881	107,541	20	21	21	90	86	87
Balamban Enerzone	95,937	87,813	85,813	26	25	25	28	27	28
Lima Enerzone	315,178	317,602	296,780	58	56	56	1,621	999	940
Malvar Enerzone	10,238	9,481	1,458	6	5	1.28	49	25	13
Total	8,203,148	7,650,434	7,396,423	1,528	1,407	1,347	1,169,606	1,137,402	1,106,783

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 end-2023, Visayan Electric has energized 100% of the barangays, and electrified 99.77% of all households within its franchise area. It has also completed the extension of its distribution facilities, which will allow it to serve all the customers within its franchise area. Visayan Electric's goal of 100% total electrification, including household electrification, is targeted for completion within 18 months from March 2024 upon release of funding from 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 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 February 29, 2024, approximately 3.60 kms. had been completed but has been deferred due to prioritization of other major projects for reinforcement and improvement of the capacity in the franchise area.

Visayan Electric has ongoing projects to reinforce and improve the existing capacity and reliability of its distribution system through the addition of a new substation in San Roque, Talisay, subtransmission substation upgrades in Naga and San Fernando, Cebu, and a new substation in Bajac, Liloan. This will enhance electricity service for the increasing demand of both commercial and densely residential customers within its franchise area.

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Visayan Electric's total systems loss was at 6.39% as of end-2023. This included a feeder loss of 4.80%, which is below the government-mandated feeder loss cap for 2023 of 5.50%.

As of February 29, 2024, AboitizPower directly held a 55.26% equity interest in Visayan Electric, with 34.81% owned by the Vivant Group.

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

Davao Light remains 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 2.23 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, the distribution utility'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, and Hedcor's Talomo plant. This makes up nearly 40% of its renewable energy portfolio which helped reduce Davao Light's overall electricity rate.

Leveraging the power of digital technology, Davao Light's second 150MVA transformer in one of its downtown substations was energized in December 2023 to serve the northern and southern parts of Davao City with boosted capacity. Its distribution network infrastructure is continuously upgraded, adopting digital innovations in its substations to increase capacity and enhance the reliability and flexibility of the sub-transmission and distribution network to meet its increasing customer needs.

To respond to its customers' different digital needs, Davao Light continues to provide diverse digital platforms and online facilities. Its mobile application, MobileAP, which allows access to billing and accounts anytime and anywhere, was continuously upgraded to include additional features like bill payment for enhanced user convenience. eBillTxt was launched as a supplemental service that allows customers to receive electronic bills via SMS.

Davao Light has renewed its 2023 certifications for the International Standards Organization, ISO 9001:2015 or the Quality Management System (QMS), ISO 45001:2018 - Occupational Health and Safety (OH&S) Management System, and ISO 14001:2015 – Environmental Management (EM) System. It has also earned its fourth ISO Certification on 550001:2014 Asset Management System (ASM).

The company has extended electricity services to far-flung communities within its franchise area since 2018. This is in line with the national government's Sitio Electrification Program (SEP) to extend the benefits of electricity to remote and un-electrified barangays. Davao Light has energized 97.44% of the households within its franchise area.

As of end-2023, Davao Light's total systems loss was at 9.23%. This included a feeder loss of 5.20%, which is below the government-mandated feeder loss cap for 2023 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 del Norte, with its franchise covering a land area of 191.20 sq. kms. 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.

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Cotabato Light also maintains a standby 9.641-MW Bunker-C-Fired diesel power plant capable of supplying approximately 12.79% of its franchise area requirements. This plant can supply electricity in case of supply problems with its power suppliers or NGCP and for voltage stability when necessary, which is a benefit available to Cotabato Light's customers.

Cotabato Light's total systems loss as of end-2023 was at 6.77%. This included the distribution feeder loss of 5.41%, which is below the government-mandated distribution feeder loss cap in 2023 of 5.50%. Cotabato Light is continuously innovating its strategies and processes to further reduce its distribution feeder loss to 5%.

As of February 29, 2024, 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. For 2022, SFELAPCO has a total of 286.2 MVA of substation capacity with a peak load of 158 MW including its 69kv customers.

SFELAPCO's total systems loss as of end-2023 was 4.85%. This included a feeder loss of 3.86% which is below the government-mandated feeder loss cap in 2023 of 5.50%.

As of February 29, 2024, 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 3,673 customers, consisting of 87 industrial locators, 1,355 commercial locators, 2,109 residential customers, 99 streetlights and 23 industrial locators under RES.

Subic Enerzone's total systems loss as of end-2023 was 4.35%. This included a feeder loss of 1.49%, which is below the government-mandated feeder loss cap in 2023 of 5.50%.

As of February 29, 2024, 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 pursuant to its Contract for the Supply of Electric Energy (CSEE).

Mactan Enerzone serves a total of 42 captive industrial locators, 33 captive commercial locators, and 11 industrial locators under RES, and four industrial locators under GEOP.

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Mactan Enerzone's total system loss as of end-2023 was 1.24%. This included a feeder loss of 0.6%, which is below the government-mandated feeder loss cap for 2023 of 5.50%.

As of February 29, 2024, 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 end-2023 was 0.51%. This included a feeder loss of 0.2%, which is below the government-mandated feeder loss cap for 2023 of 5.50%.

As of February 29, 2024, 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 115 captive industrial locators, 19 captive commercial locators, 1,452 captive residential customers, nine streetlights, and 28 industrial locators under RES.

As of end-2023, Lima Enerzone's total systems loss was 2.80%. This included a feeder loss of 1.12%, which is below the government-mandated feeder loss cap for 2023 of 5.50%.

As of February 29, 2024, 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 50-MVA transformers to provide reliable and quality power to locators, which are mostly from manufacturers and exporters. Malvar Enerzone served a total of eight captive industrial locators, 19 captive commercial locators, 26 captive residential customers, four street lights and one industrial locator under RES.

As of end-2023, Malvar Enerzone's total system loss was 3.55%. This included a feeder loss of 0.68%, which is below the government-mandated feeder loss cap for 2023 of 5.50%.

As of February 29, 2024, 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 customers are allowed to source electricity from RES licensed by the ERC. Adventenergy, AESI, and Prism Energy are also registered under the Renewable Energy Market and were granted operating permits by the DOE, valid for five years, allowing them to participate in the GEOP.

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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 that is valid until October 28, 2028. 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 2023, AESI supplied retail electricity to a total of 147 customers, with total energy consumption of 1,796.23 mn kWh. As of February 29, 2024, AboitizPower owned a 100% equity interest in AESI.

Adventenergy, Inc. (Adventenergy)

Adventenergy is engaged in the business of a retail energy supplier and energy coordinator. It was granted a license to act as a RES that is valid until December 17, 2028. The company was incorporated on August 14, 2008.

Adventenergy differentiates itself from competition by sourcing most of its electricity requirements from renewable sources. 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. Currently, Adventenergy serves retail customers within and outside economic zones.

In 2023, Adventenergy supplied retail electricity to 290 customers with a total consumption of 2,537.97 mn kWh. With Adventenergy's participation in the GEOP, it has supplied 12 qualified end-users with a total consumption of 4,415.44 mn kWh in 2023.

As of February 29, 2024, 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 November 21, 2028.

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 2023, Prism Energy supplied retail electricity to 21 customers with a total energy consumption of 57.92 mn kWh.

As of February 29, 2024, AboitizPower directly owned a 60% equity interest in Prism Energy.

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

SN Aboitiz Power-RES 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 February 2021, the RCOA market has lowered its threshold to Phase III, allowing electricity end-users with an average peak demand of at least 500 kW 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 500 kW in the last twelve months across all industries under Open Access. It offers energy supply packages tailored to its customers' needs and preferences.

As of February 29, 2024, MORE owned a 60% equity interest in SN Aboitiz Power-RES, with the remaining 40% owned by SN Power Philippines.

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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 that is valid until June 18, 2023. Mazzaraty's RES contracts with its customers expired in 2021. The company was unable to supply electricity to customers in 2022 due to high coal prices.

As of February 29, 2024, 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:

	2023	2023	2021
Gross Income	₱207,100	₱193,994	₱134,359
Operating Income	31,785	29,803	28,210
Total Assets	₱487,203	₱477,594	₱427,416

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:

	2023		2022		2021	
Power Generation	₱137,376	57%	₱137,480	59%	₱97,337	59%
Power Distribution	54,735	23%	58,951	25%	45,628	28%
Retail Electricity Supply	46,396	19%	19,875	9%	19,875	12%
Services	2,187	1%	17,042	7%	1,033	1%
Total Revenue	240,694	100%	233,348	100%	163,874	100%
Less: Eliminations	-33,594		-39,355		-29,514	
Net Revenue	₱207,100		₱193,994		₱134,359	

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 in Metro Manila and serves the necessary voltage support and dispatchable reserve. In addition, TLI's Pagbilao and APRI's Makban plants deliver contingency reserves and Reactive Power Support AS, respectively. In the Visayas, AboitizPower delivers Contingency Ancillary Service through Cebu Energy. TMI provides both

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contingency and dispatchable reserves requirements in Mindanao. As a recent development to the Ancillary Service Contracting Process, it was mandated by the DOE that AS will now undergo Competitive Selection Process (CSP), similar to Energy CSP. DOE Department Circular No. DC 2021-10-0031 entitled *“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 on 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 and 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 Agreements (RESAs) with their host distribution utilities 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 supply contracts from renewable and non-renewable sources to secure reliable and affordable electricity for their customers. These electricity supply contracts involve a mix of fixed rates and indexed 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 also granted RES licenses in 2020 and became registered members of the Renewable Energy Market last July 6, 2021. They were granted operating permits by the DOE, valid for five years, allowing them to participate in GEOP as well.

(iv) New Products/Services

On March 1, 2024, AboitizPower, indirectly through its wholly owned subsidiary, Therma NatGas Power Inc. (“TNGP”), entered into an Investment Agreement with Meralco Powergen Corporation (“MGen”) to acquire a 40% equity interest in Chromite Gas Holdings, Inc. With TNGP’s investment in Chromite Gas, Chromite Gas becomes 60% and 40% legally and beneficially owned by MGen and TNGP, respectively. Chromite Gas intends to acquire a 67% equity interest in each of the 1,278 MW Ilijan power plant, the 1,320 MW combined cycle power facility, currently under construction, and the LNG import and regasification terminal owned by Linseed Field Corporation.

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Other than the ongoing Greenfield and/or rehabilitation projects undertaken by AboitizPower's Generation Companies, AboitizPower and its Subsidiaries do not have any other publicly announced new products or services as of March 1, 2024.

(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. With the latest mandate on renewable energy portfolio standard, many competitors have started exploring and committing to increase their renewable energy sources. The market volatility of coal prices also put 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.

The impact of the pandemic has been normalized and consumption has surpassed pre-pandemic level.

This, combined with the challenges in power supply across the country, means that 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 that 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 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.

In particular, AboitizPower is expected to face competition from leading multinationals such as Team Energy, 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 AC Energy, Alsons Power Group, DMCI Holdings, Inc. FDC Utilities, Inc., First Gen Corporation, Meralco PowerGen Corporation, and SMC Global Power.

Retail Electricity Supply Business

Based on ERC's Competitive Selection Retail Electricity Market (CREM) Monthly Statistical Data as of July 2023, there are 47 RES companies and 29 Local RES companies participating in the Open Access markets in Luzon and Visayas. AboitizPower has the largest market share at 31.56%, with a contracted capacity of 1,299.55 MW. The Meralco Group, through its local RES and affiliate RES companies, has the second-largest market share at 28.54%, with contracted capacity of 1,175.80 MW as of July 2023. The San Miguel Group has the third largest market share at 11.32%, with a contracted capacity of 466.09 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 and allowing it to become the market leader during 2023.

Distribution Utilities Business

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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: 13% hydropower, 7% geothermal, 1% solar, 68% coal, and 12% oil. In 2023, renewable fuel sources comprised 21% of attributable net selling capacity, while thermal accounted for 79%.

AboitizPower currently manages and operates 22 hydropower plants that supply the country with over 278 MW of clean and renewable energy. As a leading hydropower operator in the Philippines, Hedcor helps communities and businesses sustainably reach a better and greener tomorrow through power generation that is least disruptive to the environment.

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. This was completed in April 2023.

Oil-fired plants use heavy fuel oil and automotive diesel oil to generate electricity. WMPC sources heavy fuel oil from Northern Star Energy Corporation. Each of EAUC, CPPC, TMI, TMO, and TPVI secure its heavy fuel oil requirements from Pilipinas Shell, Marine Fuels Philippines Inc., and/or SL Harbor Bulk Terminal. The fuel prices under these agreements are pegged to the Mean of Platts Singapore index.

Both Coal-fired and Oil-fired power plants require automotive diesel oil during startup. These are all purchased from Chevron Philippines, Inc. under a term contract that are pegged to the Mean of Platts Singapore index.

TLI for Pagbilao Unit 3, TVI, and TSI have long-term coal supply contracts until 2025 for the majority of their annual requirements. Likewise, GNPD, GMEC, and Cebu Energy also have long-term coal supply agreements.

TLI for Pagbilao Units 1 and 2, and SPI are presently undergoing multiple testings of new coal supply sources with lower calorific value to improve fuel cost prices. Long-term contracts will be entered into within the year upon completion of said tests.

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 Power Supply Contracts (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.

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To meet the Renewable Portfolio Standards (RPS) requirement, Davao Light entered into a ten-year 55 MW PSA with Hedcor Sibulan from 2022 to 2032. Davao Light also renewed its CSEE with PSALM for a period of three years from 2023 to 2025 for 15 MW. To cover its peak demand requirement for 2023 to 2026, Davao Light entered into a three-year PSA with TMI for a 50 MW supply. Davao Light also entered into a five-year non-firm load following the PSA, on an as available as needed basis, with FDC Misamis Power Corporation to cater to replacement power requirements in times of outages from 2023 to 2028.

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 a 15-year PSA with TVI for the supply of 150 MW beginning 2018.

In 2021, 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 in 2021 as replacement to its expiring contract. TLI won the contract at 7 MW 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, 2027
Cotabato Light	August 25, 2028
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

* Prior to the expiry of their TSAs, Mactan Enerzone, SFELAPCO, Davao Light, and Visayan Electric have already applied and submitted the requirements for renewal.

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.

(vii) Major Customers

Power Generation Business

As of February 29, 2024, out of the total electricity sold by AboitizPower's Generation Companies, approximately 82% was covered by bilateral contracts with, among others, private distribution utilities, electric cooperatives, and industrial and commercial companies. The remaining, approximately 18%, was sold by the Generation Companies through the WESM.

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Retail Electricity Supply Business

As of February 29, 2024, AboitizPower's RES business had approximately 491 Contestable Customers under RCOA and seven end-users under GEOP with active contracts. These customers come 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 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 Reform Act of 2001 (EPIRA). Thus, a franchise is not needed for generation companies 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 Certificate of Compliance (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. Further, a Generation Company shall ensure that its facilities connected to the grid meet the technical design and operation criteria of the Philippine Grid Code, Philippine Distribution Code, and Philippine Electrical Code.

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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 Independent Power Producers (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.

The Generation Companies and Cotabato Light, a Distribution Utility, possess COCs for their power generation plants, details of which are enumerated in the attached **Annex "G"**.

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 continues to be valid as long as the water is beneficially used.

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 the DOE.

Distribution Utilities Business

Under the 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 the 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
	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	Valid until June 16, 2039

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Distribution Utility	Franchise	Term	Expiry
		No. 10637 was approved on June 16, 2014.	
	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 the EPIRA, but is considered a business affected with public interest. As such, the 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.

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 sets out information regarding the trademark applications that 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

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Trademarks/ Description	Owner	Registration No./ Date Issued	Status
"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 (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
"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

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Trademarks/ Description	Owner	Registration No./ Date Issued	Status
"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

International Trademarks (Non-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 Device	Myanmar
Cleanergy Got It Device	Myanmar
AboitizPower (class 39, 40, 42)	Malaysia*
AboitizPower Device (class 39, 40, 42)	Malaysia*
Cleanergy (class 39, 40, 42)	Malaysia*
Cleanergy Got It Device (class 39, 40, 42)	Malaysia*
Cleanergy Get it Device	Malaysia*

* In the process of being registered.

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

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

Trademarks	Country of Application
AboitizPower Word Mark (Class Nos. 39, 40, 42)	Vietnam
AboitizPower Device (Class Nos. 39, 40, 42)	Vietnam
AboitizPower 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 Department of Labor and Employment (DOLE) mandated work-related programs.

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

1. Ease of Paying Taxes Act (EOPT Act)

RA No. 11976, otherwise known as the Ease of Paying Taxes (“EOPT”) Act, was signed into law by President Ferdinand Romualdez Marcos, Jr. on January 5, 2024 and took effect on January 22, 2024. The law seeks to introduce significant amendments to the National Internal Revenue Code of 1997 (the “Tax Code”) and aims to modernize and increase the efficiency and effectiveness of Philippine tax administration and strengthen taxpayer rights.

Among the salient features of the EOPT Act include:

- (a) Classification of taxpayers into micro, small, medium, and large according to their gross sales;
- (b) Filing of returns and payment of internal revenue taxes through electronic or manual means such as authorized agent banks or authorized software providers;
- (c) Repeal of Section 34(K) of the Tax Code, which provides that expenses not subjected to the appropriate withholding taxes will be disallowed as deduction;
- (d) Section 58 of the Tax Code on taxes withheld at source now includes a provision that the obligation to deduct and withhold taxes arises at the time the income has been made “payable”. Previously, the obligation to withhold arises at the time when an expense has been paid, payable or accrued, whichever comes first, pursuant to Revenue Regulations No. 02-98, as amended;
- (e) Harmonizing the rules on the VAT treatment of sales of goods and services, thereby requiring sales invoice for both;
- (f) Ensuring availability of registration facilities to taxpayers not residing in the country;
- (g) Removal of “business style” in the invoice requirements;
- (h) Increase in the threshold for the mandatory issuance of receipts for each sale and transfer of goods and services from ₱100 to ₱500;
- (i) Fixing the period for preservation of books of accounts at five years; and

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- (j) Classification of Value Added Tax (VAT) refund claims into low-, medium-, and high-risk claims which are based on the amount of VAT refund claim, tax compliance history, and frequency of filing of VAT refund claims, among others.

Due to the standardization of VAT rules for sales of goods and services as mentioned in subparagraph (e) above, service providers are required to pay and remit VAT to the BIR at the time their invoice is issued to their customers. This creates a risk to said taxpayers since they might not be able to recover from non-paying customers. To mitigate the risk, the EOPT Act has introduced specific safeguards, i.e.:

- (a) A provision for clawback, which clearly states that output VAT on uncollected receivables may be deducted on the next quarter after the lapse of the agreed upon period to pay; and
- (b) A clear determination that gross sales, forming the VAT base, shall exclude pass-thru charges or those earmarked for payment to third parties, and reimbursements.

2. Corporate Recovery and Tax Incentives for Enterprises Act (CREATE Act)

RA No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises (“CREATE”) Act, was signed into law by former President Duterte on March 26, 2021 and took effect on April 1, 2021. The law seeks to reform the country’s fiscal incentives to make it performance-based, targeted, time-bound, and transparent. This means that incentives will be granted based on the number and quality of jobs that will be created, the investments made on research and development and skills training, the capital invested for countrywide infrastructure development, among other criteria.

The salient features of the CREATE Act are as follows:

- (a) Effective July 1, 2020, lowering the income tax rate to 25% for domestic corporations and foreign corporations, and to 20% for domestic corporations with net taxable income not exceeding ₱5 mn and with total assets (excluding land) of not more than ₱100 mn;
- (b) Lowering the Minimum Corporate Income Tax rate to 1% effective July 1, 2020 to June 30, 2023;
- (c) Tax exemption on foreign-sourced dividends subject to certain conditions;
- (d) Repeal of the Improperly Accumulated Earnings Tax;
- (e) Repeal of the 5% Gross Income Tax (“GIT”) incentive and providing for a ten-year transitory period for all firms that are currently availing of the 5% GIT;
- (f) Providing fiscal incentives for activities included in the Strategic Investment Priority Plan (“SIPP”), provided that the category of incentives shall be based on the location and industry of the registered project or activity; and
- (g) Granting the President the power to modify the mix, period, or manner of availment of incentives or craft a financial support package for a highly desirable project or a specific industrial activity.

The Fiscal Incentives Review Board (FIRB) is the government body authorized to grant tax incentives to registered business enterprises to the extent of their approved registered project or activity under the SIPP. Pursuant to the CREATE Act, the FIRB has delegated to the relevant Investment Promotion Agencies the grant of tax incentives for registered products or activities with investment capital of ₱1bn and below.

The CREATE Act is the second package of the Comprehensive Tax Reform Program of the former Duterte Administration. On June 21, 2021, the Department of Finance (DOF) and the Department of Trade and Industry (DTI) signed the implementing rules and regulations (IRR) of the CREATE Act.

The lower income tax provided by the CREATE Act have generated substantial amounts of tax savings to the Company and its subsidiaries, compared to 30% corporate income tax regime prior to the effectiveness of the said law. While some of the subsidiaries have been availing of incentives under special laws which have been repealed by the CREATE Act, the law provides for sunset provisions by (i) allowing the entities granted with income tax holiday to enjoy it until it expires and (ii) granting subsidiaries who enjoyed income tax holiday and are entitled to the 5% gross income earned (“GIE”) incentive after their income tax holiday the benefit to continuously avail of the 5% GIE rate for the next ten years.

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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: allowing the perpetual existence of corporations; requiring corporations vested with public interest to submit to its shareholders and to the SEC an annual report of the total compensation of each of its directors or trustees; and, allowing stockholders to vote in the election of directors or trustees, or in shareholders meetings, through remote communication or *in absentia*, among others.

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 were 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.

On March 1, 2024, the PCC announced the new thresholds for the notification requirements as follows:

Test	New Threshold (effective March 1, 2024)
Size of Party Test	₱7.8 bn
Size of Transaction Test	₱3.2 bn

This means that if the value of the assets or revenues of the Ultimate Parent Entity (UPE) of at least one of the parties exceeds ₱7.8 bn and the value of the assets or revenues of the acquired, target or merged entity exceeds ₱3.2 bn, then the parties must notify the PCC of the transaction, provided that, the other requirements under the Philippine Competition Act are met.

5. Amended Foreign Investment Act of 1991 (Amended FIA)

On March 2, 2022, former President Duterte signed into law RA No 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”). The law aims to attract foreign investments in activities which contribute to sustainable economic growth, global competitiveness, employment creation, technical advancement, and countrywide development.

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.

Pursuant to the FIA, as amended, the Twelfth Regular Foreign Investment Negative List was promulgated on June 27, 2022 (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, exploration, development, and utilization of natural resources, operation of public utilities, and land ownership.

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,

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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 (the “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.

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 conducted its most recent personal data breach management testing in 2023 to assess the readiness of the Company to respond to an actual incident. AboitizPower builds and continues to improve business continuity resilience, especially with regard to Information Security and Data Breach Management. AboitizPower has improved its compliance to the 32-Point Data Privacy Compliance Checklist of the National Privacy Commission from 91% the previous year to 94% in 2023.

Data privacy protection in AboitizPower has been rated by the 2023 S&P Global Corporate Sustainability Assessment with a +10 year-on-year improvement in ratings due to improvements in data protection governance. Notably, the same report ranked AboitizPower’s privacy protection at fifth among rated companies in Asia Pacific.

AboitizPower’s Data Privacy Statement has been updated in 2023 and shared in its official website. In this statement, the Company declares its commitment toward fair and legal processing of personal data.

7. 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

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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.

The 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 to the Department of Health tasked with ensuring sustainable, affordable, and progressive social health insurance pursuant to the provisions of RA No. 10606, or 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.

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(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.

(c) Occupational Safety and Health Law

The Occupational Safety and Health Law (RA No. 11058) was signed into law on August 17, 2018. It applies to all private establishments alike, requiring them, among others, to furnish workers with a place of employment free from hazardous conditions causing or are likely to cause death, illness, or physical harm, and to comply with the Occupational Safety and Health standards, including training, medical examination and the necessary protective and safety devices, such as personal protective equipment.

Other Labor-Related Laws and Regulations

(d) Contracting and Subcontracting

The Labor Code recognizes subcontracting arrangements, whereby a principal puts out or farms out with a contractor the performance or completion of a specific job, work or service within a definite or predetermined period, regardless of whether such job, work or service is to be performed or completed within or outside the premises of the principal. Such arrangements involve a "trilateral relationship" among: (i) the principal who decides to farm out a job, work or service to a contractor; (ii) the contractor who has the capacity to independently undertake the performance of the job, work, or service; and (iii) the contractual workers engaged by the contractor to accomplish the job, work, or service.

The DOLE, through its Department Order No. 174, Series of 2017, regulates subcontracting arrangements by requiring, among others, the registration of contractors with the Regional Office of the DOLE where it principally operates.

(e) DOLE Mandated Work-Related Programs

Under the Comprehensive Dangerous Drugs Act (RA No. 9165), a national drug abuse prevention program implemented by the DOLE must be adopted by private companies with ten or more employees. For this purpose, employers must adopt and establish company policies and programs against drug use in the workplace in close consultation and coordination with the DOLE, labor and employer organizations, human resource development managers and other such private sector organizations. DOLE Department Order No. 53-03 sets out the guidelines for the implementation of Drug-Free Workplace policies and programs for the private sector.

The employer or the head of the work-related, educational or training environment or institution, also has the duty to prevent or deter the commission of acts of sexual harassment and to provide the procedures for the resolution, settlement or prosecution of such cases in accordance with the Safe Spaces Act (RA No. 9165), which was signed into law on April 17, 2019.

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DOLE Department Order No. 102-10 requires all private workplaces to have a policy on HIV and AIDS and to implement a workplace program in accordance with the Philippines AIDS Prevention and Control Act. The workplace policies aim to manage sensitive issues, such as confidentiality of medical information and continuation of employment for HIV-positive staff, and to avoid the discrimination of any employee due to HIV/AIDS. Any HIV/AIDS-related information of workers should be kept strictly confidential and kept only on medical files, whereby access to it is strictly limited to medical personnel.

All private workplaces are also required to establish policies and programs on solo parenting, Hepatitis B, and tuberculosis prevention and control. In line with the Mental Health Act (RA No. 11036), employers are further required to develop policies and programs on mental health in the workplace designed to: raise awareness on mental health issues, correct the stigma and discrimination associated with mental health conditions, identify and provide support for individuals at risk, and facilitate access to treatment and psychosocial support.

All private workplaces are also required to update their respective Telecommuting Guidelines and Consent Form, whenever applicable, in accordance with the revised implementing rules and regulations of Telecommuting Act (DOLE D.O. 237-22).

Moreover, Labor Advisory No. 20-2023 requires private companies and their employees to implement a Cancer Prevention and Control in the Workplace Policy and Program. This program encompasses various elements, including prevention measures, access to screening, diagnosis, and treatment, support for employees; return to work, compensation and social policies, and the promotion of a safe and healthy lifestyle, which includes considerations for mental and social well-being.

Policies and Regulations Relating to the Power Industry

1. WESM in Mindanao

On January 26, 2023, the DOE posted an Advisory confirming the Department Circular No. DC2022-12-039 that declared the Commercial Operation Date of WESM in the Mindanao grid. Commercial operations commenced as scheduled.

2. Independent Market Operator

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

In June 2019, the 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 Electric and Dagupan Electric Corporation). Various public consultations were held in the month of July 2019. The ERC issued its Decision dated September 24, 2020 denying consumer group Matuwid na Singil sa Kuryente Consumer Alliance, Inc. (MSK)'s petition to revert to Return-on-Rate-Base (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, none of the AboitizPower Distribution Utilities have undergone a regulatory reset starting from the third regulatory period. In January 2020, the 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.

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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 had been submitted as of December 29, 2020. The ERC has yet to resolve these cases. If found liable, the penalty for violation is ₱50,000.00 per distribution utility, pursuant to ERC Resolution No. 03, series of 2009.

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.

The ERC directed the AboitizPower Distribution Utilities, through letters dated April 25, 2022, to file their respective Actual Weighted Average Tariff (AWAT) applications, guided by the 2021 RDWR mentioned above. Second entry group distribution utilities are required to file by August 25, 2022, third entry group distribution utilities by September 25, 2022 and fourth entry group distribution utilities by October 25, 2022. Cotabato Light has submitted its application, while Visayan Electric, Davao Light, and Subic Enerzone requested clarification on certain issues relating to the ERC's requests and are awaiting clarification from the ERC prior to filing. AboitizPower is still awaiting further action from ERC and continues to monitor for any development on the implementation of PBR.

4. ERC Regulation on Systems Loss Cap Reduction

On December 16, 2021, the 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.

5. Competitive Selection Process

On June 11, 2015, the DOE promulgated Department Circular No. DC2015-06-0008 ("2015 DOE Circular"), which mandated all distribution utilities to undergo CSPs in securing PSAs upon its effectivity of the said circular. The 2015 DOE Circular also authorized the 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*" (the "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, but only 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.

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.

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On February 1, 2018, the DOE promulgated DC No. DC2018-02-0003 (the “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, the DOE issued its own set of guidelines (the “DOE CSP Rules”) for the procurement by distribution utilities of PSAs for the Captive Market.

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 the 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.

On June 30, 2023, the DOE promulgated Department Circular No. DC2023-06-0021, repealing previous issuances on the DU’s conduct of CSP including the 2018 and 2021 DOE Circulars. This DOE Circular likewise directed the ERC to issue implementing guidelines in the conduct of CSP and evaluation of PSAs resulting from the CSP of DUs. Relative thereto, the ERC promulgated ERC Resolution No. 16, Series of 2023 entitled “Implementing Guidelines for the Procurement, Execution, and Evaluation of Power Supply Agreements Entered into by Distribution Utilities for the Supply of Electricity to their Captive Market”, which took effect on October 18, 2023.

Under the DOE Department Circular No. DC2023-06-0021, all PSAs shall be procured through CSP, except for the following instances: (1) provision for power supply by the National Power Corporation in off-grid areas prior to, and until the entry of New Power Providers (NPP), or in emergency situations; (2) provision of power supply by the PSALM through bilateral contracts; (3) power supply procured by distribution utilities exercising the Opt-in Mechanism under the Green Energy Auction Program; (4) supply to any distribution utility from an embedded generation facility within its franchise utilizing renewable energy (RE) resources, with contracted capacity of up to 10MW per distribution utility; (5) and negotiated procurement of emergency power supply; and (6) provision of supply in off-grid areas served or to be served by NPPs with less than 1MW demand with 24-hour electricity service. A PSA may also be entered into by direct negotiation if the CSP fails twice.

ERC Resolution No. 16, Series of 2023 also further classified PSAs into either Financial or Physical PSAs, and provided certain parameters to be observed depending on its classification.

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

On December 4, 2019, the 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”).

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;

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- (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 DOE Circular No. DC2019-12-0018”. The advisory directed the NGCP 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 October 4, 2021 the DOE issued Department Circular No. DC2021-10-0031 entitled: “Prescribing the Policy for the Transparent and Efficient Procurement of Ancillary Services (AS CSP) by the System Operator (SO)” that pushed a process similar to the CSP, 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. In a Decision dated October 24, 2022, the ERC penalized NGCP for its failure to submit to the DOE its Terms of Reference (TOR) and Invitation to Bid (ITB) for the ASP CSP as one violation, and its failure to publish and maintain on its website the ITB without the prior DOE approval as another violation.

In November 2022, NGCP began the conduct of its AS CSP, resulting in several ASPAs with AboitizPower Generation Companies for the provision of Contingency Reserve, Dispatchable Reserve, Regulating Reserve, and/or Black Start Service. Consequently, several ASPA applications were filed and hearings thereon were concluded in 2023.

7. 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, the DOE issued Department 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 System Operator (SO), and a cost recovery mechanism.

On November 30, 2023 the DOE posted a call for Comments for its draft Department Circular on “Adopting Further Amendments to the WESM Rules and WESM Manual on Dispatch Protocol, and Creation of WESM Manual on Ancillary Services Monitoring Regarding Reserve Market Compliance and Related Enforcement and Actions. This is being monitored until finalization.

8. Price Determination Methodology for the Co-optimized Energy and Reserve Market

On January 10, 2023, the Philippine Electricity Market Corporation (PEMC) and Independent Electricity Market Operator of the Philippines (IEMOP) filed an application before the ERC for the reissuance of rules on the price determination methodology for the implementation of the co-optimized energy and reserve market in WESM, docketed as ERC No. 2023-002 RC. The application contains the proposed rules for

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determining the prices and schedules for dispatch, based on the offers of generation companies and demand of customers, taking into consideration power system conditions or constraints.

Through an Order in ERC Case No. 2023-002 RC dated August 24, 2023, the ERC promulgated granting interim relief in favor of PEMC and IEMOP, authorizing them to adopt and implement the proposed Price Determination Methodology for the co-optimized energy and reserve market in the WESM, subject to conditions.

Through Advisory No. 2024-01-001-SEC, and pursuant to DOE DC No. 2023-09-0026, the DOE declared the commencement and full commercial operations of the reserve market beginning interval 0005 of January 26, 2024

9. Energy Efficiency and Conservation Act

Apart from prescribing efficient use of energy standards and labeling requirements for energy-consuming products, the RA No. 11285 or the Energy Efficiency and Conservation Act (“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.

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 (IAECC)*”, which created the IAECC to evaluate and approve government energy efficiency projects and provide strategic direction in the implementation of the Government Energy Management Program (GEMP);
- (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.

On January 27, 2023, DOE posted the drafts of the National Energy Efficiency and Conservation Plan (NEECP) and EEC Roadmap. The NEECP is a national comprehensive framework and plan that institutionalizes energy efficiency and conservation (EE&C) in the country across key sectors. On the other hand, the EEC Roadmap 2023-2050 provides an updated outline of the strategic plans and actions for EE&C in the Philippines across all sectors, including implementing key provisions of the EE&C Act, and its accompanying Implementing Rules and Regulations. The Roadmap aligns with the NEECP as it provides for the key programs for energy efficiency and conservation by sector, for which emissions reduction targets and costings have been developed.

Additional Department Circulars promulgated by the DOE applicable to identified “Designated Establishments in the specific sectors of Commercial, Industrial and Transport” are the following:

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- (a) Department Circular No. DC2023-12-0036 *“Reclassifying Designated Establishment in the Commercial Sector, Adjusting their Threshold, and Providing Compliance Guidelines Therefor Pursuant to the Energy Efficiency and Conservation Act”* establishes guidelines to comply with energy efficiency for the establishments identified for this sector;
- (b) Department Circular No. DC2023-12-0037 *“Reclassifying Designated Establishment in the Industrial Sector, Adjusting their Threshold, and Providing Compliance Guidelines Therefor Pursuant to the Energy Efficiency and Conservation Act”* establishes guidelines to comply with energy efficiency for the establishments identified for this sector; and
- (c) Department Circular No. DC2023-12-0038 *“Reclassifying Designated Establishment in the Transport Sector, Adjusting their Threshold, and Providing Compliance Guidelines Therefor Pursuant to the Energy Efficiency and Conservation Act”* establishes guidelines to comply with energy efficiency for the establishments identified for this sector.

10. Energy Virtual One-Stop Shop Act

The DOE already began the implementation of the EVOSS Online Platform, pursuant to RA No. 11234 or "Energy Virtual One-Stop Shop Act" ("EVOSS Act").

On June 5, 2020, Department of Interior and Local Government (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 Local Government Units (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, former President Duterte created the Energy Virtual One-Stop Shop Task Group through Executive Order No. 143, to ensure the increasing operationalization of the EVOSS.

On October 31, 2023 the DOE released an Advisory that they will resume issuing Certificate of Energy Project of National Significance (CEPNS) and will promulgate guidelines 60 days after the Advisory takes effect. As of February 29, 2024, the mentioned guidelines have yet to be promulgated. AboitizPower continues to monitor for any developments on the EVOSS Act.

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 websites their 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.

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- (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 effective date on this circular.

The foregoing Net Metering Program became effective on December 18, 2020. The Net Metering Guidebook was published on April 22, 2022.

On December 18, 2023 the DOE posted a call for Comments on its draft Department Circular entitled, *"Prescribing Further Policies and Amending Department Circular No. DC2020-10-0022, entitled "Prescribing the Policies to Enhance the Net-Metering Program for Renewable Energy Systems" for the Enhancements of the Net-Metering Program."*

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 as prescribed 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.

On December 31, 2023, the ERC published in its website ERC Resolution No. 13, Series of 2021, entitled *"A Resolution Adopting the Rules for the Monitoring of Variable Renewable Energy (VRE) Generating Facilities Performance"* wherein the ERC sets reliability factors particular to wind plant and photovoltaic generation systems.

ERC has been actively issuing show cause orders to generation companies in the industry and AboitizPower anticipates the possibility of additional show cause orders for its Generation Companies. Efforts have been made to revise the reliability performance indices through a rule-making petition in the ERC entitled *"In the Matter of the Petition to Initiate Rule-Making for the Amendment of the Rules for the Interim Reliability Performance Indices and Equivalent Outage Days Per Year of Generating Units"* docketed as ERC Case No. 2022-003 RM. The Public Consultation for the rule-making petition was conducted in April 2022, and is currently pending before the ERC.

Another rule-making petition was filed entitled *"Proposed Rules for Reliability Performance and Equivalent Forced Outage Days per Year of Generating Units"* docketed as ERC Case No. 2023-001RM. Public consultations were scheduled on January 26, February 2, and February 9, 2024, but the industry is still awaiting the issuance of the rules.

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13. Prescribing Revised Guidelines for Qualified Third Party

In view of the Qualified Third Party (QTP) Guideline Policy, as of March 23, 2021, 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.

Under RA No. 11646, or the Microgrid Systems Act, which became law on January 21, 2022, all QTPs providing alternative electric service pursuant to Section 59 of Republic Act No. 9136 are now known as microgrid system providers. On May 24, 2022, the DOE issued the Rules and Regulations to Implement Republic Act No. 11646, docketed as Department Circular No. DC2022-05-0017.

14. Promulgating the Renewable Energy Market (REM) Rules

On June 10, 2022, the DOE issued DOE Department Circular No. DC2022-06-0019, *Declaring the Interim Commercial Operations of the Renewable Energy Market*. The Circular provides a significant framework and mechanism for the commencement of the Renewable Energy Market (REM) Interim Commercial Operation (I-COP). The REM I-COP shall not yet involve any financial transactions, until such time that the Commercial Operation of the REM has been declared by the DOE. The DOE launched the I-COP REM on July 28, 2022 to begin validations of Renewable Energy Certificates (RECs) but no trading has commenced yet. Pending is the third component of the readiness criteria, specifically, the ERC Guidance on (a) REC Price Cap and Methodology, (b) Rules on Recovery Mechanism for the Cost of RPS Compliance, and (c) Structure and Level of Market Transaction Fees for REM.

On September 6, 2022, DOE DC2022-06-0026 entitled “Adopting Amendments to the REM Rules (Provisions for the Submission of Data by the National Transmission Corporation to the Renewable Energy (RE) Registrar, Obligations of the REM Governance Committee (RGC) and Renewable Energy Certificate (REC) Issuance, and Additional Seats in the RGC for the Retail Electricity Suppliers and for Small REM Generators)” took effect.

On October 28, 2022 the DOE promulgated DC2022-09-0030, entitled “Prescribing the Adjusted Annual Percentage Increment to be Imposed on all Mandated Participants of the Renewable Portfolio Standards for On-Grid Areas.” This adjusted the Minimum Annual Incremental RE percentage (Km) from 1% to 2.52% as the increased requirement that Mandated Participants need to source or produce from RE resources.

On May 23, 2023, the DOE promulgated DC2023-05-0014, entitled “Promulgating the Revised Rules and Guidelines Governing the Operationalization of the Renewable Portfolio Standards (RPS) for Off-Grid Areas Pursuant to Section 12 of the Renewable Energy Act of 2008”.

On January 15, 2024, the PEMC posted an Advisory informing that RECs have been released until December 2022 and reminding REM Market Renewable Portfolio Standards (RPS) Mandated Participants to start surrendering RECs for compliance to 2020 RPS obligations pursuant to REM Rules 4.1.3 and to follow the Work Instructions that PEMC provided.

15. Feed-in-Tariff System

The ERC issued Resolution No. 16, Series of 2010 (“ERC Resolution No. 16-2010” or the “FIT Rules”), 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.

In ERC Resolution No. 12, series of 2022, in order to mitigate the rising levels of inflation and cost of living, the ERC adopted a temporary suspension in the collection of FIT-All for a period starting December 2022 until the February 2023 billing months. Subsequently, on February 22, 2023, the ERC issued ERC Resolution No. 2, Series of 2023, extending the suspension of the collection of FIT-All for another six months, from March 2023 to August 2023 billing months, unless lifted earlier by the ERC through a separate resolution.

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In ERC Resolution No. 14, Series of 2023, the ERC approved the FIT for Run-of-River Hydropower at the rate of ₱6.1110/kWh for eligible plants which qualified from January 1, 2020 to January 31, 2021, and thereafter an annual degression of 0.5% until the 250MW installation target is fully subscribed.

On January 16, 2024, ERC promulgated ERC Resolution No. 1, Series of 2024, lifting the suspension of the collection of FIT-All, and resuming the collection of FIT-All beginning February 2024 customer billing.

16. 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 generation companies 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 Code. A generation company failing to comply with the set financial standards shall submit to the ERC a program to comply within 60 days of receipt of an ERC directive.

17. 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 Contracting 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 first round of GEAP was completed in June 2022. On January 11, 2023, the DOE posted a call for comments for the Opt-in Mechanism for GEAP.

On September 26, 2023, The DOE issued DC2023-09-0027 to clarify that the Green Energy Tariff of the Winning Bidder is considered as its FIT, and is not a separate and distinct charge against the FIT-All Fund.

On December 12, 2023, the DOE issued DC 2023-10-0029, providing specific auction policy and guidelines for Non-FIT-Eligible RE technologies in the GEAP.

18. Green Energy Option Program

On August 16, 2021, the ERC promulgated Resolution No. 08 on the Green Energy Option Program ("GEOP"). The regulatory framework for GEOP sets the technical and interconnection standards and wheeling fees of Renewable Energy Generating Facilities. The GEOP is a mechanism that will provide end-users the option to choose RE resources as their sources of energy. The GEOP Rules seek to guide the key stakeholders on who may qualify to avail, how to be licensed to provide the connection and set the fundamental agreements on the details for switching services, special power provision, related rates, and settlement of fees.

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The DOE posts an updated list of RE Suppliers under GEOP at its website to help inform consumers so they can exercise their options. Latest update was in February 2023.

On May 15, 2023, the DOE posted a Call for Comments on its website for the Draft Department Circular entitled, “Declaring the Commercial Operations Date of Retail Competition and Open Access (RCOA), Retail Aggregation and Green Energy Option Program (GEOP) in Mindanao” that targeted a start date of December 26, 2023. As of February 29, 2024, the final Department Circular has yet to be promulgated. AboitizPower continues to monitor for any development on the GEOP Rules in Mindanao.

19. Retail Competition and Open Access

Through a Decision dated March 2, 2021, the Supreme Court of the Philippines (the “Supreme Court”) 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.

On May 15, 2023, the DOE posted a Call for Comments on its website for the Draft Department Circular entitled, “Declaring the Commercial Operations Date of Retail Competition and Open Access (RCOA), Retail Aggregation and Green Energy Option Program (GEOP) in Mindanao” that targeted a start date of December 26, 2023. As of February 29, 2024, the final Department Circular has yet to be promulgated. AboitizPower continues to monitor for any development on the GEOP Rules in Mindanao.

20. 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.

On June 9, 2022, the ERC published the 2022 Edition of the OATS, which was approved and adopted through ERC Resolution No. 03, series of 2022. AboitizPower continues to monitor for any developments on the OATS Rules.

21. 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 March 21, 2022, former President Duterte approved the amendments to the Public Service Act. The new law, Republic Act No. 11659, included amendments to 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.

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22. Retail Aggregation

On June 24, 2022, the ERC published on its website ERC Resolution No. 04, Series of 2022, entitled “A Resolution Adopting the Rules for the Electric Retail Aggregation Program”. The Retail Aggregation Rules establish standardized rules and procedures governing the aggregation of electricity requirements of End-users in the Competitive Retail Electricity Market (CREM) and prescribing and clarifying the requirements, conditions, eligibility, qualifications, and disqualifications of participants and the Aggregator in the Retail Aggregation Program.

On May 15, 2023, the DOE posted a Call for Comments on its website for the Draft Department Circular entitled, “Declaring the Commercial Operations Date of Retail Competition and Open Access (RCOA), Retail Aggregation and Green Energy Option Program (GEOP) in Mindanao” that targeted a start date of December 26, 2023. As of February 29, 2024, the final Department Circular has yet to be promulgated. AboitizPower continues to monitor for any development on the GEOP Rules in Mindanao.

23. Distributed Energy Resource

On November 29, 2022, the ERC published ERC Resolution No. 11, Series of 2022, entitled “A Resolution Adopting the Rules Governing Distributed Energy Resources (DER)”. The DER Rules establish the procedure for securing the appropriate license prior to operations, commercial arrangements that DERs may enter into for the energy it produces, pricing methodologies, reduction of contracted energy volumes, payment of subsidies, interconnection standards, reportorial requirements, and imposition of penalties for failure to comply with the terms and conditions of the DER’s Certificate of Compliance (COC).

24. Pass Through Charges

On December 19, 2022, the ERC published on its website ERC Resolution No. 14, Series of 2022, entitled “A Resolution Adopting the Revised Rules Governing the Automatic Cost Adjustment and True-up Mechanisms and Corresponding Confirmation Process for Distribution Utilities”, which aims to push for a more transparent collection of pass-through costs or charges by DUs. Among the revisions is the creation of a Restricted Fund by the DUs where over-collections are maintained and earmarked for repayment to customers in subsequent billing months, effectively providing more timely refunds to end-users.

(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: (a) air quality and greenhouse gas (GHG) emissions; (b) wastewater discharges; (c) the generation, handling, storage, transportation, treatment, and disposal of toxic or hazardous chemicals, materials, and wastes; (d) workplace conditions; and (e) employee’s exposure to hazardous substances.

Standard laws and regulations that govern business operations include the Clean Air Act (RA No. 8749), Ecological Solid Waste Management Act (RA No. 9003), Clean Water Act (RA No. 9275), Toxic 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

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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, Binga, Magat, and Maris plants, (5) the Oil Group's Cebu, Mactan, Mobile 1, Mobile 2, Mobile 3-6, and Naga plants, and (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 that support climate strategies along with its impact. All facilities are in compliance with regulatory requirements, thus noting zero spending for remediation costs.

AboitizPower and its Subsidiaries remain committed to align with international best practices in all power plants and distribution utilities consistent with its Safety, Health, and Environment Policy. This is exemplified with the attainment of 93% ISO certification for the management systems of Quality, Environment, Occupational Health and Safety. AboitizPower Subsidiaries under the Oil and Coal Business Units were recertified in 2022. Meanwhile, the AboitizPower Distribution Utilities, except for Malvar Enerzone, have maintained their certifications on ISO 9001:2015 Quality Management System, ISO 45001:2018 and ISO 14001:2015 Environmental Management System.

In 2023, continuous improvement in managing environmental impacts is evident, as seen in its increased total environmental management operating expense (OPEX) at ₱109.1 mn and environment-related capital expenditure (CAPEX) of ₱22.6 mn. This consists of ₱50.3 mn for the Renewables Group, ₱62.3 mn for the Thermal Group, and ₱19.2 mn for the Distribution Utilities. The distribution of the total expenses are as follows: (i) 49% for Internal Initiatives and Programs including compliance monitoring; (ii) 28% for External Initiatives; (iii) 19% for Waste Disposal; and (iv) the remaining 4% is other expenses such as permits and rentals. As the Company is keen on ensuring compliance with Hazardous Waste Management regulations, a significant portion of the spending was on the renovation of waste holding facility, sound disposal of asbestos-containing material as well as the testing and disposal of polychlorinated biphenyls (PCB)-containing oils and equipment. The Coal Business Unit invested in purchasing contingency instruments to ensure continuity of real-time emissions monitoring in cases of unplanned unavailability of the Continuous Emissions Monitoring Systems (CEMS).

AboitizPower goes beyond mere compliance with environmental regulations by actively supporting various environmental initiatives. The company participated in programs such as Adopt an Estero/Waterbody and donated Continuous Ambient Air Monitoring Systems to the Environmental Management Bureau of the DENR. In 2023 alone, AboitizPower engaged in 45 environmental activities, contributing to the planting of 353,975 trees across approximately 3,100 hectares with the assistance of nearly 2,447 volunteers. Additionally, the Company organized and conducted 61 coastal and river clean-up efforts, resulting in the collection of approximately 30,855 kilograms of waste and the mobilization of 3,374 volunteers.

Moreover, AboitizPower is committed to biodiversity conservation through initiatives like Davao Light's E-HINLO, Visayan Electric's Adopt Guadalupe River, Adopt Tigas River, Hedcor's Project Eagle Patroller, Therma Visayas' Coastal Resource Management Program, Therma Power Visayas' Adopt Pangdan River, Therma South's Adopt Macaring and Inawayan Creeks, and SN AboitizPower-Benguet's Adopt Agno-Ambalaga River. To promote responsible water use, SN AboitizPower-Benguet has implemented effluent reuse from its Sewage Treatment Plant as part of its water stewardship efforts.

AboitizPower and its Subsidiaries received a total of 34 awards, certifications, and citations in 2023 concerning Safety, Health, and Environmental Services (SHES). To highlight a few: (1) ECOalition Award for

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Therma South and Therma Visayas, (2) Gawad Kaligtasan at Kalusugan for SNAP Benguet (3) Gawad Kalasag National and Regional Champion for SN AboitizPower-Magat (4) National Awards (KAPAKANAN)-Kaagapay sa Pag-aalaga sa Kalikasan Natin Award for Therma Marine 2. These accolades underscore the dedication of AboitizPower and its subsidiaries to upholding the highest standards of safety, health, environmental stewardship, and sustainability.

In 2023, AboitizPower and its Subsidiaries did not incur any major sanctions for violation of environmental standards and laws. AboitizPower continues to be cognizant of new opportunities to comply with regulatory 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 610 employees as of February 29, 2024. 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 February 29, 2024:

Business Group	Number of Employees					Unionized Employees	Expiry of CBA
	Total	Executives	Managers	Supervisors	Rank & File		
Aboitiz Power	610	115	145	121	229	0	N/A
Generation Companies							
Run-of-River Hydros	453	15	28	56	354	74	September 19, 2028 (Hedcor)
Large Hydros	236	23	50	87	76	0	N/A
Geothermal	311	12	33	65	201	0	N/A
Solar	6	0	0	2	4	0	N/A
Oil	355	8	29	79	239	0	N/A
Coal	1,364	38	81	332	924	0	N/A
RES	5	0	0	1	4	0	N/A
Distribution Utilities	922	16	67	147	692	330	December 31, 2026 (Visayan Electric) June 30, 2024 (Cotabato Light) June 16, 2026 (Davao Light) May 9, 2024 (SFELAPCO)
Total No. of Employees	4,262	227	433	879	2,723	404	

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 to support intelligent risk-taking. 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,

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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 Environmental, Social, and Governance (ESG) focus areas, business continuity management (BCM), and risk transfer strategies, are also embedded in the organizational planning and risk management processes. BCM and Risk transfer and Financing 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. At the end of every review period, strategic and emerging risks are reported to the highest management committee and the Board Risk and Reputation Management Committee.

Following the completion of the end-2023 strategic risk consolidation at AboitizPower, the following top or strategic risks have been identified and reported to the senior management executives:

1. Cyber and Information Security

AboitizPower acknowledges the risks associated with global information security breaches, the rising frequency of industry driven cyberattacks, and the growing complexities posed by digital transformations. Management also recognizes the imperative to address information security threats to both prevent targeted and non-targeted attacks which can adversely disrupt business operations and customer services and result in serious impacts to the Company's bottom line and reputation.

In 2023, AboitizPower took significant steps to enhance its protection protocols, aiming to secure both its Operational Technology (OT) and Information Technology (IT) environments from potential cyber threats. Specifically, within the realm of Operational Technology, the Power Generation and Distribution Utilities Business Groups of the Company have initiated and are in the process of finalizing the implementation of a standardized, Company-wide Operational Technology (OT) Security Minimum Standard. These initiatives reflect a dedicated effort to establish consistent and robust security measures across the organization's operational technology infrastructure.

AboitizPower aligns with the Aboitiz Group-wide Cyber Security Program, specific governance frameworks, standards, training and culture-building, and Operational Technology Security projects. Its Information Security Management System (ISMS) discipline is a central component of AboitizPower's Cybersecurity strategy and will continue to be embedded in all three fundamental pillars of Information and Operational Systems Security, namely, People, Process, and Technology. By embedding cybersecurity principles within these pillars, AboitizPower aims to fortify its defenses and ensure a holistic and resilient cybersecurity framework.

Further, AboitizPower has achieved successful implementation of various security measures. These include the deployment of Continuous Threat Detection (CTD), network segmentation, firewalls, critical endpoint protection, and Secure Remote Access (SRA), among other security measures. These proactive steps underscore the organization's dedication to maintaining a resilient cybersecurity posture and safeguarding its systems and data against emerging threats in the digital landscape. A cyber risk quantification study is under way to improve the Company's in depth understanding of the potential consequences of a cyberattack.

In pursuit of attaining Level 4 in Cyber Security Maturity and fostering an information security risk-aware culture, the Company has implemented robust Business Continuity Plans (BCPs) specifically designed for potential loss-of-technology scenarios. These plans are not only established but are also subjected to annual testing, thorough reviews, and continuous improvement processes. Simultaneously, a comprehensive Cyber-Security Incident Management Plan is in progress, highlighting the organization's commitment to effectively respond to cyber threats.

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Cyber and Information Security risks will remain a critical item in the agenda of the Board Risk Committee in years to come. This strategic focus underscores the organization's proactive stance in managing and mitigating risks associated with digitization and information security.

2. 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;
- 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; or
- f. Other changes in the performance based regulations affecting the return of capital investments in the future.

Any of the above events may result in lower margins for the affected businesses, which could adversely affect AboitizPower's business competitiveness.

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 and other fiscal incentives for qualified plants under the portfolio of AboitizPower are risks that are being monitored and addressed through active Stakeholder engagement with similarly situated developers and the ERC.

Regulatory issues related to the delivery of the transmission assets owned by the NGCP in order to dispatch capacity from newly commissioned plants of AboitizPower are also being managed. The Company continues to work with NGCP to minimize delay in the delivery of transmission assets as new plants begin commercial operations.

To anticipate and proactively respond to changes in regulations, the Regulatory Affairs and External Relations teams of AboitizPower constantly collaborate with the DOE and the ERC to work towards a sound and sustainable regulatory and policy environment. Similarly, AboitizPower's Safety, Health, Environment, and Safety (SHES) team keeps abreast with environmental laws and coordinates with the Department of Environment and Natural Resources (DENR) on matters pertaining to environmental compliance.

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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.

3. 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 practices. All of AboitizPower's operational 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-based standards set by the ERC.

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, an annual in-house training program on Fixed Fire Fighting Systems of the U.S. National Fire Protection Association is conducted for operations, maintenance, and safety personnel.

The business Units at AboitizPower regularly undertake a comprehensive development, review, updating, implementation, testing, and improvement of their BCPs. This dynamic approach ensures that the plans remain relevant to current business conditions and effectively address the uncertainties and challenges faced by the Company. Some of these key enhancements include: (a) site-specific threat assessment; (b) typhoon preparedness; (c) regular emergency drills and simulation exercises on various scenarios related to other natural and man-made calamities; and (d) post-event evaluations to ensure that employees are able to respond effectively and safely as planned.

As part of its continuous improvement efforts, AboitizPower is exploring the expansion of business continuity strategies on a geographic regional scale. This approach seeks to enhance coordination among several plants, fostering a more synchronized and efficient response to potential disruptions as aligned to the DOE Energy Resilience Plan.

Furthermore, to elevate the existing BCM framework and practices, AboitizPower has transitioned from a scenario-based approach to an impact-based approach. This shift aims to achieve organizational resilience by prioritizing the understanding and management of potential impacts on the business, ensuring a more comprehensive, adaptive and robust response to a variety of disruptive events.

AboitizPower has established group insurance programs that leverage the Company's portfolio of generation and distribution assets, supported by robust risk modeling and quantification techniques, which are subjected to regular periodic reviews. The Company is committed to ensuring that its Business Units have the most suitable insurance solutions in place, striking the optimal balance between retaining and transferring risks while effectively managing the Total Cost of Insurable Risk. As such, the Company procures business interruption insurance to safeguard against potential losses in gross profits resulting

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from significant damage to critical plant assets. The Company is undertaking a major initiative to explore alternative risk transfer strategies. This includes efforts to optimize loss indemnity and risk retention, aligning with the Company's goal to enhance the efficiency and effectiveness of its risk management practices. By proactively managing risk through insurance solutions and exploring innovative risk transfer strategies, AboitizPower aims to strengthen its resilience against potential financial losses and disruptions, thereby ensuring the continuity and sustainability of its operation while preserving business competitiveness.

4. 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 portfolios to expand renewable energy capacity. 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 businesses and projects. The following are important considerations to 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 alternative risk transfer strategies. Other noteworthy risk drivers are the hardening of the insurance market aggravated by economic uncertainties, natural catastrophe losses, and the current global geopolitical tensions;
- 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 will be less competitive;
- 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 fundamentally affected by pressure on the continued operation of mines.

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. Although unlikely, 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).

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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 around 1,459 MW in installed capacity as of end-2023.

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, AboitizPower 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.

As a validation to AboitizPower's ESG commitment to risk and crisis management, in the 2023 S&P Global Corporate Sustainability Assessment, AboitizPower was ranked seventh in the global ranking for risk and crisis management performance among 256 rated global companies and highest ranked among rated Philippine companies within the same industry. Good risk management is one of the ways AboitizPower is supporting its ESG performance in particular in the area of governance.

5. 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. Foreign exchange (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 economic recession and geopolitical conflict, 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 maintains good working relationships with the banks and financing institutions. 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.

6. Reputation

AboitizPower recognizes that its reputation is one of its most valuable assets, a competitive advantage that allows the Company to earn, maintain, and strengthen the trust of its stakeholders. The Company

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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.

AboitizPower continues to strengthen stakeholder engagement activities with all its stakeholders, including its customers, employees, shareholders, lenders and insurers, regulators, host communities, and LGUs.

The Company's recent Corporate Sustainability Assessment by the highly regarded S&P Global has shown a slight improvement in AboitizPower's ESG performance. The Company's score increased from 50 in 2021 to 51 in the 2022 assessment, which brings the Company to the 76th percentile ranking in its global peer group.

AboitizPower's Corporate Affairs team remains dedicated to communicating and amplifying AboitizPower's pivotal role in contributing to a sustainable energy transition in the country. The effectiveness of these communication efforts is assessed through the 'Strategy' pillar of the Reputation ID research. This evaluation focuses on how AboitizPower, in comparison to its competitors, demonstrates robust leadership, outlines a clear future direction, showcases innovation, and asserts authority within the energy sector.

Looking ahead, AboitizPower is committed to addressing gaps in various risk areas associated with ESG factors. 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.

7. Talent

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 2023, AboitizPower continued to heighten 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 Human Resources (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.

8. Project Delivery

AboitizPower has identified delay in project execution and delivery as one of its top risks as it continues to grow its power generation portfolio, in particular, with the construction and commissioning of new generation plants as AboitizPower expands its renewables portfolio. Global economic recession and supply chain restrictions due to geopolitical tensions have raised concerns on the ability to deliver and execute projects in a timely and cost-efficient manner.

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.

9. Emerging Risks

Embedded in the risk management process is the continuous identification and monitoring of emerging risks which encompass both threats and opportunities. During environmental scans, potential risks are thoroughly examined, and subject matter experts conduct further studies to understand the nuances and potential impacts. These emerging risks are reported and discussed as part of the Group Risk Management Council and Board Risk and Reputation Management Committee regular agenda.

Emerging risks 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.

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.

Supply chain disruptions are also in AboitizPower's radar as part of emerging risk which could lead to critical goods and services shortages. In 2023, this risk has been triggered by the geopolitical conflicts and extreme weather events. The ongoing geo-political conflicts can have ripple effects on the global supply chain, impacting the availability and delivery of essential goods and services required for AboitizPower's operations. Likewise, disruptions may occur due to weather-related incidents affecting transportation, manufacturing, and other elements of the supply chain. As a response, AboitizPower's supply chain management team are constantly monitoring events while working closely with strategy consultants to develop an appropriate business continuity response.

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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 February 29, 2024, there were 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 ₱209.73 bn as of end-2023, as compared to ₱206.86 bn as of end-2022. The breakdown of the Company's Property, Plant and Equipment as of December 31, 2023 and December 31, 2022 is as follows:

Property, Plant and Equipment as of December 31	2023	2022
Land	2,438,196	1,920,614
Buildings, Warehouses and Improvements	58,488,612	57,180,191
Powerplant, Equipment, and Streamfield Assets	136,798,617	132,660,266
Transmission, Distribution and Substation Equipment	30,965,981	27,750,107
Transportation Equipment	1,942,736	1,710,577
Office Furniture, Fixtures and Equipment	1,807,882	1,307,704
Leasehold Improvements	3,267,309	3,054,331
Electrical Equipment	10,694,375	10,335,653
Meter and Laboratory Equipment	4,216,626	3,708,366
Tools and Others	1,649,182	1,604,331
Construction in Progress	21,132,222	13,925,385
Right-of-use Assets	35,424,123	38,713,511
Less: Accumulated Depreciation and Amortization	94,550,993	82,695,473
Less: Accumulated Impairment	4,537,975	4,317,975
TOTAL	209,726,892	206,857,588

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
EAUC	Bunker-C thermal power plant	Lapu-Lapu City, Cebu	In use for operations

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Subsidiary	Description	Location/Address	Condition
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
GMEC	Coal-fired thermal power plants	Mariveles, Bataan	In use for operations
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
	Substation equipment	Talomo, Matina Crossing Villa Abrille Estate, Indanga, Buhangin Davao City, Bobongon, Sto. Tomas, Davao	Ongoing development
Visayan Electric	Industrial land, buildings/plants, equipment, and machinery	Jakosalem Street, Cebu City and J. Panis Street, Cebu City	In use for operations
	Substation equipment	San Roque, Talisay City, Cebu	Ongoing development
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 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 ₱183 mn 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:

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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 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, 2022¹³, LHC filed its Petition for Review on *Certiorari* with the Supreme Court. As of February 29, 2024, the Petition was pending before 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

¹³ 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.

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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.

On February 7, 2019, petitioners in G.R. No. 210245 filed their Motion for Directions, Status Updates and Immediate Resolution. In its Decision dated August 3, 2021, the SEC declared the ERC's March 3, 2014 Order null and void. The Petition in G.R. No. 210502 was granted insofar as it prayed for the dismissal of the Petitions in G.R. Nos. 210245 and 210255 as they were dismissed. The December 9, 2013 Order of the ERC, on the other hand, was affirmed.

On July 18, 2022 the National Association of Electricity Consumers for Reforms, Inc. (NASECORE) filed its Motion for Reconsideration. On July 19, 2022, the ERC filed its Motion for Partial Reconsideration. On July 20, 2022, Bayan Muna filed its Motion for Reconsideration.

In a Resolution dated October 11, 2022, the SC resolved to deny with finality the Motions for Reconsiderations filed by NASECORE and Bayan Muna and the Motion for Partial Reconsideration filed by the ERC.

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

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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 February 29, 2024, PEMC's Petition was 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, 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 8I 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 the 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, the 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 the ERC-IU to terminate and close the investigation.

On May 20, 2015, the 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.

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On June 23, 2015, the 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, the 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 the 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, the 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. 2015-02 5MC and ERC Case No. 2015-027 MC; (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.

Subsequently, the ERC filed a Petition dated February 21, 2019 with the SC via Rule 45 of the Rules of Court. In the Petition, the 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 the 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 the ERC's Petition. On November 25, 2019, TMO filed its Manifestation with the SC.

In a Resolution dated September 29, 2021, the SC partly granted the ERC's Petition for Review on *Certiorari* and ruled that the ERC has jurisdiction over anti-competitive cases filed prior to the enactment of the Philippine Competition Act pursuant to the principle of adherence of jurisdiction. The Supreme Court did not rule on the delineation of jurisdiction between the Philippine Competition Commission and the ERC after the effectivity of the Philippine Competition Act.

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 I of the Implementing Rules and Regulations (Commission of an Anti-Competitive Behavior, particularly, Physical Withholding)]", ERC, Pasig City, June 9, 2015

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The 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, the 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, the 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, the 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. The 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 the 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 the ERC proceedings with prejudice.

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 the ERC.

Subsequently, the ERC filed a Petition dated February 21, 2019 with the SC via Rule 45 of the Rules of Court. In the Petition, the ERC challenged the CA Decision and Resolution insofar as the CA ruled that the PCA repealed the parts of the EPIRA that granted to the 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.

In a Resolution dated September 29, 2021, the SC partly granted the ERC's Petition for Review on *Certiorari* and ruled that the ERC has jurisdiction over anti-competitive cases filed prior to the enactment of the Philippine Competition Act pursuant to the principle of adherence of jurisdiction. The Supreme Court did not rule on the delineation of jurisdiction between the Philippine Competition Commission and the ERC after the effectivity of the Philippine Competition Act.

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;

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[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]

The ERC conducted an investigation on the alleged collusion by the generation companies to raise the WESM prices. Subsequently, the 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. The 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.

The 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. The 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.

Thereafter, the 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 the ERC and Meralco, as well as the motions for reconsideration filed by several entities that wanted to intervene in the case.

In June 2019, the 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 the 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.

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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 February 29, 2024, ERC's and Meralco's petitions were 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 (SPC)", August 29, 2013

On August 29, 2013, Meralco filed a petition before the 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 the 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 the ERC in another case where none of the SGCs were made parties to the case; and (ii) 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 the ERC.

As of February 29, 2024, the ERC had 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.

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PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer’s Common Equity and Related Stockholder Matter

(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:

	2023		2022		2021	
	High	Low	High	Low	High	Low
First Quarter	₱39.80	₱33.90	₱36.70	₱29.30	₱27.35	₱23.05
Second Quarter	38.45	36.50	37.00	28.50	24.90	20.50
Third Quarter	37.30	30.00	32.85	29.45	34.20	23.00
Fourth Quarter	38.00	34.35	35.60	30.30	34.00	29.30

The closing price of AboitizPower common shares as of March 21, , 2024 is ₱36.90 per shareholders.

(2) Holders

As of February 29, 2024, AboitizPower had 558 stockholders of record, including PCD Nominee Corporation (Filipino) and PCD Nominee Corporation (Foreign). Common shares outstanding as of same date were 7,205,854,307 shares.

The top 20 stockholders of AboitizPower as of February 29, 2024 were as follows:

Name	Number of Shares	Percentage
1) Aboitiz Equity Ventures Inc.	3,817,195,833	52.97%
2) JERA Asia Private Limited	1,986,823,063	27.57%
3) PCD Nominee Corporation (Filipino)	1,026,941,045	14.25%
4) PCD Nominee Corporation (Foreign)	118,724,710	1.65%
5) Bauhinia Management, Inc.	20,948,380	0.29%
6) Danel C. Aboitiz	20,000,000	0.28%
7) San Fernando Electric Light & Power Co., Inc.	7,931,034	0.11%
8) Parraz Development Corporation	7,827,522	0.11%
9) Arrayanes Corporation	6,936,943	0.10%
10) Sabin M. Aboitiz	5,667,406	0.08%
11) Iker M. Aboitiz	5,465,100	0.08%
12) Ramon Aboitiz Foundation, Inc.	3,900,000	0.05%
13) Salt Grass Management Inc.	3,411,295	0.05%
13) Tawakoni Management Inc.	3,411,295	0.05%
13) Ganando Management Inc.	3,411,295	0.05%
13) Abacosa Management Inc.	3,411,295	0.05%
14) Tris Management Corporation	3,130,359	0.04%
15) Tinkerbelle Management Corporation	3,042,454	0.04%
16) CAL Management Corporation	3,036,798	0.04%

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Name	Number of Shares	Percentage
17) Gitana Management & Dev't. Corporation	2,817,091	0.04%
18) TRA Management & Dev't. Corporation	2,561,882	0.04%
19) Ngotipa Inc.	2,426,300	0.03%
20) Nuski Management Corporation	2,387,492	0.03%
SUBTOTAL	7,061,408,592	98.00%
Other Stockholders	144,445,715	2.00%
TOTAL SHARES	7,205,854,307	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 2022 to the first quarter of 2024 are shown in the table below:

Year	Cash Dividend Per Share	Total Declared	Declaration Date	Record Date	Payment Date
2024 (regular)	₱2.30	₱16.57 bn	3/5/2024	3/19/2024	3/26/2024
2023 (regular)	₱1.87	₱13.76 bn	3/3/2023	3/17/2023	3/30/2023
2022 (regular)	₱1.45	₱10.67 bn	3/4/2022	3/18/2022	3/30/2022

There are no restrictions that limit the payment of dividends on common shares to stockholders of record as of March 19, 2024.

(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 Aboitiz Power Corporation's ("AboitizPower", "Parent", or the "Company") consolidated financial condition and results of operations should be read in conjunction with the consolidated financial statements and accompanying schedules and disclosures included as part of 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.

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.

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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, 2023 versus Year Ended December 31, 2022

The table below shows the comparative figures of the key performance indicators for the year ended December 31, 2023 and December 31, 2022:

Key Performance Indicators	December 31, 2023	December 31, 2022
	Audited	(As restated)
<i>Amounts in thousands of ₱s, except for financial ratios</i>		
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	19,817,774	15,134,970
EBITDA	67,913,578	57,596,836
CASH FLOW GENERATED:		
Net cash flows from operating activities	50,267,419	34,213,337
Net cash flows used in investing activities	(15,086,374)	(11,442,216)
Net cash flows used in financing activities	(45,433,181)	(14,475,876)
Net (Decrease)/Increase in Cash & Cash Equivalents	(10,252,136)	8,295,246
Cash & Cash Equivalents, Beginning	64,763,642	57,130,243
Cash & Cash Equivalents, End	54,538,784	64,763,642
CURRENT RATIO	1.79	1.78
DEBT-TO-EQUITY RATIO	1.51	1.68

- Share in net earnings in associates and joint ventures for the year 2023 increased by 31% compared to 2022. The increase was mainly due to fresh contributions from GNPower Dinginin Ltd. Co. (GNPD).
- EBITDA for the year 2023 increased by 18%. This was primarily due to fresh contributions from GNPD Units 1 and 2 and higher availability across the Company's generation portfolio.

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- Cash and cash equivalents as of end-2023 decreased by ₱10.2 billion (bn) compared to end-2022. This was mainly due to the prepayment by Therma Luzon, Inc. (TLI) of its remaining lease obligations to PSALM and the acquisition of treasury shares by AboitizPower.
- Current Ratio as of December 31, 2023 was at 1.79x as compared to 1.78x as of December 31, 2022.
- Debt-to-Equity Ratio as of December 31, 2023 was at 1.51x, lower than the 1.68x recorded as of December 31, 2022.

Results of Operations

Core net income for the full year 2023 was ₱32.0 bn, 29% higher than the ₱24.8 bn recorded in 2022. The increase was primarily due to fresh contributions from GNPD and higher availability across the Company's generation portfolio. The Company's reported net income for the full year 2023 was ₱33.1 bn, 27% higher than the reported net income of ₱26.0 bn for 2022.

These comprise the significant elements of income or loss from continuing operations.

Power Generation and Retail Electricity Supply (RES)

AboitizPower's generation and retail supply business recorded EBITDA of ₱61.3 bn in 2023, 20% higher than the ₱51.2 bn recorded in 2022. This was primarily due to fresh contributions from GNPD and higher availability across the Company's portfolio. Energy volume sold in 2023 increased by 17% to 35,372 gigawatt-hours (GWh) compared to 30,251 GWh in 2022.

Power Distribution

During 2023, AboitizPower's distribution business recorded EBITDA of ₱8.7 bn, 8% higher than the ₱8.0 bn recorded in 2022. Energy sales increased by 6% to 6,157 GWh in 2023, compared to 5,785 GWh in 2022. Energy sales from the Residential customer segment was higher by 8% and Commercial and Industrial energy sales were higher by 6%, due to recoveries in demand in the areas affected by Typhoon Odette and resurgence of energy sold back to pre-pandemic level.

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 increased by ₱7.10 bn, or 27% YoY. The various movements in line items are shown below to account for the increase:

(Amounts in thousands of ₱s)

Net Income Attributable to Equity Holders of the Parent (January - December 2022)	₱25,998,668
Increase in operating revenues	13,106,309
Increase in operating expenses	(11,124,204)
Increase in interest income	998,582
Increase in interest expense	(741,298)
Increase in share in net earnings of associates and joint ventures	4,682,804
Increase in other income	4,118,484
Increase in provision for taxes	(2,575,860)
Increase in income attributable to non-controlling interests	(1,351,766)

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Total	7,103,051
Net Income Attributable to Equity Holders of the Parent (January - December 2023)	₱33,101,719

Operating Revenues

(7% increase from ₱193.99 bn to ₱207.10 bn)

The increase in operating revenues was primarily due to higher availability across the Company's generation portfolio.

Operating Expenses

(7% increase from ₱164.19 bn to ₱175.31 bn)

The increase in operating expenses was mainly due to the higher cost of purchased power and of generated power. This is consistent with the higher operating revenues discussed above.

Interest Income

(146% increase from ₱679.00 mn to ₱1.67 bn)

The increase in interest income was primarily due to higher interest rates on money market placements.

Interest Expense and other financing costs

(6% increase from ₱13.42 bn to ₱14.16 bn)

Interest expense increased due to higher levels of long-term debt as of December 31, 2023 as compared to December 31, 2022.

Share in Net Earnings of Associates and Joint Ventures

(31% increase from ₱15.13 bn to ₱19.82 bn)

Share in net earnings in associates and joint ventures for the year of 2023 increased by 31%, as compared to 2022. The increase was mainly due to the fresh contributions from GNPD.

Other Income (Expenses) – net

(reversal from expenses of ₱515.00 mn to income of ₱4.63 bn)

The reversal from expenses to income during year 2023 as compared to year 2022 was mainly due to the additional investment in STEAG State Power, Inc. (SPI). The increase in the Company's stake from 34% to 69.4% resulted in recording a bargain purchase gain. Additional increase in other income was also due to the recognition of the business interruptions (BI) claims for the GNPower Mariveles Energy Center Ltd. Co. (GMEC), Hedcor Bukidon Inc. (HBI), Hedcor Inc. (HI), and AP Renewables Inc. (APRI) plant outages.

Provision for Taxes

(55% increase from ₱4.70 bn to ₱7.28 bn)

The increase in provision for taxes during 2023 was due to higher taxable income and the reversal of TLI's deferred tax asset on PSALM lease obligations due to the prepayment by TLI to PSALM on November 2023 of the remaining lease payments.

Changes in Registrant's Resources, Liabilities and Shareholders' Equity

Assets

Total assets as of December 31, 2023 compared to December 31, 2022 increased by ₱9.65 bn, or 2%. The major movements of the accounts leading to the increase were as follows:

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- a. Cash and cash equivalents decreased by ₱10.22 bn, or 16% (from ₱64.76 bn to ₱54.54 bn). This was mainly due to prepayment of TLI PSALM lease and acquisition of treasury shares.
- b. Trade and other receivables decreased by ₱1.10 bn, or 3% (from ₱35.34 bn to ₱34.25 bn). This was primarily due to higher collection efficiency.
- c. Inventories decreased by ₱2.45 bn or 15% (from ₱16.12 bn to ₱13.68 bn). This was mainly driven by the decrease in fuel inventory due to lower indices.
- d. Derivative assets (current and non-current portions) decreased by ₱2.56 bn or 88% (from ₱2.91 bn to ₱0.36 bn). This was mainly due to the maturity of derivatives and prepayment of TLI PSALM lease.
- e. Other current assets decreased by ₱1.09 bn, or 8% (from ₱14.08 bn to ₱12.99 bn). This was mainly due to the lower debt service reserve account and utilization of prepaid taxes.
- f. Investments and advances increased by ₱13.71 bn, or 18% (from ₱77.93 bn to ₱91.64 bn). This was mainly due to fresh contributions from GNPD.
- g. Property, plant and equipment slightly increased by ₱2.87 bn, or 1% (from ₱206.86 bn to ₱209.73 bn). This was primarily due to the planned capital expenditures for the renewable power projects, partly offset by the depreciation of existing assets.
- h. Other noncurrent assets increased by ₱10.33 bn, or 123% (from ₱8.39 bn to ₱18.72 bn). This was primarily due to the first-time consolidation of SPI, bulk of which pertains to service concession agreement.

Liabilities

Compared to December 31, 2022, total liabilities as of December 31, 2023 decreased by ₱6.19 bn, or 2%. The major movements of accounts leading to the decrease were as follows:

- a. Short-term loans decreased by ₱1.44 bn, or 7% (from ₱21.40 bn to ₱19.96 bn). This was mainly due to loan payments by the Group.
- b. Derivative liabilities (current and non-current portions) increased by ₱34 mn, or 8% (from ₱447 mn to ₱482 mn). This was primarily due to net hedging losses.
- c. Income tax payable decreased by ₱20.00 mn, or 4% (from ₱493.00 mn to ₱473.00 mn). This was mainly due to lower taxable income.
- d. Customers' deposits increased by ₱718.00 mn, or 9% (from ₱8.14 bn to ₱8.86 bn). This was mainly due to the receipt of bill deposits from new customers of the Retail Energy Supply and Distribution Utilities segments.
- e. Long-term debt (current and non-current portions) increased by ₱14.82 bn, or 7% (from ₱199.45 bn to ₱214.27 bn). This was mainly due to new loans to support renewable energy projects and to prepay TLI's lease obligations to PSALM, which were partly offset by regular debt servicing across the Group.
- f. Lease liabilities (current and noncurrent portions) decreased by ₱24.63 bn, or 89% (from ₱27.54 bn to ₱2.91 bn). This is mainly due to the prepayment by TLI of its lease obligations to PSALM.
- g. Long-term obligation on power distribution system (current and noncurrent portions) decreased by ₱23.00 mn, or 16% (from ₱145.00 mn to ₱123.00 mn), due to Subic Enerzone's regular payment.
- h. Decommissioning liability increased by ₱1.71 bn, or 30% (from ₱5.65 bn to ₱7.36 bn). This was mainly due to adjustments in the decommissioning provisions on power plant assets of APRI.

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- i. Net pension liabilities (net of pension assets) increased by ₱346.00 mn, or 67% (from ₱516.00 mn to ₱863.00 mn), mainly due to higher current service cost based on the new actuarial studies across the Group.
- j. Deferred income tax liabilities (net of deferred income tax assets) increased by ₱2.20 bn, or 171% (from ₱1.29 bn to ₱3.49 bn). This was mainly due to the IAS 12 adoption of recognizing deferred income tax liabilities on TLI's right-of-use (ROU) assets and to the first-time consolidation of STEAG.

Equity

Equity attributable to equity shareholders of the Parent increased by 7% (from ₱169.06 bn as of December 31, 2022 to ₱180.14 bn as of December 31, 2023) mainly due to fresh contributions from GNPD and higher availability across the Company's generation portfolio. Cash flow hedge reserve decreased by ₱2.92 bn primarily due to the maturity of TLI's commodity swap contracts. Cumulative translation adjustments and share in other comprehensive income of associates and joint ventures decreased by ₱0.5 bn, due to the downward net adjustment in the net assets translation effect of GMEC and GNPD during the year.

Material Changes in Liquidity and Cash Reserves of Registrant

As of December 31, 2023, the Group's cash and cash equivalents decreased by 16% to ₱54.54 bn, from ₱64.76 bn as of December 31, 2022.

Higher EBITDA and lower working capital requirements resulted in higher cash generated from operations during the year of 2023 by ₱16.05 bn, which was a 47% increase compared to the year of 2022.

Net cash flows used in investing activities increased from ₱11.44 bn in 2022 to ₱15.09 bn in 2023, mainly due to the higher scheduled capital expenditures for the renewable power projects.

The net cash flows used in financing activities increased from ₱14.48 bn in 2022 to ₱45.43 bn in 2023, mainly due to TLI prepayment of lease obligations and acquisition of treasury shares.

There are no events that will trigger direct or contingent financial obligations that are material to the Company, including any default or acceleration of an obligation, except those discussed under Item 3 – *Legal Proceedings* of this Definitive Information Statement.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created in 2023.

Financial Ratios

As of December 31, 2023, current assets decreased by 13% and current liabilities decreased by 13% YoY compared to the end of 2022. The current ratio as of December 31, 2023 was at 1.79x compared to 1.78x as of December 31, 2022.

Consolidated debt-to-equity ratio as of December 31, 2023 was at 1.51x, lower than the 1.65x recorded at the end of 2022. This was due to a 2% decrease in total liabilities compared to a higher 9% increase in equity in 2023.

There are no material commitments for capital expenditures except those disclosed in the Audited Financial Statements and discussed in *Outlook for the Upcoming Year/Known Trends, Events, and Uncertainties which may have Material Impact in the Registrant*.

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Outlook for the Upcoming Year/ Known Trends, Events, and Uncertainties which may have Material Impact on the Registrant

AboitizPower (or the “Company”) is focused on providing reliable supply to its markets, at a reasonable cost, and with minimal impact on the environment and communities. The Company believes that there is no single technology that completely addresses the country’s energy requirements. AboitizPower believes that to effectively and sustainably address the Country’s power requirements, a mix of power generation technologies is necessary. As such, the Company pursues both renewable projects and thermal technologies where and when it makes sense.

Despite increased competition in the domestic power generation sector, AboitizPower believes that it has built the foundation to sustain its long-term growth, as seen in its pipeline of new power generation projects.

As part of its decarbonization journey, the Company continues to grow its portfolio of generation assets with renewables and selective baseload builds. It targets to grow its RE portfolio to 4,600 MW of net attributable selling capacity, of which, 3,700 MW will be the new RE capacity. AboitizPower’s initial expansion phase focuses on developing solar and wind plants with a cumulative net attributable capacity of up to 1,200 MW. The Company is on track for 176 MW to come only by early 2024, with construction ongoing for an additional 218 MW. The second phase of its expansion will see additional capacity of around 1,700 MW of solar and wind power, bringing the Company’s capacity closer to achieving its 3,700 MW RE target.

The Company also aims to maximize opportunities arising from the implementation of the Renewable Portfolio Standards (“RPS”) by the Department of Energy (“DOE”). In line with the 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 is likewise open to opportunities in optimizing its existing baseload facilities to meet critical market needs as energy demand in the Philippines is still expected to grow in the coming years. AboitizPower is studying to fill some of these gaps with Liquefied Natural Gas (LNG)-to-Power projects, unless a cleaner technology proves to be the more economical option.

The Company 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. Through its parent company, AEV, AboitizPower 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. As part of its risk management framework, AboitizPower is monitoring this risk and is developing strategies to manage risks that are above certain thresholds.

Given the current state of power needs in the Philippines and the expected build progression of new plants over the next decade, AboitizPower believes its existing coal assets will need to continue to play an integral role for at least another 15 to 20 years and is always seeking improvements to ensure it operates its assets responsibly and in compliance with all relevant regulations.

The Company believes that its balance sheet gives it the capability to create or acquire additional generating capacity over the next few years. AboitizPower, together with its partners, has allotted ₱73 bn for capital expenditures in 2024. 72% of the total capex budget for this year is earmarked for AboitizPower’s renewable energy pipeline, while the remaining budget is for the continuous improvement of the reliability of its baseload plants, as well as various land acquisitions, new substations, and new meters for its distribution business. This figure does not include AboitizPower’s investment in Chromite Gas through TNGP.

AboitizPower and JERA have also agreed to collaborate in the following areas: 1) development of power projects, including LNG-to-Power projects; 2) management and sourcing of LNG fuel supply; and 3) potential participation

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in aspects of plant operation and maintenance (O&M). In February 2023, AboitizPower and JERA signed, in the presence of his Excellency Ferdinand R. Marcos Jr., President of the Republic of the Philippines, a Memorandum of Understanding to commence a joint study on ammonia co-firing for decarbonization. Both companies will assess the feasibility of ammonia co-fired power generation and study potential development in the ammonia and hydrogen value chains in the Philippines for decarbonization.

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 *Effect of Existing or Probable Government Regulations on the Business* on page 79 of the Company's 2023 Definitive Information Statement).

Year Ended December 31, 2022 versus Year Ended December 31, 2021

Key Performance Indicators	December 31, 2022	December 31, 2021
<i>Amounts in thousands of ₱s, except for financial ratios</i>		
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	15,134,970	9,479,696
EBITDA	57,596,836	50,661,619
CASH FLOW GENERATED:		
Net cash flows from operating activities	34,213,337	36,327,039
Net cash flows used in investing activities	(11,442,216)	1,018,172
Net cash flows used in financing activities	(14,475,876)	(19,103,664)
Net (Decrease)/Increase in Cash & Cash Equivalents	8,295,246	18,241,547
Cash & Cash Equivalents, Beginning	57,130,243	38,699,545
Cash & Cash Equivalents, End	64,763,642	57,130,243
CURRENT RATIO	1.78	1.53
DEBT-TO-EQUITY RATIO	1.65	1.75

- Share in net earnings in associates and joint ventures for the year 2022 increased by 60% compared to 2021. The increase was mainly due to the fresh contributions from GNPD.
- EBITDA for 2022 increased by 14%. This was primarily due to fresh contributions from GNPD Units 1 and 2, higher availability across the Company's generation portfolio, gains from commodity hedges, and higher water inflows.
- Cash and cash equivalents as of end-2022 increased by ₱7.63 billion (bn) compared to end-2021. This is mainly due to the availment of new loans for renewable projects.
- Current Ratio as of December 31, 2022 was at 1.78x as compared to 1.53x as of December 31, 2021. The increase was primarily due to lower long-term debt portion that is due to be repaid within the next 12 months and the increase in cash and cash equivalents.
- Debt-to-Equity Ratio as of December 31, 2022 was at 1.68x, lower than the 1.75x recorded as of December 31, 2021

Results of Operations

Net income for 2022 was ₱26.00 bn, which was 25% higher than the ₱19.09 bn reported in 2021. This translated to earnings per share of ₱3.53 for 2022. The Company also recognized non-recurring gains of ₱1.0 bn during 2022, as compared to ₱57 million (mn) in non-recurring gains recorded in 2021. This is due to the portion of

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commodity hedge gains which were not recognized in fuel costs. Without these one-off gains, the Company's core net income for the full year 2022 was ₱24.8 bn, 30% higher than the ₱19.0 bn recorded in 2021. If the Company excluded the impact of Typhoon Odette, liquidated damages, and business interruption claims that the Company collected in 2022 and 2021, this would have resulted in a 47% gain in the Company's core net income and a 52% gain in its net income in 2022 versus 2021. The increase in net income during 2022 was primarily due to fresh contributions from GNPD and higher availability across the Company's generation portfolio, gains from commodity hedges, and higher water inflows.

Power Generation and Retail Electricity Supply (RES)

AboitizPower's generation and retail supply business recorded EBITDA of ₱51.2 bn in 2022, 18% higher than the ₱43.4 bn recorded in 2021. This was primarily due to fresh contributions from GNPD and higher availability across the Company's portfolio, gains from commodity hedges, and higher water inflows. Capacity sold in 2022 increased by 7% to 4,034 megawatts (MW), compared to 3,753 MW in 2021. Energy sold increased by 16% to 30,251 gigawatt-hours (GWh) for the full year 2022, compared to 26,031 GWh in 2021.

Power Distribution

During 2022, AboitizPower's distribution business recorded EBITDA was ₱8.0 bn, which is 6% higher than the ₱7.5 bn recorded in 2021. Energy sales increased by 4% to 5,785 GWh in 2022, compared to 5,583 GWh in 2021. Energy sales from the Residential customer segment were flat year-on-year (YoY). Commercial and Industrial energy sales were higher by 5% due to recovering demand in 2022.

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 increased by ₱5.16 bn, or 25% YoY. The various movements in line items are shown below to account for the increase:

(Amounts in thousands of ₱s)

Net Income Attributable to Equity Holders of the Parent (January - December 2021)	₱20,837,182
Increase in operating revenues	59,634,367
Increase in operating expenses	(58,041,189)
Increase in interest income	335,463
Decrease in interest expense	170,017
Increase in share in net earnings of associates and joint ventures	5,655,274
Increase in other income	301,766
Increase in provision for taxes	(2,589,960)
Increase in income attributable to non-controlling interests	(304,251)
Total	<u>5,161,487</u>
Net Income Attributable to Equity Holders of the Parent (January - December 2022)	<u>₱25,998,668</u>

Operating Revenues

(44% increase from ₱134.36 bn to ₱193.99 bn)

The increase in operating revenues during 2022 as compared to 2021 was primarily due to higher availability across the Company's generation portfolio.

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Operating Expenses

(55% increase from ₱106.15 bn to ₱164.19 bn)

The increase in operating expenses during 2022 as compared to 2021 was mainly due to the higher cost of purchased power and of generated power. This is consistent with the higher operating revenues discussed above.

Interest Income

(98% increase from ₱343.00 mn to ₱679.00 mn)

The increase in interest income during 2022 as compared to year 2021 was primarily due to higher interest rates on money market placements.

Interest Expense and other financing costs

(1% decrease from ₱13.59 bn to ₱13.42 bn)

Interest expense decreased during 2022 as compared to 2021 due to lower interest accretion on lease liabilities as timely payments were made during 2022 on TLI's obligation to PSALM.

Share in Net Earnings of Associates and Joint Ventures

(60% increase from ₱9.48 bn to ₱15.13 bn)

Share in net earnings in associates and joint ventures for 2022 increased by 60% YoY. The increase was mainly due to fresh contributions from GNPD.

Other Income (Expenses) – net

(141% increase from ₱214.00 mn to ₱515.00 mn)

The increase in net other income (expenses) during 2022 as compared to 2021 was mainly due to higher realized commodity hedging gains.

Provision for Taxes

(123% increase from ₱2.11 bn to ₱4.70 bn)

The increase in provision for taxes during 2022 was due to higher taxable income, IAS 12 adoption of recognition of deferred income tax liabilities on right-of-use (ROU) assets, and the timing of the adjustments relating to the provisions of CREATE Act during the first half of 2021.

Changes in Registrant's Resources, Liabilities and Shareholders' Equity

Assets

Total assets as of December 31, 2022 compared to December 31, 2021 increased by ₱50.18 bn, or 12%. The major movements of the accounts leading to the increase were as follows:

- a. Cash and cash equivalents increased by ₱7.63 bn, or 13% (from ₱57.13 bn to ₱64.76 bn). This is mainly due to ARI's new loans to support its renewable power projects.
- b. Trade and other receivables increased by ₱8.52 bn, or 32% (from ₱26.82 bn to ₱35.34 bn), primarily due to higher revenues.
- c. Inventories increased by ₱6.55 bn or 68% (from ₱9.57 bn to ₱16.12 bn). This was mainly driven by the increase in spare parts, supplies and fuel inventory.

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- d. Other current assets increased by ₱4.57 bn, or 48% (from ₱9.51 bn to ₱14.08 bn). This was mainly driven by TLI's VAT input build-up as well as TVI and TSI's build-up of restricted cash in its reserve account in accordance with its loan agreement.
- e. Investments and advances increased by ₱12.98 bn, or 20% (from ₱64.95 bn to ₱77.93 bn). This was mainly driven by the take up of share in earnings from associates during the year 2022 which was higher than the receipt of dividends.
- f. Property, plant and equipment slightly increased by ₱3.62 bn, or 2% (from ₱203.24 bn to ₱206.86 bn). This was primarily due to the construction-in-progress of new solar power plant projects and the catch up on capital expenditures that were previously deferred due to the pandemic., partly offset by the depreciation of existing assets.
- g. Intangible assets increased by ₱3.76 bn, or 8% (from ₱46.02 bn to ₱49.77 bn). This was primarily due to the forex revaluation of GMEC goodwill partly offset by amortization of existing assets.
- h. Other noncurrent assets increased by ₱1.20 bn, or 17% (from ₱7.18 bn to ₱8.39 bn). This was mainly due to the reclassification of prepaid taxes which are expected to be utilized for more than one year.

Liabilities

Compared to December 31, 2021, total liabilities as of December 31, 2022 increased by ₱25.58 bn, or 9%. The major movements of accounts leading to the increase were as follows:

- a. Short-term loans increased by ₱2.78 bn, or 15% (from ₱18.63 bn to ₱21.40 bn). This was mainly due to loan availments by the Group during the year of 2022 which were used for working capital purposes and PV Sinag's availment of bridge short-term loan for project financing.
- b. Trade and other payables increased by ₱10.20 bn, or 45% (from ₱22.74 bn to ₱32.95 bn). This was primarily due to the increase in trade and fuel purchases.
- c. Income tax payable increased by ₱228.00 mn, or 86% (from ₱265.00 mn to ₱493.00 mn). This was mainly due to higher taxable income.
- d. Customers' deposits increased by ₱944.00 mn, or 13% (from ₱7.20 bn to ₱8.14 bn). This was mainly due to the receipt of bill deposits from new customers of the Retail Energy Supply and Distribution Utilities segments.
- e. Long-term debt (current and non-current portions) increased by ₱17.41 bn (from ₱182.04 bn to ₱199.45 bn). This was mainly due to ARI's new loans to support renewable power projects.
- f. Lease liabilities (current and noncurrent portions) decreased by ₱6.23 bn (from ₱33.77 bn to ₱27.54 bn), as TLI made regular payments during 2022 of its obligation to PSALM.
- g. Long-term obligation on power distribution system (current and noncurrent portions) decreased by ₱20.00 mn, or 12% (from ₱166.00 mn to ₱145.00 mn), due to Subic Enerzone's regular payment.
- h. Net derivative asset and liability changed by ₱1.40 bn (from ₱1.07 bn asset to ₱2.46 bn asset) during the year 2022 due to net hedging gains.
- i. Net pension liabilities increased by ₱297.00 mn, or 98% (from ₱303.00 mn to ₱599.00 mn), mainly due to higher current service cost based on the new actuarial studies across the Group.

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- j. Deferred income tax liabilities (net of deferred income tax assets) increased by ₱2.15 bn, or 251% (from net deferred tax assets of ₱856 mn to net deferred tax liabilities of ₱2.42 bn). This was mainly due to the IAS 12 adoption of recognizing deferred income tax liabilities on TLI's ROU assets.
- k. Other noncurrent liabilities decreased by ₱55.00 mn, or 100% (from ₱55.00 mn to ₱0.00 mn), mainly due to the reclassification of the PSALM deferred adjustments to current.

Equity

Equity attributable to equity shareholders of the Parent Company increased by 14% (from ₱147.95 bn as of December 31, 2021 to ₱169.06 bn as of December 31, 2022) mainly due to the retained earnings build-up, cumulative translation adjustments and cash flow hedge reserve recognized in 2022. Cumulative translation adjustments increased by ₱3.55 bn, due to the upward net adjustment in the net assets translation effect of GMEC and LHC during the period. Cash flow hedge reserve increased by ₱1.73 bn, due to the upward net adjustment in the fair value of the Group's foreign currency forward and commodity swap contracts.

Material Changes in Liquidity and Cash Reserves of Registrant

As of December 31, 2022, the Group's cash and cash equivalents increased by 13% to ₱64.76 bn, from ₱57.13 bn as of December 31, 2021.

Higher working capital requirements for fuel purchases resulted in lower cash generated from operations during the year 2022 by ₱2.11 bn which was a 6% decrease compared to 2021.

Net cash flows from (used in) investing activities reversed from ₱1.02 bn in 2021 to -₱11.44 bn in 2022, mainly due to lower dividends received from associates and higher capital expenditures.

The net cash flows used in financing activities decreased from ₱19.10 bn in 2021 to ₱14.48 bn in 2022 mainly due to reduced debt repayments and the impact of new loans.

Financial Ratios

As of December 31, 2022, current assets increased by 27% and current liabilities increased by 9% YoY compared to the end of 2021. The current ratio as of December 31, 2022 was at 1.78x compared to 1.53x as of December 31, 2021.

Consolidated debt-to-equity ratio as of December 31, 2022 was at 1.68x, lower than the 1.75x recorded at the end of 2021. This was due to a 9% increase in total liabilities compared to a higher 14% increase in equity in 2022.

Year Ended December 31, 2021 versus Year Ended December 31, 2020

The table below shows the comparative figures of the key performance indicators for 2021 and 2020:

Key Performance Indicators	2021	2020
<i>Amounts in thousands of ₱s, except for financial ratios</i>		
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	9,479,696	2,675,136
EBITDA	50,661,619	44,687,315
CASH FLOW GENERATED:		
Net cash flows from operating activities	36,327,036	31,781,669
Net cash flows used in investing activities	1,018,171	(4,526,973)
Net cash flows used in financing activities	(19,103,660)	(25,914,010)
Net (Decrease)/Increase in Cash & Cash Equivalents	18,241,547	1,340,686

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Cash & Cash Equivalents, Beginning	38,699,545	37,433,929
Cash & Cash Equivalents, End	57,130,243	38,699,545
CURRENT RATIO	1.53	1.38
DEBT-TO-EQUITY RATIO	1.75	1.96

- Share in net earnings in associates and joint ventures for the year 2021 increased by 254% compared to 2020. The increase was mainly due to higher water inflows of SN Aboitiz Power-Magat and SN Aboitiz Power-Benguet and the claim of liquidated damages for the delay in the construction of the GNPD plant.
- EBITDA for the year 2021 increased by 13% Year-on-Year (YoY). This was primarily due to the commissioning revenue from GNPD Unit 1, higher water inflow, higher availability of the TLI, TSI, and TVI facilities, and higher WESM dispatch in compliance with the must-offer rule.
- For the year ended 2021, cash and cash equivalents increased by ₱18.43 billion (bn) compared to 2020. This was mainly due to the Parent's retail bond issuance, partly offset by loans and lease payments during the year 2021.
- Current Ratio as of December 31, 2021 was at 1.53x as compared to 1.38x as of December 31, 2020. The increase was primarily due to Parent's retail bond issuance in 2021.
- Debt-to-Equity Ratio as of December 31, 2021 was at 1.75x, lower than the 1.96x recorded as of December 31, 2020.

Results of Operations

Net income for 2021 was ₱19.09 bn, which was 52% higher than the ₱12.58 bn reported in 2020. This translated to earnings per share of ₱2.59 for 2021. The Company recognized non-recurring losses of ₱228 mn during 2021 (as compared to the non-recurring gains of ₱45 mn in 2020), primarily due to the impairment losses of TPVI and RPEnergy, which were partially offset by net foreign exchange gains on the revaluation of dollar-denominated liabilities. Without these one-off gains, the Company's core net income for 2021 was ₱19.0 bn, 52% higher than the ₱12.5 bn recorded in 2020. This was primarily due to commissioning revenue from GNPD Unit 1, higher water inflow for AboitizPower's hydro plants, higher availability of the TLI, TSI, and TVI facilities, and higher WESM dispatch in compliance with the must-offer rule. During 2021, AboitizPower was also able to claim liquidated damages for the delay in the construction of GNPD Units 1 and 2, and also received the final payment for business interruption claims resulting from the GMEC and APRI outages in previous years.

Power Generation and Retail Electricity Supply (RES)

AboitizPower's generation and retail supply business recorded EBITDA of ₱43.4 bn during 2021, 15% higher than the ₱37.7 bn recorded in 2020. This was due to the commissioning revenue from GNPD Unit 1, higher availability of the Company's TLI, TSI, and TVI facilities, higher water inflows for the hydro plants, and higher WESM dispatch in compliance with the must-offer rule. These gains were partially offset by the lower margins resulting from the GMEC outage. Capacity sold in 2021 increased by 10% to 3,753 megawatts (MW), compared to 3,417 MW in 2020. Energy sold increased by 14% to 26,031 gigawatt-hours (GWh) for 2021, compared to 22,754 GWh during 2020.

Power Distribution

During 2021, AboitizPower's distribution business recorded EBITDA of ₱7.5 bn, 5% higher than the ₱7.2 bn recorded in 2020. Energy sales increased by 4% to 5,584 GWh for 2021, compared to 5,368 GWh for 2020. This was driven by higher energy consumption resulting from recoveries in demand. Energy sales from the Residential, Commercial and Industrial customer segments increased due to less stringent community quarantine during 2021 and the resumption of operations of commercial and industrial customers.

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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 increased by ₱8.26 bn, or 66% YoY. The various movements in line items are shown below to account for the increase:

(Amounts in thousands of ₱s)

Net Income Attributable to Equity Holders of the Parent (January - December 2020)	₱12,577,676
Increase in operating revenues	23,982,572
Increase in operating expenses	(22,652,663)
Decrease in interest income	(309,843)
Decrease in interest expense	663,163
Increase in share in net earnings of associates and joint ventures	6,804,560
Decrease in other income	(4,714,998)
Decrease in provision for taxes	2,199,509
Decrease in income attributable to non-controlling interests	535,693
Total	6,507,993
Net Income Attributable to Equity Holders of the Parent (January - December 2021)	₱19,085,669

Operating Revenues

(22% increase from ₱110.38 bn to ₱134.36 bn)

The increase in operating revenues during 2021 as compared to 2020 was primarily due to higher availability of TLI, TSI, and TVI facilities and higher WESM dispatch in compliance with the must-offer rule.

Operating Expenses

(27% increase from ₱83.50 bn to ₱106.15 bn)

The increase in operating expenses during 2021 as compared to 2020 was mainly due to the higher cost of purchased power and generated power.

Interest Income

(47% decrease from ₱653.00 mn to ₱343.00 mn)

The decrease in interest income during 2021 as compared to 2020 was primarily due to lower interest rates on money market placements.

Interest Expense and other financing costs

(5% decrease from ₱14.25 bn to ₱13.59 bn)

Interest expense decreased in 2021 compared to 2020, due to lower interest accretion on lease liabilities as timely payments were made on TLI's obligation to PSALM. The refinancing of Hedcor Bukidnon project loan in September 2020, and the prepayment of Parent's US dollar loan also contributed to lower interest expense in 2021. These were partly offset by additional interest expenses recognized in 2021 on AboitizPower's ₱9.55 bn and ₱8.00 bn retail bonds issued in July 2020 and March 2021, respectively.

Share in Net Earnings of Associates and Joint Ventures

(254% increase from ₱2.68 bn to ₱9.48 bn)

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Share in net earnings in associates and joint ventures for the year 2021 increased by 254% YoY. The increase was mainly due to higher water inflows of SN Aboitiz Power-Magat and SN Aboitiz Power-Benguet, and the claim of liquidated damages for the delay in the construction of the GNPD plant.

Other Income (Expenses) – net

(96% decrease from ₱4.93 bn to ₱214.00 mn other income)

The decrease in other income in 2021 as compared to 2020 was mainly due to the losses on the revaluation of foreign-currency denominated liabilities.

Provision for Taxes

(36% decrease from ₱6.06 bn to ₱3.86 bn)

The decrease in provision for taxes was due to the application of the provisions of the CREATE Act reducing the regular corporate income tax (RCIT) rate from 30% to 25% partially offset by the IAS 12 adoption of recognition of deferred income tax liabilities on the right-of-use (ROU) assets. The AboitizPower Group also recognized a reversal of deferred tax on Net Operating Loss Carry-Over (NOLCO) during the year 2020 that resulted in higher provision for taxes during 2020 as compared to 2021.

Changes in Registrant's Resources, Liabilities and Shareholders' Equity

Assets

Total assets (as of December 31, 2021 compared to December 31, 2020) increased by ₱29.49 bn, or 7%. The major movements of the accounts leading to the increase were as follows:

- a) Cash and cash equivalents increased by ₱18.43 bn, or 48% (from ₱38.70 bn to ₱57.13 bn). This was due to Parent's retail bond issuance, offset by loans and lease payments during the year 2021.
- b) Trade and other receivables increased by ₱4.80 bn, or 22% (from ₱22.02 bn to ₱26.82 bn), primarily due to higher revenues.
- c) Inventories increased by ₱3.27 bn or 52% (from ₱6.31 bn to ₱9.57 bn). This was mainly driven by the increase in spare parts, supplies and fuel inventory.
- d) Other current assets decreased by ₱969.00 mn, or 9% (from ₱10.48 bn to ₱9.51 bn). This was mainly driven by TVI's utilization of restricted cash in accordance with its loan agreement.
- e) Investments and advances increased by ₱3.12 bn, or 5% (from ₱61.83 bn to ₱64.95 bn). This was mainly driven by GNPD's capital contributions and share in earnings during the year 2021.
- f) Intangible assets increased by ₱1.74 bn, or 4% (from ₱44.28 bn to ₱46.02 bn). This was primarily due to the foreign exchange revaluation of GMEC's goodwill, partly offset by amortization of existing assets.
- g) Net pension assets increased by ₱37.00 mn, or 73% (from ₱50.00 mn to ₱87.00 mn). This was mainly due to actuarial gains.
- h) Deferred income tax assets decreased by ₱341.00 mn, or 22% (from ₱1.54 bn to ₱1.20 bn). This was mainly due to the application of the provisions of the CREATE Act partially offset by the IAS 12 adoption of recognition of deferred income tax assets on lease liabilities.
- i) Other noncurrent assets decreased by ₱2.09 bn, or 23% (from ₱9.27 bn to ₱7.18 bn). This was mainly due to the regular reduction in PSALM deferred adjustment of the Power Distribution group.

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Liabilities

Compared to December 31, 2020, total liabilities as of December 31, 2021 increased by ₱8.76 bn, or 3%. The major movements of accounts leading to the increase were as follows:

- a) Short-term loans increased by ₱5.44 bn, or 41% (from ₱13.18 bn to ₱18.63 bn). This was mainly due to loan availments by the AboitizPower Group during the year 2021 which were used for working capital purposes.
- b) Trade and other payables increased by ₱4.37 bn, or 24% (from ₱18.37 bn to ₱22.74 bn). This was primarily due to the increase in trade and fuel purchases.
- c) Income tax payable decreased by ₱458.00 mn, or 63% (from ₱723.00 mn to ₱265.00 mn). This was mainly due to the application of the provisions of the CREATE Act.
- d) Customers' deposits increased by ₱401.00 mn, or 6% (from ₱6.80 bn to ₱7.20 bn). This was mainly due to the receipt of bill deposits from new customers.
- e) Decommissioning liability increased by ₱678.00 mn, or 14% (from ₱5.01 bn to ₱5.69 bn). This was mainly due to the recognition of additional decommissioning provisions on power plant assets of APRI.
- f) Long-term debt (current and non-current portions) increased by ₱6.16 bn (from ₱175.88 bn to ₱182.04 bn). This was mainly due to Parent's retail bond issuance in 2021.
- g) Lease liabilities (current and noncurrent portions) decreased by ₱5.49 bn (from ₱39.26 bn to ₱33.77 bn), as TLI made timely payments during 2021 of its obligations to PSALM.
- h) Long-term obligation on power distribution system (current and noncurrent portions) decreased by ₱18.00 mn, or 10% (from ₱183.00 mn to ₱166.00 mn), due to regular payments.
- i) Net derivative asset and liability increased by ₱2.85 bn (from ₱1.79 bn liability to ₱1.07 bn asset) during the year 2021 due to hedging gains.
- j) Deferred income tax liabilities increased by ₱102.00 mn, or 14% (from ₱745.00 mn to ₱847.00 mn), mainly due to the application of the provisions of the CREATE Act and IAS 12 adoption of recognition of deferred income tax liabilities on right-of-use (ROU) assets.
- k) Other noncurrent liabilities decreased by ₱1.04 bn, or 95% (from ₱1.10 bn to ₱55.00 mn), mainly due to the regular payments of the PSALM deferred adjustments.

Equity

Equity attributable to equity shareholders of the Parent increased by 16% (from ₱127.16 bn as of December 31, 2020 to ₱147.45 bn as of December 31, 2021) after the declaration of dividends in March 2021, net of comprehensive income recognized during the year 2021. Cumulative translation adjustments increased by ₱5.28 bn, due to the upward 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 the period.

Material Changes in Liquidity and Cash Reserves of Registrant

As of December 31, 2021, the Group's cash and cash equivalents increased by 48% to ₱57.13 bn, from ₱38.70 bn as of December 31, 2020.

Higher water inflows, higher availability of the Company's thermal facilities, and higher spot sales resulted in higher cash generated from operations during the year 2021 by ₱4.55 bn, which was a 14% increase YoY.

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Net cash flows from (used in) investing activities reversed from -₱4.53 bn in 2020 to ₱1.02 bn in 2021 mainly due to the increase in dividends received from associates.

The net cash flows used in financing activities decreased from ₱25.91 bn in the year 2020 to ₱19.10 bn in the year 2021 mainly due to lower payments of cash dividends and higher net availment of short-term loans.

Financial Ratios

As of December 31, 2021, current assets increased by 35% and current liabilities increased by 22% YoY. The current ratio as of December 31, 2021 was at 1.53x compared to 1.38x as of December 31, 2020.

Consolidated debt to equity ratio as of December 31, 2021 was at 1.75x, lower than the 1.96x recorded at the end of 2020. This was due to a 3% increase in total liabilities and 15% increase in equity during the year 2021.

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.

Seasonal aspects that have material effect on the Financial Statements have been discussed under *Major Risk/s Involved in the Business* in Part I (xv) of this 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, 2023	Year ended December 31, 2022
Audit Fees		
Audit Fees	₱698,600	₱698,600
Audit Related Fees – Bond issuance	6,000,000	8,750,000
Total	6,698,000	9,448,600
Non-Audit Fees		
Financial and Tax Due Diligence Fees	1,352,567	6,838,988
Total	1,352,567	6,838,988
Total Audit and Non-Audit Fees	₱8,051,167	₱16,287,588

AboitizPower engaged SGV to audit its 2023 and 2022 annual financial statements. SGV was also engaged to conduct 2023 quarterly financial results for bond issuance readiness. In 2022, SGV was engaged to conduct post audit reviews and other procedures for the purpose of issuing comfort letters in connection with the issuance of the ₱10 bn bonds. The Company also engaged SGV to provide financial and tax due diligence in relation to the Company's preparation of BIR form 1709 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.

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Audit services of SGV for 2023 and 2022 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.

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PART III – CORPORATE GOVERNANCE

In 2023, the Aboitiz Group propelled itself into a new era navigating the unfolding chapters of its rich history with an unwavering commitment to *drive change for a better world by advancing business and communities*. As the organization embraced the challenges of the *Great Transformation*, it strategically steered towards shaping a future where innovation stands as the cornerstone of its growth trajectory, aspiring to emerge as the Philippines' first *techglomerate*. Guiding this transformative journey are the boards of directors of AboitizPower, united in their firm belief that a robust corporate governance framework serves as the cornerstone for achieving the Group's strategic objectives and ambitious growth aspirations.

Notable accomplishments of the AboitizPower Board for 2023 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 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 fourth consecutive year.
- Approved amendments to the Board Cyber and Information Security and Board Audit Committee Charters.
- Reviewed and implemented changes to the Board's governance mechanism in alignment with global best practices and the demands of the current business environment.
- Engaged a third party to conduct the annual board evaluation.
- In addition to the Annual Corporate Governance Seminar, conducted regular virtual learning sessions to strengthen the continuous learning program for the Company's directors and officers.

Shareholders Rights and Equitable Treatment

Safeguarding the rights of its stockholders stands as a cornerstone principle for the Company's governance practices. The primary objective is to guarantee the unfettered exercise of stockholder rights, fostering an environment where every shareholder, irrespective of the quantity of shares they own, can actively and freely participate in corporate decision-making processes. This dedication underscores not only a commitment to regulatory compliance but also a proactive approach in cultivating transparency, equity, and shareholder inclusivity within the Company's governance principles.

Among the rights of the Company's shareholders are: (i) to receive notices of and to attend shareholders' meetings; (ii) call for a special board meeting and propose a meeting agenda; (iii) to participate and vote on the basis of the one-share, one-vote policy; (iv) to vote in person, *in absentia*, or through proxy; (v) to ratify corporate actions; (vi) nominate, elect, remove, and replace Board members (including via cumulative voting); (vii) to inspect corporate books and records; (viii) to receive dividends; and (ix) to be timely and regularly informed of the state of the Company's businesses.

Right to Actively Participate at Shareholders Meetings

The Company strives to maintain a transparent, easily accessible, and fair conduct of its shareholders' meetings. The goal is to ensure that the shareholders are given accurate and timely information to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

The highlights and summary of the financial, non-financial, and operating performance of the Company and its Subsidiaries are contained in the Definitive Information Statement and the Annual Report, which are distributed prior to the ASM and made available in the Company's website. Shareholders are likewise provided with individual profiles of new and returning directors, as well as a summary of the Board and Board Committee's performance assessments, attendance record, compensation, and notable accomplishments for the year.

To enhance accessibility, notices for the Company's ASM, complete with quick response (QR) codes to the Definitive Information Statements, are published in two widely circulated newspapers within 21 days before the meetings.

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The commitment to shareholder engagement is evident in the conduct of stockholder meetings, with notices provided not less than 28 days from the date of the meeting, containing all agenda items for discussion. The rationale of agenda items which are submitted to the shareholders for their approval are included in the notices to shareholders' meetings.

AboitizPower is committed to provide an accessible and convenient venue for its shareholders to exercise their basic and inviolable right to attend and participate at any shareholder meeting, including the opportunity to elect their representatives to the Boards of Directors and ratify corporate actions. In 2023, AboitizPower conducted a fully digital stockholders' meeting for the fourth consecutive year. Shareholders were given the opportunity to cast their votes through non-traditional means such as remote communication or *in absentia*. Shareholders may access AboitizPower's online voting portal in order to register and vote on the matters submitted for shareholders' approval at any stockholder meetings.

All shareholders are encouraged to actively participate during meetings. They are allowed to raise their concerns, ask questions, and comment on the state of the Company's business during meetings through the ASM online portal or live if time permits. There are no barriers or impediments preventing shareholders from consulting or communicating with one another, with the Directors, and with the Corporate Secretary.

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 and are made publicly available by the next working day through the Company's website under the Investors' page. 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 Company continues to exert efforts to extend the communication channels between the Company and the institutional and individual stockholders through its Investor Relations Office and Shareholder Relations Office, respectively.

Right to Receive Dividends

The right to receive dividends is a basic shareholder right. The Company promotes this basic shareholder right by adopting a clear and transparent dividend policy.

Every year, the Company pays dividends in an equitable and timely manner. All shareholders are treated equally, receiving an amount of dividends per share that is proportionate to their shareholdings. The period for payment of dividends is based on trading requirements or constraints of the SEC and PSE. In 2023, AboitizPower paid the cash dividends within 26 days from the declaration date.

In the last three (3) years, the Company has paid the following dividends:

		Declaration Date	Record Date	Payment Date	Dividends per Share	Total Dividends Declared
AboitizPower	2024	March 5, 2024	March 19, 2024	March 26, 2024	₱2.30 (regular)	₱16.57 bn
	2023	March 3, 2023	March 17, 2023	March 30, 2023	₱1.87 (regular)	₱13.76 bn
	2022	March 4, 2022	March 18, 2022	March 30, 2022	₱1.45 (regular)	₱10.67 bn

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.

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For a more detailed discussion on the rights of the shareholders of the Company, please refer to the 2023 Consolidated Annual and Sustainability Report, the 2023 Integrated Annual Corporate Governance Report (IACGR), and the Governance page of the AboitizPower website, which will be available at www.aboitzpower.com on or before May 30, 2024.

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 are 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. In 2023, the AboitizPower Board had two Independent Directors, five Non-Executive Directors, and two Executive Directors. The Chairman of the AboitizPower Board, Mr. Sabin M. Aboitiz, is a highly experienced Non-Executive Director. 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. Cesar G. Romero as Independent Director, and Mr. Eric Ramon O. Recto as the Company's Lead Independent Director and Vice Chairman of the Board. Mr. Romero was also 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 Board.

As of December 31, 2023, the members of the AboitizPower Board were the following:

ABOITIZ POWER CORPORATION'S BOARD OF DIRECTORS					
Director (Age, Nationality)	Designation/ Directorship	Year First Elected	Tenure	Board and Committee Memberships and % of Attendance for 2023	Directorships in Other Listed Philippine Companies Outside the Aboitiz Group
SABIN M. ABOITIZ 59 years old Filipino	Chairman of the Board (NED)	April 26, 2021	2 years	(C) BOD (100%) (C) Risk (100%) (M) ESCG (100%) (M) ExCom (n.a) (M) Cyber (75%)	None
ERIC RAMON O. RECTO 59 years old Filipino	Vice-Chairman (NED) and Lead Independent Director	May 21, 2018	5 years	(VC) BOD (100%) (M) ESCG (100%) (C) Audit (100%) (M) Risk (100%) (C) RPT (100%)	1. Philippine Bank of Communications (C) 2. Atok-Big Wedge Co., Inc. (C)

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				(C) Cyber (100%)	3. DITO CME Holdings Corp. 4. PH Resorts Group Holdings, Inc. 5. Manila Water Company, Inc.
EMMANUEL V. RUBIO 59 years old Filipino	President and CEO (ED)	January 1, 2020	4 years	(M) BOD (100%) (M) Risk (100%) (C) ExCom (n.a.)	None
LUIS MIGUEL O. ABOITIZ 59 years old Filipino	Non-Executive Director	April 26, 2021	2 years	(M) BOD (100%) (M) ESCG (100%) (M) Audit (100%) (M) Risk (100%) (M) RPT (100%) (M) ExCom (n.a.)	None
TOSHIRO KUDAMA 66 years old Japanese	Non-Executive Director	December 22, 2021	2 years	(M) BOD (100%) (M) Risk (100%) (M) ExCom (n.a.)	None
EDWIN R. BAUTISTA 63 years old Filipino	Non-Executive Director	April 26, 2021	2 years	(M) BOD (100%) (M) ESCG (100%) (M) Audit (100%)	None
DANEL C. ABOITIZ 42 years old Filipino	Chief Commercial and Stakeholder Engagement Officer (ED)	December 11, 2018	5 years	(M) BOD (93%) (M) Audit (100%) (M) ExCom (n.a.)	None
IZUMI KAI 49 years old Japanese	Non-Executive Director	July 24, 2023	5 months	(M) BOD (100%)	None
CESAR G. ROMERO 58 years old Filipino	Independent Director	October 1, 2022	1 year	(ID) BOD (100%) (C) ESCG (100%) (M) Audit (100%) (M) Risk (100%) (M) RPT (100%)	1. Robinsons Retail Holdings, Inc.

Legend: C - Chairman; VC – Vice Chairman; M – Member; ID - Independent Director; NED - Non-Executive Director; ED - Executive Director; 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 Cybersecurity and Information Security Committee.

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Board Performance

In 2023, the members of the AboitizPower Board conducted the following performance review and assessment:

Type of Assessment	Respondents and Scope	Criteria
Board Assessment Completed: February 2024	Respondents: Independent Directors Scope: Chairman; individual and the collective performance of the members of the Board.	
Key Officers Evaluation Completed: December 2023	Respondents: Non-Executive Directors Scope: Chairman, Chief Executive Officer, Internal Audit Head, Risk Officer, Corporate Secretary, and Compliance Officer	
Board and Committee Charter Assessment Completed: November 2023	Respondents: Board and Committee Members	(1) Membership and composition, (2) duties and responsibilities, (3) conduct of meetings, (4) support and resources

In addition, the Corporate Governance Code 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. AboitizPower complied with this requirement in 2023 with the engagement of the Institute of Corporate Directors (ICD), a non-stock, not-for-profit national association of corporate directors and other stakeholders engaged in corporate governance, to support its Board performance assessment exercise.

Board Committees

The different Board committees - Audit, Corporate Governance (now Environmental, Social, and Corporate Governance), Risk and Reputation Management, Related Party Transactions, Executive Committee, and the Cyber and Information Security Committee - report regularly to the Board and are crucial in maintaining Board oversight in key management areas.

The mandate of each Board committee, including key accomplishments in 2023, are described below:

- a. The **Board Environmental, Social, and Corporate Governance Committee** is responsible for ensuring the establishment of a governance mechanism that promotes sustainability practices through proper environmental stewardship, social development, and sound corporate governance. The ESCG Committees also perform 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. The chairmen of the ESCG Committees are the Lead Independent Directors.

Key Areas of Focus in 2023	
Environmental and Social	<ul style="list-style-type: none"> - Approved the Company's ESG Roadmap and Sustainability Ambition. - Monitored the progress of the ongoing ESG Activities.
Compliance	<ul style="list-style-type: none"> - Reviewed and monitored the AboitizPower's compliance with new laws and regulations. - Ensured that the nomination, selection, remuneration, and assessment of each company's directors and officers are aligned with the Manuals.
Corporate Governance	<ul style="list-style-type: none"> - Reviewed and endorsed for Board approval the proposed amendments to the Manual on Corporate Governance and General Trading Policy - Implemented the Aboitiz High Impact Governance. - Reviewed and monitored the status of whistleblowing reports.

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Key Areas of Focus in 2023	
Nomination and Compensation	<ul style="list-style-type: none"> - Approved the final list of nominees for directors for election after reviewing all the qualifications and none of the disqualifications as provided in the By-Laws, Revised Manuals, and other relevant SEC rules. - Reviewed the qualifications of all persons nominated to appointed positions by the Board. - Reviewed the 2023 groupwide merit increase guidelines.

- 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. At the end of every Audit Committee meeting, Committee Members meet without the presence of any executives.

Key Areas of Focus in 2023	
Financial Reports	<ul style="list-style-type: none"> - Reviewed, discussed, and approved for public disclosure the 2022 quarterly unaudited consolidated financial statements. - Endorsed for approval by the full Board the 2023 annual audited financial statements of AboitizPower, its subsidiaries and alliances.
External Auditors	<ul style="list-style-type: none"> - Reviewed the performance of SGV as AboitizPower's external auditor. - Endorsed to the Board the appointment of SGV as AboitizPower's External Auditor for 2023. - Reviewed and approved the overall scope and audit plan of SGV. - Reviewed and approved the audit plan, fees and terms of engagement which covers non-audit and audit-related services provided by SGV.
Internal Auditors	<ul style="list-style-type: none"> - Reviewed and approved the annual audit program for 2023 which also covers the adequacy of resources, qualifications and competency of the staff and independence of the internal auditor. - Reviewed sample CAPEX transactions to help ensure process integrity and promote continuous improvement. - Confirmed that the internal audit function is executed effectively and internal auditors have conducted their responsibilities objectively and in an unbiased manner.
Committee Charter	<ul style="list-style-type: none"> - Approved the amendments to the Board Audit Committee Charter to comply with new governance requirements on external auditors and requirement from the International Ethics Board on the approval of non-audit services by external auditors.

- 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 Group. In 2023, the Board Risk and Reputation Committee updated its charter to continually identify, monitor, and manage the Group's top risks.

Key Areas of Focus in 2023	
Governance	<ul style="list-style-type: none"> - Introduced a top down approach to strategic risk identification where risks are identified at the 1AP Management Committee level. - Operationalized risk appetite setting through consultation with the Management Committee and Board Committee members. - Formally introduced and welcomed the new member of the Committee – the new CFO, Mr. Sandro Aboitiz.
Risk Planning	<ul style="list-style-type: none"> - Regularized the "Risk in Focus" segment in the agenda to discuss strategically relevant and highly critical emerging risks with inputs from the subject matter and industry experts. - Regularized Learning Sessions segment in the agenda to reinforce board learning of key and foundational risk management concepts and practices - Discussed topics on the potential for prolonged delay of RE projects, its causes, impact to AP, including its mitigation plans. - Invited a resource speaker to provide the Committee information on the near and long-term global risks and the top executive concerns from East Asia, Pacific and Philippines including the assessment of the possible top risks for AP from an outside perspective.

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Key Areas of Focus in 2023	
	<ul style="list-style-type: none"> - Invited AP CISO to provide further information on cyber risks as a unique business risks including APs security posture and its existing and planned mitigations. - Reviewed and discussed AboitizPower Group’s Mid Year and Year-End Top Risks report where regulatory risk and cyber risks, respectively, took the top spot.
Risk Finance	<ul style="list-style-type: none"> - Presented the One Master (Power) Program, its placement highlights with the background of 1AP Insurance cost and market property insurance rate YoY capping off with the market. - Presented to the Committee the 1AP 10-year Insurance Strategy Roadmap and invited a risk consultant to provide the Committee further information on Captive Insurance vehicle for AP. - Shared the insurance cost reduction strategies for the upcoming 2024 renewal of the operational insurances.
Reputation	<ul style="list-style-type: none"> - Discussed results of AboitizPower’s Reputation ID Score and PR Value for the year 2022 and as of Sept 2023 including the key activities driving the increase.

- d. The **Board Related Party Transaction Committee** represents the Board in discharging its responsibility to ensure that related party transactions are taken on an arms’ length basis and within market rates, with sufficient documentation, and coursed through all appropriate levels of approval necessary.

Key Areas of Focus in 2023	
RPT Policy and Committee Charter	<ul style="list-style-type: none"> - Conducted the annual review of AboitizPower’s RPT Policies to further strengthen the process of reviewing, reporting, and (if necessary) approving RPTs, particularly those falling below the SEC-defined materiality threshold.
Completion of RPT Certification	<ul style="list-style-type: none"> - Monitored the compliance of AboitizPower with the reportorial requirements of the BIR.
Fairness of RPTs	<ul style="list-style-type: none"> - Continued to ensure that RPTs are taken on an arm’s-length basis and within market rates, with sufficient documentation, and coursed through the appropriate levels of approval.

- 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. Due to the monthly Board meetings during 2023, no meetings of the Executive Committee were held.
- f. The **Board Cyber and Information Security Committee** assists the Board in providing strategic direction and ensuring the establishment of a system of governance (processes, policies, controls and management) for the Company and its strategic business units on matters relating to information security and cybersecurity. In 2023, the AboitizPower Cyber Committee was composed of two non-executive director and one Independent director who also served as the chairman of the committee.

Key Areas of Focus in 2023	
Organizational	<ul style="list-style-type: none"> - Completed Aboitiz Power’s Cyber and Information Security Organization based on the approved functional structure.
Cybersecurity Strategy	<ul style="list-style-type: none"> - Released the revised OT minimum security standard aimed at establishing OT relevant baseline security controls - Established foundational cybersecurity governance policies, guidelines and procedures - Intensified security awareness activities through the use of digital platforms and systems - Established channels to better communicate and collaborate cybersecurity-related matters - Engaged in an innovative and proactive way of discovering and resolving weaknesses/vulnerabilities in our digital environment

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Key Areas of Focus in 2023	
	- Conducted comprehensive OT-specific tabletop exercises aimed at increasing AP BUs' preparedness to manage or handle OT cybersecurity incidents
Cybersecurity Risks	- Established a much better way of assessing OT security risks through the use of the MITRE Attack framework for the purpose of improving OT risk quantification and overall OT risk management.

For a more detailed discussion on the AboitizPower Board and Board Committees matters, please refer to the 2022 Consolidated Annual and Sustainability Report, the 2023 IACGR, and the Governance page of the AboitizPower website, which will be available at www.aboitzpower.com on May 30, 2024.

GOVERNANCE PRACTICES

Compliance with Governance Policies

AboitizPower has a Revised Manual and a Code of Ethics and Business Conduct ("Code of Ethics") to guide the attainment of its corporate goals and the implementation of its strategies. The Revised Manual is generally aligned to the principles and recommendations laid down by the SEC under the Corporate Governance Code for Publicly-Listed Companies to further strengthen the Company's corporate governance practices. The Board regularly reviews the Revised Manual to ensure that the same remains relevant and responsive to the needs of the organization. Any amendments to the Revised Manual are promptly submitted to the SEC for confirmation and approval.

The Revised Manual is supported by various company policies that are regularly reviewed and issued by the Board including the Code of Ethics. AboitizPower ensures that its Code of Ethics is cascaded to new team members as part of their onboarding processes. Team members are also required to review the Code of Ethics and to sign an affirmation that they have read and understood the same. In order to support this annual exercise, an e-learning module on the Group's Code of Ethics was developed and is rolled out every year. As part of the Group's commitments in the Code of Ethics, all team members are expected to act professionally, fairly, and with integrity in all of their business dealings, and to comply with all applicable laws and regulations, including those against bribery and corruption.

The Chief Compliance Officer, together with the Human Resources Department, regularly monitors and evaluates compliance by the Board, management, and employees with the Revised Manual, the Code of Ethics, other company policies, and existing laws and regulations. The Chief Compliance Officer also ensures the implementation of AboitizPower's policy against conflicts of interests and the misuse of confidential and proprietary information throughout the organization.

The Chief Compliance Officer regularly reports the Company's compliance status with existing laws and regulations, as well as the Board's, management's and employees' compliance with internal governance policies to the Board ESCG Committee.

In addition, the Company has a Whistleblowing Policy to support the implementation of the Revised Manual and the Code of Ethics. Through this policy, allegations of violations of the Revised Manual, the Code of Ethics, or of other illegal conduct can be reported through an independent whistleblowing portal. Matters reported through the whistleblowing platform are discussed by the Board ESCG Committee and, if necessary, escalated to the entire Board.

There are no major deviations from the Revised Manual as of the date of this report. There were no corruption-related incidents reported in 2023.

For a full discussion on the Company's corporate governance initiatives, please refer to the 2023 Consolidated Annual and Sustainability Report, the 2023 IACGR, and the Governance page of the AboitizPower website which will be available at www.aboitzpower.com on or before May 31, 2024.

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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. AboitizPower also publishes a consolidated Annual and Sustainability Report and IACGR on its website at www.aboitzpower.com.

SUSTAINABILITY AND ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) PRACTICES

The Aboitiz Group's adherence to sustainable business practices and social responsibility are key to its success story for the past 100 years. Today, AboitizPower's ESG strategy addresses balancing business growth with sustainability initiatives. It does so by accounting for the impact of its activities on people, planet, and prosperity, and with a view of its long-term implications. In replicating this success for future generations, AboitizPower intends to strengthen its ESG standards and practices by reinforcing its purpose of "Transforming Energy for a Better World" and taking advantage of emerging technologies and innovations as the Aboitiz Group undertakes its "Great Transformation" into the Philippines' first techglomerate. This is amidst the country's continued post-pandemic recovery and transition to a decarbonized economy.

Indices and Ratings

AboitizPower's efforts "to drive change for a better world by advancing business and communities" continue to be recognized by various independent ESG assessors. S&P Global accorded the Company a score of 51 in its 2023 Corporate Sustainability Assessment (CSA), a one-point increase versus the previous year. The Company is positioned at the 76th percentile among its global peers in the Electric Utilities industry, showing strong performance in the areas of Innovation Management, Privacy Protection, and Risk & Crisis Management, and marked improvements in the areas of Environmental Dimension, Market Opportunities, and Occupational Health and Safety.

In the Sustainalytics ESG Risk Ratings, the Company remains in the medium risk at 28.7 risk rating. According to the report, despite the Company's high exposure to various ESG risks, its strong management kept its risk rating at a medium risk level, especially in Environmental Management and Health & Safety Management Systems.

Following the FTSE4Good Index Series Quarterly Review in September 2023, AboitizPower is no longer part of FTSE4Good Index Series. As per the rule of FTSE Russell, companies must be the constituents of their country's indices to be eligible for inclusion in the FTSE4Good Index Series.

In September 2023, AboitizPower received a 3-arrow award from the Institute of Corporate Directors (ICD) for its 2022 ASEAN Corporate Governance Scorecard (ACGS) assessment. The ACGS is an assessment tool that evaluates the corporate governance of publicly listed companies based on the Philippine Code of Corporate Governance and best practices from abroad.

Focus Areas

AboitizPower's Sustainability focus on "people, planet, and prosperity" is inspired by its core values of integrity, teamwork, innovation, responsibility, and service excellence. It promotes inclusive growth by integrating its stakeholders - communities, customers, team members, and shareholders - into its sustainable enterprise of creating long-term equitable value. The Company is also conscious of the consumption of limited resources and helps ensure that there will be enough left for future stakeholders to address their needs. By extension, AboitizPower also ensures that it partners with suppliers who prioritize sustainability and sustainable business practices. Prosperity balanced with a vital social component and healthy environmental practices is critical to building a sustainable business for future generations.

In line with the DOE's aspirational goal of having a 35% share of renewable energy utilization by 2030, AboitizPower aims to grow its portfolio of generation assets with renewables and selected baseload builds. To achieve this, the Company is targeting to grow its renewables group's (also called Cleanergy) assets 4,600 MW

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of net attributable generation capacity, which will be sourced from indigenous energy sources - solar, hydro, geothermal, and wind. With its diversified fleet of Cleanergy assets, AboitizPower will contribute to addressing the energy trilemma of energy security, energy equity, and environmental sustainability within the country. This is made even more important as its economy recovers from pandemic scarring. AboitizPower strives to provide a reliable and ample power supply at reasonable and competitive prices while considering social development and environmental stewardship.

As part of the Aboitiz Group's initiative to become the Philippines' first techglomerate by 2025, AboitizPower will utilize technology, including data science and artificial intelligence, to improve production, services, and processes. This transition will also involve empowering team members by embedding a robust entrepreneurial mindset and spirit as they are exposed to the opportunities of a more modernized, inclusive, and technology-driven organization.

The Company has progressed in the following focus areas: team member engagement and development, corporate social responsibility (CSR), disaster resilience, carbon emissions reduction, resource efficiency, renewable energy, waste management, financial growth, and financial returns. Other focus areas on its ESG reports include Occupational Health and Safety (OHS), diversity and inclusion, corporate governance, biodiversity and conservation, risk management, and ISO certification.

AboitizPower 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 (SDGs).

United Nations Sustainable Development Goals (SDGs)

The Aboitiz Group acknowledges the interconnectedness of the United Nations' (UN) 17 SDGs, recognizing it as a shared blueprint for peace and prosperity for people and the planet. The UN SDGs guide the organization's efforts towards poverty reduction, education, climate change, responsible consumption, disaster preparedness, technological innovation, and institutional partnership. In 2020, the Aboitiz Group became a member of the United Nations Global Compact (UNGC), and is currently a member of the Board of Trustees of UNGC's Global Compact Network Philippines (GCNP).

AboitizPower has made significant contributions to UN SDG 7 or Affordable and Clean Energy, through its offering and aggressive expansion of Cleanergy and selective building of baseload capacities. As of the end of 2023, the Company has a total net sellable capacity of 1,249 MW of renewable energy. It intends to continue providing accessible, affordable, and environmentally sustainable energy that accommodates the country's growth aspirations amid post-pandemic recovery.

In its mission to bring down electricity prices for its consumers, AboitizPower wants to exhaust all possible technological avenues. It is currently optimizing energy storage for battery systems, predicting boiler tube leaks in thermal power plants, managing grid risks from vegetation, and improving customer service and account management through data science and artificial intelligence (DSAI).

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.

Sustainable Investments

Earlier in 2023, ARI, a wholly-owned subsidiary of AboitizPower, secured a ₱20-bn loan facility with a ten-year maturity from the Land Bank of the Philippines intended to finance the ongoing and future RE projects. The Company, through its subsidiary APRI, had a groundbreaking ceremony for the new Tiwi Binary Geothermal Power Plant Project, a facility designed to extract the recoverable heat from the geothermal brine that is processed in a closed-loop system where no harmful gas or liquid is being emitted, nor any waste products are

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discharged to the atmosphere. The design will produce an additional 17MW gross generated electricity - an additional source of clean energy for the Luzon Grid.

In February 2023, AboitizPower signed a memorandum of understanding (MOU) to lead a Philippines-Japan Consortium that will explore the development of technology and an integrated system for potential projects in the field of renewable energy. Under the MOU, the parties (AboitizPower, Kawasaki Heavy Industries, Energy Solution and Marine Engineering, KS Co. Ltd., and Amber Kinetics) will leverage their respective new-generation technologies and expertise to optimize renewable energy development in the Philippines while contributing to energy cost savings and grid stability. This may lead to further exploration and expansion beyond the Philippines to ASEAN, Japan, and Australia. Moreover, the Company also signed a MOU with JERA Co., Inc. (JERA), Japan's largest power generation company, to jointly assess the potential for greener fuels in power generation. This MOU outlines the collaborative efforts in assessing the feasibility of ammonia co-fired power generation and further development of the ammonia and hydrogen value chains in the Philippines, supporting the decarbonization efforts of the Company and the Philippines.

The Company also had a partnership agreement with UnionBank of the Philippines' UBX, the leading Open Finance platform in the Philippines, to power the mobile app of AboitizPower, integrating digital payments to provide customers of the Company's distribution utilities greater convenience. Under the agreement, AboitizPower will integrate BUx, an all-in-one payment solution platform developed by UBX, into its mobile application, MobileAP. This integration allows customers to pay their electricity bills online, providing greater convenience by removing the long process of heading to service centers to settle their monthly dues. Moreover, MobileAP has empowered customers to check their electricity bills remotely for the past 12 months without going to outposts to check their status or waiting for the physical copy via mail.

In August 2023, AboitizPower launched its Electric Vehicle (EV) Fleet Transformation Program to support the Electric Vehicle Industry Development Act (EVIDA) and its vision of cleaner mobility in the Philippines. The company unveiled new plug-in EVs for its distribution utilities in Visayas and Mindanao to kick off the transition of 40% of its fleet of four-wheeled vehicles and motorbikes to be electric by 2030 en route to 100% by 2040. The transformation program reinforces the demand for cleaner energy sources. It aligns with AboitizPower's growth strategy of adding 3,700 megawatts of renewable energy — like solar, wind, and geothermal — to its generation portfolio by 2030.

On wind technology, ARI signed a joint venture agreement with Singapore-based company, Vena, to invest in the latter's greenfield 102-megawatt (MW) wind power project in Rizal and Laguna. The wind power project is expected to reach financial close and commercial operations in 2024 and 2025, respectively. Later in September 2023, ARI signed another joint venture agreement with Vena and VEC to develop, construct, and operate the 206-MW San Isidro Wind Power Project in San Isidro, Northern Samar, Visayas. The project is expected to reach a financial close and is targeted to begin commercial operations in Q1 2025.

The Company further brings its solar energy project to five in 2023 with ARI's new solar facilities in Negros Occidental and Zambales. ARI will build the 172.7-MWp solar power project in Calatrava, Negros Occidental. It is expected to export electricity to the grid via the Calatrava substation as soon as December 2024. It will be undertaken by SUMEC Complete Equipment and Engineering Co., Ltd. Meanwhile, ARI will also build the 211-MWp solar power project in Olongapo, Zambales, its largest solar project by far. The project is expected to be commercially operational by September 2025 to provide electricity through the Castillejos substation. The Olongapo Solar will be built within an approximate land area of 196 hectares, to be undertaken by a joint venture between Guangdong Electric Power Design Institute Co., LTD. (GEDI) and parent company China Energy International Group Co., Ltd. The other solar projects include the operational SacaSun 59-MWp solar power plant in Negros Occidental and the ongoing Laoag and Cayanga solar projects in Pangasinan.

Overall, the Company estimates a price tag of ₱190 bn to achieve its ten-year growth strategy of adding 3,700 MW of renewable sources to its energy capacities by 2030. By then, this will account for a 50:50 balance of Cleanenergy and thermal capacities, crucial to the country's ambition to reduce its carbon emissions while on its path to continued economic growth.

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Corporate Social Responsibility

In fulfilling the triple bottom line framework of “people, planet, and prosperity”, AboitizPower and its business units realize their aspirations to “advance business and communities” through the Aboitiz Group’s social development arm, Aboitiz Foundation, Inc. (Aboitiz Foundation). As a partner in nation building, AboitizPower extends educational scholarships, cooperative assistance programs, environmental campaigns, and corporate social responsibility (CSR) activities to its partner communities. Keeping with its framework and aspirations, the Aboitiz Group, via the Aboitiz Foundation, invested a total of ₱171.8 mn in CSR projects and initiatives to support its partner communities in 2023. Broken down, this consisted of ₱13.8 mn for future leaders' programs (e.g. educational scholarship), ₱8.3 mn for enterprise or livelihood programs, ₱17.4 mn for climate action, ₱29.3 mn for disaster resilience, and ₱102.9 mn for other initiatives. Moving towards its “Great Transformation” to a techglomerate, the Aboitiz Group will harness the opportunities brought forth by new technologies and innovations to further elevate the value, scalability, and sustainability of its CSR program projects.

Further taking part in the Philippines’ post-pandemic economic recovery, AboitizPower continues to extend assistance to its partner communities through its compliance with Energy Regulations No. 1-94 (ER 1-94). The aforementioned program is a policy under the DOE Act of 1992 and the EPIRA, which stipulates that host communities will get a share of one centavo for every kilowatt-hour (₱0.01/kWh) energy sold by power plants operating in its area. Host beneficiaries can use the funds generated 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.

On April 6, 2020, due to the COVID-19 pandemic, the DOE released Department Circular No. DC2020-04-0008 which repurposed ER 1-94 funds for projects that would help alleviate the COVID-19 situation in the country. Since its implementation, AboitizPower successfully downloaded about ₱240 mn worth of ER 1-94 funds as of the end of 2023 to about 150 host beneficiaries. The DOE also remitted about ₱575 mn worth of outstanding ER 1-94 funds to the Company’s beneficiaries. The beneficiaries used the remitted funds to build isolation facilities and purchase relief goods, medical supplies or equipment, and COVID-19 testing kits and vaccines.

With the recent amendment to the ER 1-94 guidelines, power generation companies can now directly download the ER 1-94 fund to their host communities. Streamlining the release of funding will ease the process of implementing projects that benefit the host communities. Towards the end of 2019, AboitizPower led its power generation business units to sign memoranda of agreement with their respective beneficiaries for the amended ER 1-94 set-up.

Beyond Compliance

a. A-Park Program

The A-Park Program is the Aboitiz Group’s partnership with the Ramon Aboitiz Foundation Inc., Philippine Business for Social Progress, and the carbon sink program of TSI and TVI as part of the Enhanced National Greening Program of the DENR. As the largest tree growing initiative, it has resulted in the planting of as much as 12 mn trees, with about 300,000 trees planted by team member volunteers all over the archipelago in 2021. Of the 12 mn trees, AboitizPower contributed 5 mn from its tree-planting initiatives. Between 2016 to 2023, the Company has planted over 2.5 mn trees in 6,127 hectares. Further, AboitizPower also supports the A-Park Program through its Subsidiaries’ watershed management and carbon sink programs.

b. Aboitiz Cleanergy Park

The Aboitiz Cleanergy Park, located in Davao City, serves as a sanctuary and safe nesting ground for the critically endangered Hawksbill sea turtles (*Eretmochelys imbricata*), as well as to more than 100 species of endemic and migratory birds, and marine species. The eight-hectare park actively promotes decarbonization in an urban area via habitat conservation and biodiversity management, showcasing a mangrove reforestation site, nursery, and botanical garden for the propagation of 29 native tree

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species. Since 2014, the park has already released more than 8,461 hatchlings to the sea, planted 19,583 mangroves, and rescued 24 *pawikans*. The DENR has designated it as the Pawikan Rescue Center of Davao City.

c. Cleanergy Center and Energy Education Resource Center

Located at the Makiling-Banahaw Geothermal Complex of APRI, the Cleanergy Center is an educational facility that upholds the Aboitiz Group's advocacy for renewable energy education - the first of its kind in the country. Launched in August 2013, the Center has audiovisual presentations, interactive displays, and a working geothermal power plant tour. It has since accommodated close to 56,456 local and foreign visitors.

Meanwhile, the Energy Education Center is a public facility at TSI's Davao baseload power plant that teaches electric power generation via interactive scale models and displays of the Philippine energy sector and various advanced technologies, as well as an overview of the power plant's 300 MW operations. Since its inauguration by TSI and the Aboitiz Foundation in May 2016, it has welcomed about 4,690 visitors.

d. Building Resilient Infrastructure and Communities through Kaibigans (B.R.I.C.K) Hubs

The Building Resilient Infrastructure and Communities through Kaibigans (B.R.I.C.K) Hub is a project that produces eco-bricks incorporating ash by-products from AboitizPower's power generation plants and community plastic wastes to the Company's community partners in Barangays Binugao and Inawayan in Davao, and Toledo City, Cebu. The ash and plastics are upcycled into high-value pavers and bricks that are nine times stronger than a typical hollow block brick. Aside from providing livelihood opportunities, it also promotes solid waste management, supports resilient infrastructure, and reduces the Company's environmental footprint. The project collaborates AboitizPower Business Units, TSI and TVI, with Green Antz Builders, Inc., United Kaibigan Multipurpose Cooperative (UKC), and Income Credit Cooperative (ICC). Since their operations, the Hubs have produced about 18,000 bricks and pavers.

e. #BetterTogether Talks

Launched in 2021, the #BetterTogether series was created to improve its team members' knowledge and appreciation of Sustainability and different ESG topics and issues that impact the Company and its stakeholders. In these internal awareness events, AboitizPower President and Chief Executive Officer, Manny Rubio, joins as panelist, along with invited external subject matter experts as speakers, to enrich the discussion on the various sustainability concerns. In 2023, the learning discussions focused on ESG trends, recognizing unconscious bias and allyship in the organization, water demand management, and Materiality Assessment.

f. Materiality Assessment

In 2023, AboitizPower conducted its Materiality Assessment to identify the material ESG topics and issues that could impact the overall business (operationally, financially, or reputationally), or the Company's impact to its stakeholders. A third-party consultant was commissioned to conduct the exercise, including interviews with internal and external stakeholders. As a result, the Company has identified 21 material topics important to the organization and its stakeholders. Among the top priority topics – categorized as critical for the Company given their high importance to stakeholders and high potential impact on the business – are Sustainable Growth, Energy Security and Equity, Greenhouse Gas (GHG) Emissions & Climate Strategy, and Product and Service Stewardship. The Company will continue to monitor and manage all these material topics in 2024 and work on gaps necessary to mitigate possible risks and maximize business opportunities.

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g. Diversity, Equity, Inclusion and Belongingness (DEIB)

In 2019, AboitizPower started formalizing its efforts to promote and raise awareness of diversity and inclusion within the Company. AboitizPower's diversity and inclusion campaign has focused on communicating merit primacy above gender, sexual orientation, age, religion, nationality, or ethnic background. In 2023, the Company advances its advocacy in this area by releasing a DEIB Policy that recognizes its importance in the workplace and that the Company will ensure all of its employees are valued, protected, and celebrated. AboitizPower also partnered with organizations such as Philippine Financial & Inter-Industry Pride (PFIP) and the Philippine Business Coalition for Women Empowerment (PBCWE) to learn and improve practices for DEIB. The Company also affirmed its support for LGBT diversity and inclusivity in the workplace by participating for the first time in the 2023 Pride Festival at the Quezon Memorial Circle.

h. Supply Chain Management

The Company recognizes the vital role of its suppliers in delivering reliable, reasonable, and responsible energy to the country. Pursuing more sustainable practices across its operations, AboitizPower created a Supplier Code of Conduct that ensures all of its suppliers will uphold and share the same values and sustainability principles when doing business with the Company and adhere to the Company's compliance, social, and environmental standards, and requirements. The Company also released a policy on Sustainable Procurement, which creates a standard process for acquiring goods and services for the organization that not only provides value for money but also integrates environmental, governance, and social factors of corporate responsibility.

i. Other Initiatives

As part of its efforts to reduce carbon emissions and improve climate change resilience, AboitizPower and its Subsidiaries took part in many other initiatives. These include the Annual Aboitiz groupwide simultaneous tree planting, watershed projects, adoption of protected areas, Adopt-a-River, Adopt-a-Marine Sanctuary, coastal and river clean-ups, and Philippine Eagle Adoption. In addition, AboitizPower has also integrated pollution control devices and new technology and systems that improve its processes and optimize its resources.

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ANNEX “A” – Explanation of Agenda Items

EXPLANATION OF AGENDA ITEMS (including Agenda Items requiring Stockholders’ Approval)

ITEM NO. 1: The Chairman will formally open the meeting at approximately 9:30 A.M.

ITEM NO. 2: **Proof of Notice of Meeting and Determination of Quorum**

RATIONALE: *To inform the stockholders that notice requirements for the 2024 Annual Stockholders’ Meeting (2024 ASM) have been complied with in accordance with the Company’s Amended By-Laws and 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 2024 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 Article I 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://abotizpower.com/2024asm> (the “ASM Portal”), to register and vote on the matters at the meeting. A stockholder voting *in absentia* shall be deemed present for purposes of quorum.

Votes may be cast by registered stockholders until 5:00 p.m. of April 19, 2024, which will be tabulated and presented during the 2024 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 2024 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 25, 2024. Only stockholders who registered and voted before the cut-off time of 5:00 p.m. of April 19, 2024 will be counted for quorum purposes.
2. Votes cast by registered stockholders until 5:00 p.m. of April 19, 2024 will be tabulated and presented during the 2024 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 2024 ASM.
3. The conduct of the 2024 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.

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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 Annual Stockholders' Meeting held on April 24, 2023

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 24, 2023 were posted at AboitizPower's website, www.aboitzpower.com, on April 25, 2023. Copies of the 2023 ASM minutes were made part of the Information Statement and provided to the stockholders.

A resolution approving the minutes of the April 24, 2023 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 Company's President and Chief Executive Officer, Mr. Emmanuel V. Rubio, shall deliver a report to the stockholders on the 2023 operating and financial performance of the Company, as well as its outlook for 2024.

ITEM NO. 5: Approval of the 2023 Annual Report and Financial Statements

RATIONALE: To present to the stockholders the results of the Company's operations in 2023, in accordance with Section 74 of the Revised Corporation Code.

The Company's audited financial statements as of December 31, 2023 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 2023 ASM. The Information Statement and the Company's 2023 Annual Report will be posted on the Company's website, at www.aboitzpower.com.

A resolution approving the 2023 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 2024

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 2024 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 2024.

The accounting firm of SGV has been AboitizPower's Independent Public Accountant for the last 25 years. Ms. Jhoanna Feliza C. Go is AboitizPower's audit partner from SGV since 2022. 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.

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There has been no event in the past 25 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 2024, and ratifying the fees paid in 2023 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.*

Under the Amended Guidelines for the Nomination and Election of Independent Directors, the period for nominations for Independent Directors started on January 1, 2024 and the table of nominations closed on February 15, 2024, unless the Board Environment, 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 Exchange (PDEX), (ii) included in the Company's Information Statement, and (iii) uploaded in the Company's website for examination by the stockholders.

Article 6 of the Company's Amended Articles of Incorporation provides that the number of directors of AboitizPower shall be nine who are to serve until their successors are elected and qualified as provided in the Company's By-Laws.

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 April 24, 2023 up to April 22, 2024

RATIONALE: The acts and resolutions of the Board of Directors, Corporate Officers and Management to be ratified were those taken and adopted during the period since the conclusion of the Company's 2023 ASM last April 24, 2023 until April 22, 2024. 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.aboitizpower.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 2024 ASM.

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ANNEX “B-1” – Certificate of Independent Directors - Eric Ramon O. Recto

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
Philippine Bank of Communications	Chairman of the Board	2013 to present
Bedfordbury Development Corporation	Chairman of the Board and President	2014 to present
PH Resorts Group Holdings, Inc.	Independent Director	2018 to present
Manila Water Company, Inc.	Independent Director	2018 to present
Miescor Infrastructure Development Corporation	Director	2022 to present
Stonepeak Infrastructure Partners	Senior Adviser	2022 to present
Alphaland Corporation	Chairman of the Board and Chief Executive Officer	2023 to present
Atok-Big Wedge Co., Inc.	Chairman of the Board and Chief Executive Officer	2023 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)

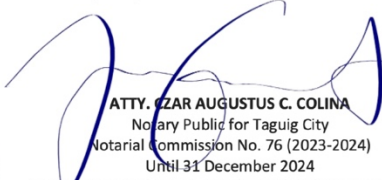
Done, this February 15, 2024 at Taguig City, Philippines.


ERIC RAMON O. RECTO
Affiant

SUBSCRIBED AND SWORN to before me this February 15, 2024 at Taguig City, Philippines. Affiant, who is personally known to me, personally appeared before me and exhibited to me his Senior Citizen Card No. 6390 issued in Muntinlupa City, Philippines on January 27, 2006 bearing the affiant's photograph and signature.

Doc No. 53 ;
Page No. 12 ;
Book No. VII ;
Series of 2024.




ATTY. CZAR AUGUSTUS C. COLINA
Notary Public for Taguig City
Notarial Commission No. 76 (2023-2024)
Until 31 December 2024
NAC Tower, 32nd Street, Bonifacio Global City, Taguig City
Roll No. 70362, Admitted to the Bar 02 June 2017
PTR No. A-6155015, 09 January 2024, Taguig City
IBP No. 414728, 10 January 2024, Makati City
MCLE Compliance No. VII-0011495

SEC FORM 20-IS (INFORMATION STATEMENT)

ANNEX “B-2” – Certificate of Independent Directors - Cesar G. Romero

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **CESAR G. ROMERO**, Filipino, of legal age, with residence address at 314 Madrigal Avenue, Ayala Alabang Village, Muntinlupa City, Philippines, after having been duly sworn to in accordance with law do hereby declare that:

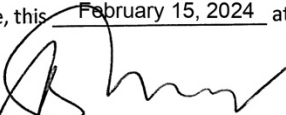
1. I am a nominee for independent director of Aboitiz Power Corporation (AboitizPower) and have been its independent director since October 1, 2022.
2. I am currently affiliated with the following publicly listed companies:

Company/Organization	Position/Relationship	Period of Service
Aboitiz Equity Ventures Inc.	Independent Director	2022 to present
Robinsons Retail Holdings, Inc.	Independent Director	2022 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)

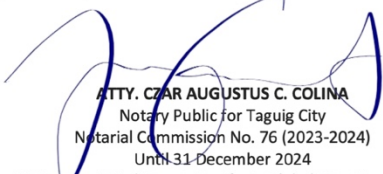
Done, this February 15, 2024 at Taguig City, Philippines.


CESAR G. ROMERO
Affiant

SUBSCRIBED AND SWORN to before me this February 15, 2024 at Taguig City, Philippines. Affiant, who is personally known to me, exhibited to me his Philippine Passport No. P8923979B issued at DFA Manila on February 11, 2022.

Doc No. 55 ;
Page No. 12 ;
Book No. VII ;
Series of 2024




ATTY. CZAR AUGUSTUS C. COLINA
Notary Public for Taguig City
Notarial Commission No. 76 (2023-2024)
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MCLE Compliance No. VII-0011495

SEC FORM 20-IS (INFORMATION STATEMENT)

ANNEX “C-1” – Summary of Minutes of the 2023 ASM

SUMMARY OF THE MINUTES OF THE 2022 ANNUAL STOCKHOLDERS’ MEETING

The meeting was called to order on April 24, 2023 at 1:00 p.m. by the Chairman of the Board, Mr. Sabin M. Aboitiz. The Corporate Secretary, Mr. Manuel Alberto R. Colayco, recorded the minutes of the meeting. The Corporate Secretary certified that notices for the 2023 Annual Stockholders’ Meeting (ASM) of AboitizPower were duly sent out on March 28 and March 29, 2023 to all stockholders of record as of close of business on March 21, 2023. Through the notice, the stockholders were informed that the Company would not conduct a physical ASM. Instead, the 2023 ASM will be streamed live from the Company’s principal office. Stockholders may participate and vote online through <https://asm.aboitiz.com/aboitizpower/> (the “ASM Portal”). In addition, the notice informed the stockholders that they could cast their votes through proxies or *in absentia* using the ASM Portal. The Corporate Secretary further reported that notices of the meeting were distributed to stockholders through the following: (i) disclosed to the SEC, PSE, and PDEx on March 3, 2023; (ii) published in the business section of the Manila Bulletin and Manila Times on March 28 and 29, 2023; (iii) uploaded on the Company’s website on March 3, 2023; (iv) sent to stockholders electronically beginning March 28, 2023; 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 2,003,589,569 shares participating remotely or via livestream or attending *in absentia*, and 4,507,390,056 shares represented by proxy, or a total of 6,510,979,625 shares which constitute at least a majority of, or 88.48% 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.

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 2023 ASM.

There were 120 viewers of the live webcast of the 2023 ASM on <https://asm.aboitiz.com/aboitizpower/>.

Upon motion duly made and seconded, the minutes of the previous Annual Stockholders’ Meeting last April 25, 2022 was approved.

The body passed the following resolutions:

- 1) Approval of the 2022 Annual Report and Audited Financial Statements
- 2) Appointment of the Company's External Auditor for 2023
- 3) Election of the Members of the Board of Directors
- 4) Ratification of the Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management in 2022 up to April 24, 2023

After the approval of the proposed resolutions, the meeting was duly adjourned.

A Copy of the Minutes of the 2023 ASM is also available at the Company’s website at: [https://aboitizpower.com/uploads/media/AP-Minutes-2023---\(04242023\)-Annual-Stockholders'-Meeting.pdf](https://aboitizpower.com/uploads/media/AP-Minutes-2023---(04242023)-Annual-Stockholders'-Meeting.pdf).

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ANNEX “C-2” – Draft Minutes of the 2023 ASM

DRAFT

Subject for Approval in the 2024 Annual Stockholders’ Meeting



**Minutes of the Annual Stockholders' Meeting
of**

Aboitiz Power Corporation

(“AboitizPower” or the “Company”)

Live from NAC Tower, 32nd Street, BGC, Taguig City, 1634 Philippines

Through a secure video conference facility at: <https://asm.aboitiz.com/aboitizpower/>
on 24 April 2023 at 1300H

Stockholders Present:

Total No. of Shares Outstanding	7,358,604,307
Total No. of Shares of Stockholders represented by Proxy*	4,507,390,056
Percentage of Shares of Stockholders represented by Proxy	61.25%
Total No. of Shares of Stockholders present through Remote Communication (Livestream) or in <i>Absentia</i>	2,003,589,569
Percentage of Shares of Stockholders present through Remote Communication (Livestream) or in <i>Absentia</i>	27.23%
Total No. of Shares Represented by Proxy, Present through Remote Communication (livestream), and Voting in <i>absentia</i>	6,510,979,625
Percentage of Shares Represented by Proxy, Present through Remote Communication (livestream), and Voting in <i>absentia</i>	88.48%
Total No. of Shares Not Represented	887,624,682
Percentage of Shares Not Represented	11.52%

*Shares represented by proxies exclude those represented by proxies that are submitted beyond the deadline of April 15, 2023.

Directors Present:

Name	Designation
Sabin M. Aboitiz	<i>Chairman of the Board/Member, Board Environmental, Social, and Corporate Governance (ESCG) Committee, Board Risk and Reputation Management Committee, Board Executive Committee, and Board Cyber and Information Security Committee</i>
Luis Miguel O. Aboitiz	<i>Director/Member, Board ESCG Committee, Board Audit Committee, Board Risk and Reputation Management Committee, Board Executive Committee, and Board Cyber and Information Security Committee</i>
Emmanuel V. Rubio	<i>Director/President and Chief Executive Officer/Chairman, Board Executive Committee/ Member, Board Risk and Reputation Management Committee and Board Cyber and Information Security Committee</i>
Toshiro Kudama	<i>Director/Member, Board Risk and Reputation Management Committee, and Board Executive Committee</i>
Danel C. Aboitiz	<i>Director/Member, Board Audit Committee, and Board Executive Committee</i>
Edwin R. Bautista	<i>Director/ Member, Board ESCG Committee, and Board Audit Committee</i>

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Name	Designation
Satoshi Yajima	Director/Observer, Board ESCG Committee, Board Audit Committee, and Board Cyber and Information Security Committee
Eric Ramon O. Recto	Lead Independent Director/Chairman, Board Audit Committee, Board RPT Committee and Board Cyber and Information Security Committee/Member, Board ESCG Committee, and Board Risk and Reputation Management Committee
Cesar G. Romero	Independent Director/ Chairman, Board ESCG Committee/ Member, Board Audit Committee, Board Risk and Reputation Management Committee, and Board RPT 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 2023 Annual Stockholders Meeting (ASM), as follows:

1. Stockholders who registered through the Company's ASM Portal at <https://asm.aboitz.com/aboitzpower/> (the "ASM Portal") 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 Portal 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 10:00 a.m. on April 24, 2023 will be shown for each relevant agenda item, as verified by the Board of Election Inspectors;
5. The final results of the votes cast will be reflected in the minutes of the 2021 ASM which will be posted on the Company's website on April 25, 2023; and
6. The proceedings of the 2023 ASM will be recorded.

I. CALL TO ORDER

Mr. Sabin M. Aboitz, Chairman of the Board of Directors, called the stockholders to a meeting and presided over the same. The Corporate Secretary, Mr. Manuel Alberto R. Colayco (MAC), recorded the minutes of the meeting.

II. PROOF OF NOTICE OF MEETING

The Corporate Secretary certified that notices for the 2023 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) on March 3, 2023; (ii) uploaded on the Company's website on March 3, 2023; and (iii) published in the business sections of the Manila Times and Manila Bulletin, both online and print format, for two consecutive days on March 28 and 29, 2023; (iv) sent to stockholders electronically beginning March 28, 2023, and (v) broadcasted through the PDTC platform for the stockholders under PCD/ Broker accounts. As an additional measure, a Quick Response (QR) code of the company's Definitive Information Statement was also published in the business section of the Manila Times and Manila Bulletin, both online and print format, for two consecutive days on March 28 and 29, 2023.

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 relevant SEC regulations. The Notice informed stockholders that the Company would not conduct a physical annual

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stockholders meeting. Instead, the 2023 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 during the 2023 ASM. 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 10:00 a.m., there was a quorum to conduct business, there being a total Four Billion Five Hundred Seven Million Three Hundred Ninety Thousand Fifty-Six (4,507,390,056) shares attending through remote communication or livestream, or attending in *absentia*, or a total of Six Billion Five Hundred Ten Million Nine Hundred Seventy-Nine Thousand Six Hundred Twenty-Five (6,510,979,625) shares entitled to vote. The shares constituted 88.48% 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 proxies received, as well as the shareholders' votes for the Company's 2023 ASM.

There were 120 attendees of the live webcast of the 2023 ASM through the Company's ASM Platform, <https://asm.aboitz.com/aboitzpower/>.

IV. READING AND APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING HELD ON APRIL 25, 2022

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 25, 2022. Upon motion duly made and seconded, the reading of the minutes of the previous stockholders' meeting dated April 25, 2022 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. 2023-1

"**RESOLVED**, that the stockholders of Aboitz Power Corporation (the "Company") approve, as they hereby approve, the minutes of the Annual Stockholders Meeting Report held last April 25, 2022."

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	6,503,864,809	99.89%
Against	0	0%
Abstain	7,114,816	0.11%
Total	6,510,979,625	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.

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V. PRESENTATION OF THE PRESIDENT'S REPORT

Mr. Emmanuel V. Rubio (EVR), the Company's President and Chief Executive Officer, provide the stockholders with highlights of the Company's financial and operating results for the year 2022, specifically on the following matters:

- 5.1 Financial Highlights for 2022;
- 5.2 Dividend Policy and Stock Performance;
- 5.3 Operating Results, Highlights, and Outlook of the Company's Key Subsidiaries;
- 5.4 Risk Management and Risk Maturity Index;
- 5.5 Capital Expenditure;
- 5.6 Environmental Social, and Governance Performance and Sustainability Initiatives;
- 5.7 GT2025 and Aboitiz "Techglomerate";
- 5.8 2023 Capital Expenditure;
- 5.9 RE Projects and Initiatives.

(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 2022 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, 2022.

MAC certified that the Company's Annual Report and its Audited Financial Statements were included in (i) the Definitive Information Statement that was uploaded to the Company's website and disclosed to the SEC, PSE, and PDTC on March 28, 2023, and (ii) the 2022 Annual Report (SEC Form 17-A) that was uploaded to the Company's website and disclosed to the SEC, PSE, and PDTC on April 14, 2023. As an added measure, a QR code of the Definitive Information Statement was also published in the business section of two newspapers of general circulation, the Manila Times and Manila Bulletin, both online and print format, for two consecutive days on March 28 and 29, 2023.

The Corporate Secretary certified that the following information were included in the Company's 2022 Annual Report and Information Statements:

- a) the draft minutes of the 2022 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, 2022, 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;

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- 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. 2023-2

"RESOLVED, that the stockholders of Aboitiz Power Corporation (the "Company") approve, as they hereby approve, the 2022 Annual Report and Audited Financial Statements of the Company as of December 31, 2022."

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	6,503,864,809	99.89%
Against	0	0%
Abstain	7,114,816	0.12%
Total	6,510,979,625	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 2023 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 2023

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 2023. 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 2023.

Upon motion made and duly seconded, the following resolution was approved by the stockholders:

ASM Resolution No. 2023-3

"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 2023 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.

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Vote	Number of Votes (One Share-One vote)	Percentage of shares represented
In favor	6,501,553,209	99.86%
Against	2,311,600	0.04%
Abstain	7,114,816	0.11%
Total	6,510,979,625	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 2023 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 2023-2024. 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 29, 2023, 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 27, 2023, 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

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Mr. Emmanuel V. Rubio
 Mr. Edwin R. Bautista
 Mr. Danel C. Aboitiz
 Mr. Toshiro Kudama
 Mr. Satoshi Yajima
 Mr. Eric Ramon O. Recto (*Independent Director*)
 Mr. Cesar G. Romero (*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 PDTC on March 27, 2023. 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 2023-2024. 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	6,326,619,471	97.30%
	Abstain	175,643,415	2.70%
	Total	6,502,262,886	100.00%
Mr. Luis Miguel O. Aboitiz	In favor	6,322,431,871	97.23%
	Abstain	179,831,015	2.77%
	Total	6,502,262,886	100.00%
Mr. Emmanuel V. Rubio	In favor	6,490,978,560	99.83%
	Abstain	10,774,456	0.17%
	Total	6,502,262,886	100.00%
Mr. Edwin R. Bautista	In favor	6,333,422,078	97.41%
	Abstain	168,330,938	2.59%
	Total	6,502,262,886	100.00%
Mr. Danel C. Aboitiz	In favor	6,405,281,683	97.30%
	Abstain	177,981,203	2.70%
	Total	6,502,262,886	100.00%
Mr. Toshiro Kudama	In favor	6,338,501,017	97.49%
	Abstain	163,251,999	2.51%
	Total	6,502,262,886	100.00%
Mr. Satoshi Yajima	In favor	6,338,501,017	97.49%
	Abstain	163,251,999	2.51%
	Total	6,502,262,886	100.00%
Mr. Eric Ramon O. Recto (<i>Independent Director</i>)	In favor	6,326,445,601	97.30%
	Abstain	175,307,415	2.70%
	Total	6,502,262,886	100.00%

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Name of Director	Vote	Number of Votes	Percentage of shares represented
Mr. Cesar G. Romero (Independent Director)	In favor	6,492,399,199	99.85%
	Abstain	9,863,687	0.15%
	Total	6,502,262,886	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 2023 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. RATIFICATION OF THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, CORPORATE OFFICERS AND MANAGEMENT IN 2022 UP TO APRIL 24, 2023

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 from April 25, 2022, including all acts up to April 24, 2023.

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. 2023-5

“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 from April 25, 2022, including all acts up to April 24, 2023.”

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	6,503,864,809	99.89%
Against	0	0.00%
Abstain	7,114,816	0.11%
Total	6,510,979,625	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

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Voting in the 2023 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. 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: Addressed to EVR

We have been reading in the news about a looming energy crisis. What are your thoughts on this and what opportunities do you see for our company?

EVR responded that while industry experts have warned of tightness in supply and demand margins this summer, recent developments and cross-industry preparations provide signals that this may have been mitigated and alleviated.

Firstly, Meralco released news in the past few weeks that more of their large customers have signed up to their Interruptible Load Program. This is a crucial measure on demand side management during the peak hours of summer, when large power off takers voluntarily remove themselves from the grid, and use their own generator sets.

Second, fresh generation capacity of 1,334 MW net in 2023 from GNPowr Dinginin (GNPD), the biggest and most efficient power plant of its class in the country today, will certainly play an important role in addressing the increased power demand this summer.

And recently, there have been news reports that the Ilijan power plant, the country's largest LNG plant with 1,200 MW of capacity, may resume operations after being offline since June 2022. This would be a welcome influx of significant capacity, since this represents around 10% of Luzon capacity.

Question #2: Addressed to EVR

Congratulations on last year's good performance. And thank you for your record dividend payout this year. Should we expect the same dividend growth trajectory next year?

EVR thanked the AboitizPower team members whose hard work, dedication, and resilience contributed to the Company's performance last year. But as in all things, this is not a guarantee of future results. He added that while the Company and its management do not provide forward guidance, stakeholders can expect that this year's dividend payout is a reflection of the full year performance of both of the GNPD units, and as well as the sustained reliability of AboitizPower's base load plants. The Company has been pushing this and there has been great improvement so far.

Question #3: Addressed to EVR

Does AP have a Net-Zero commitment? If not, does it plan to have one?

According to EVR, AboitizPower wanted to avoid knee jerk reactions and stay true to making commitments that the Company can deliver, adding that there are too often pronouncements of intentions with indicative plans that are not realized and may misinform investors. AboitizPower would like to avoid this.

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He said that at this point, the path to net-zero, which is a multi-decade journey, is not clear enough to commit to a net-zero plan yet. The technologies are not yet commercially available and the economic trade-offs and the impact on Filipino lives may be significant.

Thus, the decision is to instead define an interim 10-year goal of 50/50 renewable energy (RE) to non-RE power generation capacity and to start investing now in renewable energy to achieve that. According to him, when we reach this goal, and when the path is clearer, we will define the next horizon.

He reiterated the Company's commitment to supporting the energy transition over time to mitigate the environmental impact of climate change, adding that the Company is also committed to improve the lives of millions of Filipinos by investing in affordable and secure energy. These commitments are deeply embedded in what AboitizPower does.

Question #4: Addressed to EVR

Last February 2022, we read in the news about our company signing an MOU with JERA to assess the feasibility of ammonia co-fired power generation and further development of the ammonia and hydrogen value chains in the Philippines. May we ask how this will help the environment?

According to EVR, co-firing ammonia for a coal plant and hydrogen for an LNG plant, produced from renewable energy, is one of the possible options in transitioning thermal power generation to lower emissions. It is just one of many options that we need to explore, as part of a diversified portfolio of technologies that lie in the path of the energy transition.

The processes involved in using electricity from zero-emission sources like wind and solar to electrolyze water into its component elements, hydrogen and oxygen. The hydrogen can then be used by itself as a fuel, or if synthesized with Nitrogen to make ammonia, it can also be used in combustion to produce electricity. Another upside is that the hydrogen and ammonia acts as an energy carrier, which means electricity derived from renewable sources can be stored and transported in molecular form, until it is required for use back as electricity.

EVR notes that there is still a long way to go for these technologies and the necessary areas of integration of different value chains to get established. But with the agreements signed recently, the Company is getting the wheels rolling toward these directions, specially with grants received from the Japanese government.

Question #5: Addressed to EVR

What happened to your plans to go international?

EVR responded that at the moment, we have no material updates on our international ventures. However, we remain open to this possibility. For now, the Company remains focused on servicing the electricity demands of businesses and communities in the Philippines, especially amidst the country's post-pandemic economic rebound. According to the Independent Electricity Market Operator of the Philippines (IEMOP), power consumption has already exceeded pre-pandemic levels. Moreover, peak demand is expected to increase by almost four-folds from 2020 to 2040 at a 6.6% annual increment. Roughly around 600 to 1,000 MW a year. At this pace, generation capacity is expected to double in size after 11 years. On the Company's part, it is meeting the monumental task of increasing supply with its 10-year growth strategy of expanding its renewable energy portfolio to 4,600-MW. By 2030, this will result in the Company's 50:50 balance between thermal and renewable energy capacities.

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

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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 22, 2024, the 4th Monday of April, in accordance with the Company's By Laws.

MANUEL ALBERTO R. COLAYCO

Corporate Secretary

ATTESTED:

SABIN M. ABOITIZ

Chairman of the Board

EMMANUEL V. RUBIO

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
Mailene M. de la Torre	-	Assistant Corporate Secretary
Ma. Clarisse S. Osteria	-	Assistant Corporate Secretary
Myla G. Espineda	-	Vice President for Finance
Ginggay Hontiveros	-	FVP - Chief Reputation and Sustainability Officer, AEV
Francisco Victor G. Salas	-	Vice President for Investor Relations, AEV

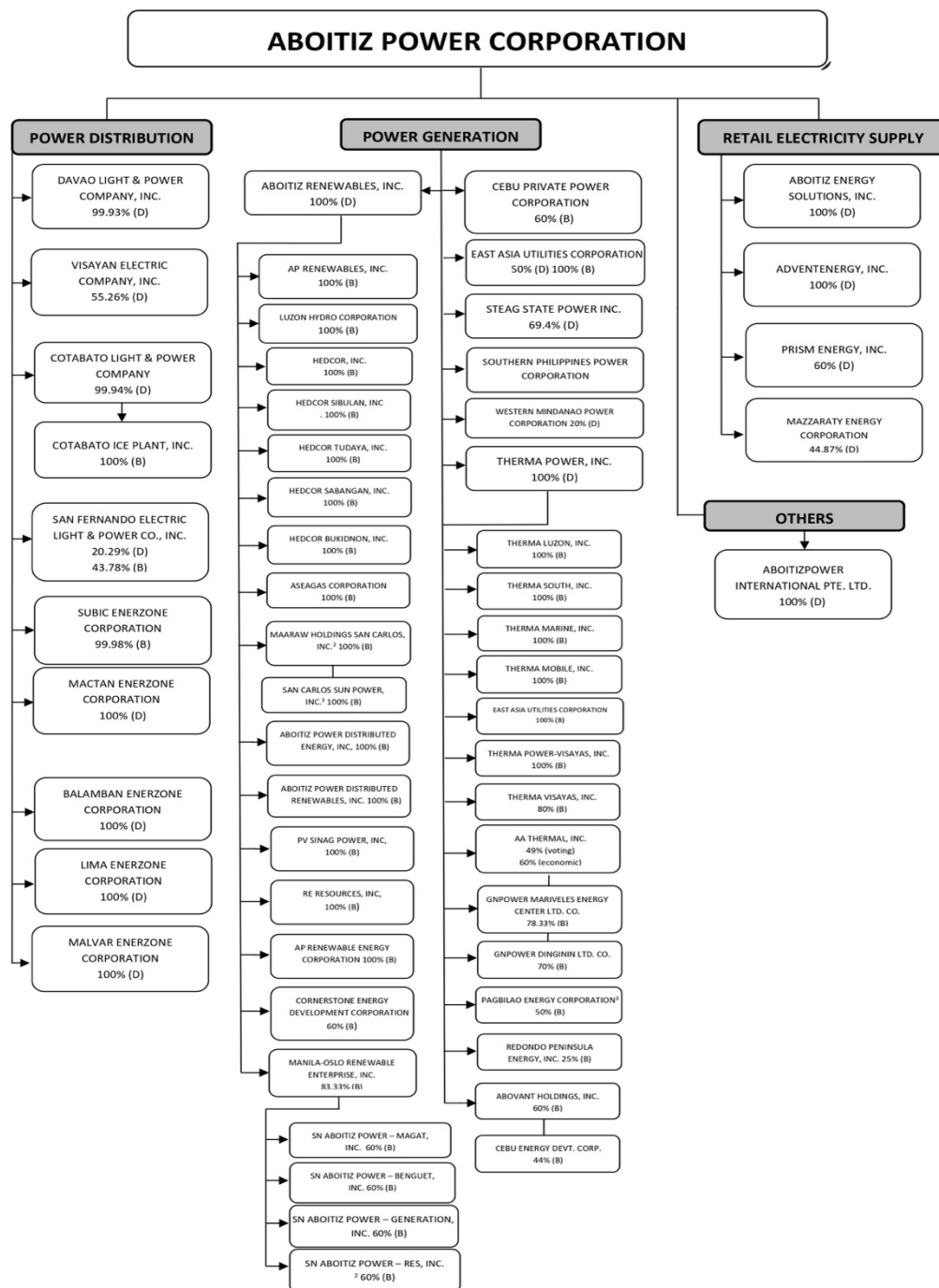
Others:

Jhoanna Feliza C. Go	-	Audit Partner for 2022, Sycip Gorres Velayo & Co.
Maria Vivian C. Ruiz	-	External Auditor for 2022, Sycip Gorres Velayo & Co.
Maria Veronica A. Pore	-	External Auditor for 2022, Sycip Gorres Velayo & Co.
Wilson P. Tan	-	External Auditor for 2022, 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
Vince G. Mendoza	-	Stock Transfer Service Inc., Stock and Transfer Agent
Ivy Manalang	-	Manager - Investor Relations, AEV
Marvin De Torres	-	Officer - Investor Relations, AEV

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ANNEX “D” – Conglomerate Map

As of February 29, 2024



Legend:

B – Beneficial Ownership
D – Direct Ownership

¹ Other services

² Engages in Retail Electricity Supply Business

³ Joint operations

AS OF JANUARY 31, 2024

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ANNEX “E” – Requirements and Procedure for Voting and Participation in the 2024 ASM

Requirements and Procedures for Voting and Participation in the 2024 Annual Stockholders’ Meeting (ASM) of Aboitiz Power Corporation (the “Company”)

The Company will conduct a virtual ASM on April 22, 2024, Monday at 9:30 a.m. (“2024 ASM”). The meeting will be conducted *via* livestream at the link provided in the Company’s website at <https://abotizpower.com/2024asm> (the “ASM Portal”).

Stockholders of record as of March 21, 2024 are entitled to participate and vote in the 2024 ASM.

The following procedures and requirements provide the ways in which the Company’s stockholders can participate and vote in the 2024 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](#) in the ASM Portal.
4. General instructions on Voting through Proxy:
 - a. Download and fill up the appropriate Proxy Form. 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 AP_BoardSecretariat@abotiz.com.
 - c. Deadline for the submission of proxies is on April 15, 2024, 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 2024 ASM (including casting votes in the election of directors) through the online voting platform available at the ASM Portal. Votes cast until 5:00 p.m. on April 19, 2024 will be tabulated and presented during the 2024 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 2024 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:
 - (a) Individual Stockholders

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- i. Valid email address and active contact number (landline or cellphone);
 - ii. Any valid government-issued identification card (ID);
 - 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 your broker’s full account name and PDTC broker identification 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 2024 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 AP_BoardSecretariat@aboitiz.com for queries regarding the online voting and registration.

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

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ASMPortal, together with the votes cast through proxies. The Board of Election Inspectors will thereafter validate the results.

6. Votes cast until 5:00 p.m. of April 21, 2024 will be tabulated and presented during the ASM. Stockholders may still vote at <https://aboitizpower.com/2024asm> 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 2024 ASM.

III. ATTENDANCE IN THE 2022 ASM BY REMOTE COMMUNICATION

1. Stockholders who intend to participate in the 2024 ASM remotely may register using the link <https://aboitizpower.com/2024asm> until 5:00 p.m. of April 21, 2024.
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 2024 ASM livestream.

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 notification from the ASM Portal. The Company shall send a subsequent email to inform the stockholder of the actions and documentations needed to complete the registration. Stockholders may contact AP_BoardSecretariat@aboitiz.com for queries regarding the online voting and registration.

4. Stockholders may send questions or remarks through the ASM Portal upon registration until the adjournment of the 2024 ASM.
5. The proceedings during the 2024 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 AP_BoardSecretariat@aboitiz.com
Ma. Clarisse S. Osteria at ma.clarisse.osteria@aboitiz.com
Michael Capoy - (632) 8403-3798 or mccapoy@stocktransfer.com

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DEFINITION OF TERMS AND ACRONYMS

ANNEX “F” – Definition of Terms

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

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	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 maximum capacity when modified for ambient limitation for a specific period of time, such as a month or season
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 Enerzone, which are

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	Distribution Utilities of the AboitizPower Group operating within special economic zones
EPIRA	RA 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	GNPower Mariveles Energy Center Ltd. Co.
GNPD	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	Refers to the companies within the AboitizPower Group engaged in run-of-river hydroelectric power generation, consisting of Hedcor, Hedcor Bukidnon, Hedcor Sabangan, Hedcor Sibulan, Hedcor Tudaya, and LHC
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.
Installed Generating Capacity, Installed Capacity, Gross Capacity, or	Refers to the registered capacity of a power plant in WESM, inclusive of the power plant's station use

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Nameplate Capacity	
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 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

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	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	Renewable energy
Regional Control Center	This control center connects to Hedcor's five hydro facilities in Davao City and its four hydro facilities in Davao del Sur, allowing all nine plants across Southern Mindanao to be operated remotely from a single control room
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

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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
SPI	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

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ANNEX “G” – Certificates of Compliance

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-00330L	Hedcor, Inc.	Irisan 3	Hydroelectric Power Plant	Tadiangan, Tuba, Benguet	1.20 MW	Hydro	November 5, 2018 - November 4, 2023 ¹⁴	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 ¹⁵	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 ¹⁶	December 11, 2018
Provisional Authority to Operate	Hedcor, Inc.	La Trinidad	Hydroelectric Power Plant	La Trinidad, Benguet	20.4 MW	Hydro	October 5, 2022 - October 5, 2023 ¹⁷	November 3, 2021
COC No. 18-12-M-00336L	Hedcor, Inc.	Sal-angan	Hydroelectric Power Plant	Ampucaao, Itogon, Benguet	2.40 MW	Hydro	November 5, 2018 - November 4, 2023 ¹⁸	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 ¹⁹	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	Brgy. Tugbok, 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	Brgy. Tugbok, 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

¹⁴ For submission of COC Re-filing Application in accordance with ERC Resolution No. 17, Series of 2023, entitled “A Resolution Adopting the 2023 Revised Rules for the Issuance of Certificates of Compliance for Generation Facilities” (the “2023 Revised COC Rules”).

¹⁵ For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

¹⁶ For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

¹⁷ For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

¹⁸ For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

¹⁹ For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

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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-00327L	Hedcor, Inc.	Ferdinand L. Singit Plant (FSL)	Hydroelectric Power Plant	Poblacion, Bakun, Benguet	6.40 MW	Hydro	November 5, 2018 - November 4, 2023 ²⁰	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 ²¹	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 ²²	December 11, 2018
Provisional Authority to Operate	Hedcor Sibulan, Inc.	Sibulan A	Hydroelectric Power Plant	Brgy. Sibulan, Sta. Cruz, Davao del Sur	16.328 MW	Hydro	February 9, 2021 - February 8, 2022 ²³	November 4, 2020
Provisional Authority to Operate	Hedcor Sibulan, Inc.	Sibulan B	Hydroelectric Power Plant	Brgy. Sibulan, Sta. Cruz, Davao del Sur	26.256 MW	Hydro	November 24, 2021 - November 23, 2022 ²⁴	November 4, 2020
Provisional Authority to Operate	Hedcor Sibulan, Inc.	Tudaya 1	Hydroelectric Power Plant	Sta. Cruz, Davao del Sur	6.654 MW	Hydro	January 19, 2024 – January 18, 2025	January 19, 2024
COC No. 18-06-M-00017L	Luzon Hydro Corporation	Bakun AC	Hydroelectric Power Plant	Amilongan, Alilem, Ilocos Sur	74.80 MW	Hydro	July 30, 2018 – July 29, 2023 ²⁵	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 ²⁶	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
Provisional Authority to Operate	San Carlos Sun Power Inc.	San Carlos Sun Power Inc.	Solar Power Plant	Brgy. Punao, San Carlos City, Negros	58.981 MWp DC	Solar	July 14, 2021 - July	July 7, 2021

²⁰ For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

²¹ For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

²² For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

²³ For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

²⁴ For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

²⁵ For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

²⁶ For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

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Title of Document	Issued under the Name of	Name	Power Plant				Economic Life/Term of COC	Date of Issuance
			Type	Location	Capacity	Fuel		
				Occidental			13, 2022 ²⁷	
COC No. 17-04-M-15911M ²⁸	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 ²⁹	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 ³⁰	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 ³¹	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 ³²	December 4, 2018
			Blackstart		160 kW	Diesel		
Provisional Authority to Operate	SN Aboitiz Power – Magat, Inc. (Magat Hydroelectric Power Plant)	Magat Hydroelectric Power Plant – Unit 1	Hydroelectric Power Plant	Ramon, Isabela and A. Lista, Ifugao	90 MW	Hydro	November 29, 2021 - November 28, 2022 ³³	March 7, 2022
					90 MW			
					90 MW			
					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 ³⁴	April 4, 2018

²⁷ For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

²⁸ Cotabato Light's 9.927 MW Diesel Plant and 10 MW Blackstart Diesel Generator's COC is valid until January 9, 2022. ERC issued a certification dated January 12, 2023 stating that the COC/PAO is currently being evaluated.

²⁹ The Company's PAO has been filed and is currently being evaluated by the ERC.

³⁰ For submission of COC Re-filing Application in accordance with the 2023 Revised COC Rules.

³¹ Pursuant to the transitory provision of the 2023 Revised COC Rules, "existing generation facilities with pending applications for renewal of COC filed before the ERC, the validity period of such COC is extended until 2024, and the date of which be the day and month of its original expiry. On July 20, 2023, WMPC applied for the renewal of its COC/PAO which is valid until August 26, 2023, thus it is within the ambit of the aforementioned provision and the PAO would remain valid until August 26, 2024.

³² SPPC opted to undergo mothballing and has not applied for the renewal of its COC.

³³ Validity of the PAO is extended until November 28, 2024

³⁴ Validity of the PAO is extended until April 3, 2024

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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 ³⁵	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 ³⁶	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 ³⁷	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		
Provisional Authority to Operate	SN Aboitiz Power – Magat, Inc.	Magat Battery Energy Storage System	Battery Energy Storage System	General Aguinaldo, Ramon, Isabela	32.425 / 32.428 Aggregated Rated Capacity (MWDC/MWh)		December 19, 2023 – December 18, 2024	December 19, 2023
COC No. 21-11-M-00016M	STEAG State Power, Inc.	N/A	Coal Fired Power Plant	Phividec Industrial Estate, Balacanas, Villanueva, Misamis Oriental	232 MW	Coal	August 30, 2021 – August 29, 2026	November 13, 2021

³⁵ SN Aboitiz Power – Benguet’s Ambuklao Hydroelectric Power Plant Units 1 to 3, Auxiliary Generator Set, and Blackstart Generator Set’s COC are valid until August 30, 2022. ERC issued a certification dated October 20, 2022 stating that the COC/PAO is currently being evaluated.

³⁶ Validity of the PAO is extended up to March 11, 2024

³⁷ Validity of the PAO is extended up to August 30, 2024

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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. 22-12-S-04892M	STEAG State Power, Inc.	N/A	Emergency Generating Set	Phividec Industrial Estate, Balacanas, Villanueva, Misamis Oriental	1.25 MW	Diesel	December 22, 2022 – December 22, 2027	December 23, 2022
COC No. 19-09-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	November 30, 2022 – November 30, 2024	December 18, 2023
		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	November 30, 2022 – November 30, 2024	December 18, 2023
		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	November 30, 2022 – November 30, 2024	December 18, 2023
		Makban – Sto. Tomas, Plant E, Unit 10			20.0 MW			
Provisional Authority to Operate	AP Renewables, Inc.	Tiwi Plant A, Unit 1	Geothermal Power Plant	Brgy. Naga, Tiwi, Albay	60 MW	Geo-thermal Steam	November 30, 2022 – November 30, 2024	December 18, 2023
		Tiwi Plant A, Unit 2			60 MW			
Provisional Authority to Operate	AP Renewables, Inc.	Tiwi Plant C, Unit 5	Geothermal Power Plant	Brgy. Cale, Tiwi, Albay	57 MW	Geo-thermal Steam	November 30, 2022 – November 30, 2024	December 18, 2023
		Tiwi Plant C, Unit 6			57 MW			

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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 30, 2022 – November 30, 2024	December 18, 2023
Provisional Authority to Operate	Therma Marine, Inc.	Mobile 1	Diesel Power Plant	Brgy. San Roque, Maco, Davao de Oro	100.337 MW	Diesel	April 19, 2023 – April 18, 2024	December 1, 2023
			Blackstart		1.680 MW	Diesel		
Provisional Authority to Operate	Therma Marine, Inc.	M1 - BESS	Auxilliary Battery Energy Storage System	Brgy. San Roque, Maco, Davao de Oro	31.547 MW	BESS	August 23, 2023 – August 22, 2024	December 1, 2023
Provisional Authority to Operate	Therma Marine, Inc.	Mobile 2	Diesel Power Plant	Brgy. Sta. Ana, Nasipit, Agusan del Norte	100.327 MW	Diesel	April 6, 2023 – April 5, 2024	December 1, 2023
			Blackstart		1.68 MW	Diesel		
Provisional Authority to Operate	Therma Mobile, Inc.	Barge 1/Mobile 3	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd., Navotas City	66 MW	Bunker C/ Diesel	July 9, 2023 - July 8, 2024	December 18, 2023
COC No. 17-07-M-00306L	Therma Mobile, Inc.	Barge 2/ Mobile 4	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd., Navotas City	56 MW	Bunker C/ Diesel	July 9, 2023 - July 8, 2024	December 18, 2023
COC No. 17-07-M-00307L	Therma Mobile, Inc.	Barge 3/ Mobile 5	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd., Navotas City	57 MW	Bunker C/ Diesel	July 9, 2023 - July 8, 2024	December 18, 2023
COC No. 17-07-M-00308L	Therma Mobile, Inc.	Barge 4/ Mobile 6	Bunker C-Fired Diesel Power Plant	Navotas Fish Port Complex, Baradero Street, North Bay Blvd., Navotas City	52 MW	Bunker C/ Diesel	July 9, 2023 - July 8, 2024	December 18, 2023
Provisional Authority to Operate	Therma Power-Visayas, Inc.	Naga Oil-Fired Power Plant (NOPP) and Blackstart Diesel Engine Generating Unit	Oil-Fired Power Plant and Blackstart	Brgy. Colon, Naga City, Cebu	44.680 MW 440 kW	Bunker C and Diesel	December 19, 2023 – December 18, 2024	January 9, 2024
Provisional Authority to Operate	Therma South, Inc.	Unit 1	Coal Fired Power Plant	Brgy. Binugao, Toril District, Davao City	150.025 MW	Coal	January 5, 2024 – January 4, 2025	January 24, 2024
		Unit 2			150.025 MW	Coal		

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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. 19-06-M-00176V	Therma Visayas, Inc.	Therma Visayas Circulating Fluidized Bed Coal-Fired Power Plant	Coal-Fired Power Plant	Brgy. Bato, Toledo City, Cebu	353.94 MW	Coal	April 15, 2019 - April 14, 2024	June 26, 2019
COC No. 19-07-M-00040L	TeaM Energy Corporation (Administrator: <i>Therma Luzon, Inc.</i>)	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 ³⁸	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 ³⁹	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

³⁸ On December 21, 2023, PEC has re-filed its application for the renewal of its COC with the ERC under the 2023 Revised COC Rules.

³⁹ GMEC's renewal of its COC is ongoing, and is given by the ERC up to October 3, 2024 to complete its renewal under the 2023 Revised COC Rules.

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The Board Audit Committee Report to the Board of Directors

Aboitiz Power Corporation

The Board Audit Committee is pleased to present its report for the financial year ended December 31, 2023.

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:

- 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;
- 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;
- Reviewing the annual independent audit of the Company's financial statements and the external auditors qualifications and independence;
- Ensuring compliance with applicable laws and regulations which may represent material financial exposure to the Company; and
- 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, COOs, CFO and the heads of the different departments.

Committee Membership

The Board Audit Committee is composed of five (5) Directors, four (4) of whom are independent directors and non-executive directors including the Chairman, Eric Ramon O. Recto (Independent Director). Other members of the committee are Cesar G. Romero (Independent Director), Edwin R. Bautista (Non-Executive Director), Luis Miguel O. 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.

In 2023, four (4) meetings were held via videoconferencing. The attendance of the committee members is indicated below:

Committee Composition	March 1, 2023 Regular Meeting	April 26, 2023 Regular Meeting	July 21 & 25, 2023 Regular Meetings	Oct 24, 2023 Regular Meeting
ERIC RAMON O. RECTO Chairman, Independent Director	✓	✓	✓	✓

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CESAR G. ROMERO Member, Independent Director	✓	✓	✓	✓
EDWIN R. BAUTISTA Member, Non-Executive Director	✓	✓	✓	✓
LUIS MIGUEL O. ABOITIZ Member, Non-Executive Director	✓	✓	✓	✓
DANEL C. ABOITIZ Member, Director	✓	✓	✓	✓

Attendees to these meetings also include the 1AP Internal Audit Group Head, Aboitiz Group Internal Audit Head, and, by invitation, the Chief Risk Officer, Chief Financial Officer and other key leaders when deemed appropriate.

Regular one-on-one sessions of 1AP Internal Audit Head with the 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 endorsed for approval by the full board (*public disclosure*) the 2023 quarterly unaudited consolidated financial statements as well as the 2023 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.

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 24, 2023, SyCip Gorres Velayo & Co. (SGV) was re-appointed as the independent external auditor for 2023 with Johanna Feliza C. Go as the signing partner for SGV.

The overall scope and audit plan of SGV were reviewed and approved during the October 24, 2023 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 4, 2024.

In 2023, the Company also engaged SGV on non-audit related services which are now also reviewed and approved by the Board Audit Committee.

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Internal Auditors

The Board Audit Committee is satisfied with the internal audit function and has assessed that it is operating effectively and is able to generally cover the relevant risks pertinent to the company in its audits. 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 auditor.

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 2023. 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, focuses 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 Equity Ventures’ information systems auditors in 2023. In 2024 and as part of the federalization initiative of the Group, the 1AP IT and IS engagements will be fully under the responsibility of 1AP Internal Audit Group. 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 the internal audit’s assessment that, generally, there is a reasonable assurance that the existing system of internal controls, risk management, and governance allow for generally adequate management of identified risks and effectively supports the improvement of the management of the Company as a whole.

External Quality Assessment

The 1AP Internal Audit Group (IAG), after undergoing the External Quality Assessment (EQA) review by the authorized validator of the Institute of Internal Auditors (IIA) Australia that are duly accredited by the Institute of Internal Auditors (IIA) International, received the official EQAR results in October 2022.

Acquiring the EQA global certification helps build the reputation not just of internal audit but of Aboitiz Power Corp. 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 2027.** Until then, 1AP Internal Audit Group ensures that it continually works on its Quality Assurance Improvement Program by doing its interim self-assessment annually.

Review of the Audit Charters

Annual review and updating of the Board Audit Committee Charter was conducted. Changes were effected in 2023. The existing Board Audit Committee Charter reinforced the oversight responsibilities of the Board Audit Committee in ensuring excellence of external auditor performance by including SEC Oversight Assurance Review Resolution Results as part of the evaluation criteria.

The review and updating of the Internal Audit Team Charter are also done annually, and approved by the Board Audit Committee.

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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 adequacy (effectiveness and efficiency) of the internal control system, 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 are prioritized. These top risks are among the relevant factors in consideration for the preparation of the internal audit's master plan for the following year.

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.

Eric Ramon O. Recto

Chairman, Independent Director
Board Audit Committee

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Internal Control and Compliance System Attestation For the year ended, December 31, 2023

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 Internal Audit Group Head that acts as the equivalent of a Chief Audit Executive and reports functionally to the Board Audit Committee. This is 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 as re-assessed in November 2022 as "generally conforming" with "Optimising" maturity level assessment. This assessment is valid for 5 years (until 2027). Also, the Internal Audit Team is continuously evaluated annually through self-assessment and peer reviews.

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.

A handwritten signature in black ink, appearing to read 'Emmanuel V. Rubio', written over a horizontal line.

Emmanuel V. Rubio
President & Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Juan Pascual C. Cosare', written over a horizontal line.

Juan Pascual C. Cosare
AP Internal Audit Head