

Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	Uniform Code of Conduct, Whistle Blowing Policy at www.spcpowergroup.com (See Annex 25)	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	See website link at http://www.spcpowergroup.com/corporate-governance/companys-policies/	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	See website link at http://www.spcpowergroup.com/corporate-governance/companys-policies/ Compliance Officer: Maria Luz L. Caminero Phone: 02.8810-4450 Email: complaint@spcpower.com	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	See whistle-blowing policy See website link at http://www.spcpowergroup.com/corporate-governance/companys-policies/	

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1

1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	Public Library Feeding Programs Tree Planting (See Annex 26)	
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Optional: Principle 16

1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development		Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	
2. Company exerts effort to interact positively with the communities in which it operates		Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	

SIGNATURES

 Alfredo L. Henares Chairman of the Board	 Dennis T. Villareal President and CEO
 Enrique L. Benedicto Independent Director	 Sergio R. Ortiz-Luis, Jr. Independent Director
 Francisco L. Viray Independent Director	 Maria Luz L. Caminero Compliance Officer
 Victor P. Lazatin Corporate Secretary	

MAY 25 2022

SUBSCRIBED and SWORN to before me this ____ of ____, 2022, affiants exhibiting to me their government issued identification cards, as follows:

Name	Government-issued IDs (Passport/Driver's License/UMID)	Date of Issue	Place of Issue
Alfredo L. Henares	P5099307B	March 11, 2020	DFA NCR East
Dennis T. Villareal	P8767960A	February 17, 2018	DFA Manila
Enrique L. Benedicto	P9540542A	November 14, 2018	DFA NCR South
Sergio R. Ortiz-Luis, Jr.	P5889673B	December 2, 2020	DFA Manila
Francisco L. Viray	P2622286B	July 19, 2019	DFA NCR East
Maria Luz L. Caminero	006-0006-8627-6		
Victor P. Lazatin	C14-67-001479	August 16, 2021	LTO Makati

Doc. No. 50
Page No. 11
Book No. 36
Series of 2022

JOSHUA R. LAPUZ
Notary Public for Makati City
Appointment No. M-19 / Until 12-31-23
Roll No. 45790 / IBP Life No. 04897 / 07-03-03
PTR-O.R. No. 8852510 / 01-03-22 / Makati City
MCLE No. VI-0016565 / 01-14-19
G/F Fedman Suites, 199 Salcedo St.
Legaspi Village, 1229 Makati City

Certification

I, Mishelle Anne Rubio-Aguinaldo, Assistant Corporate Secretary of SPC Power Corporation with SEC registration number AS094-002365 with principal office at the 7/F Cebu Holdings Center, Archbishop Reyes Avenue, Cebu Business Park, Cebu City, on oath state:

- 1) That on behalf of SPC Power Corporation, I, together with the other officers of the Corporation, have caused SEC Form Integrated Annual Corporate Governance report to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) That SPC Power Corporation will comply with the requirements set forth in SEC Notice dated June 24, 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of the filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of May, 2022.

Mishelle Anne R. Rubio-Aguinaldo
Affiant

SUBSCRIBED AND SWORN TO before me this MAY 27 2022, at Makati City, Philippines by the affiant who exhibited to me her Philippine Non-Professional Driver's License No. N26-001204 valid until February 2023.

Doc. No. 82 ;
Page No. 18 ;
Book No. 96 ;
Series of 2022.

JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-19 / Until 12-31-23
Roll No. 45790 / LBP Life No. 04897 / 07-03-03
PTR-O.R. No. 8682810 / 01-03-22 / Makati City
MCLE No. M-0014565 / 01-14-19
G/F Freeman Suites, 199 Salcedo St.
Legaspi Village, 1229 Makati City

ANNEX 1



Philippine Chamber of Commerce and Industry

CERTIFICATE OF PARTICIPATION

This is to certify that

Victor P. Lazatin

has participated in the

**Corporate Governance Seminar
SEC Accreditation No. CG2020-02**

held on 18 August 2021, 2:00pm via Zoom

Signed on the 18th day of August 2021.

EDGARDO G. LACSON
Acting President

Director, Corporate Governance And Capital Market

RYAN PATRICK G. EVANGELISTA
Chair

PCCI Corporate Governance Committee

ANNEX 2



CENTER FOR GLOBAL
BEST PRACTICES FOUNDATION

(SEC Provider Accreditation Number CG2018-002)

presents this

CERTIFICATE OF ATTENDANCE

to

Atty. Maria Luz L. Caminero

for participating in the three-hour webinar on

NEW YEAR SEC UPDATES

held at 1:30 in the afternoon

*on Tuesday, January 26, 2021 via **zoom***

*Henry Belleza Aquende, MBM, Hon. DPA
Founder & President
Center for Global Best Practices*

*Atty. Justina F. Callangan
Course Director and Lecturer
Center for Global Best Practices*



presents this

CERTIFICATE OF ATTENDANCE

to

Atty. Maria Luz L. Caminero


for attending the training program

BEST PRACTICES IN CORPORATE HOUSEKEEPING

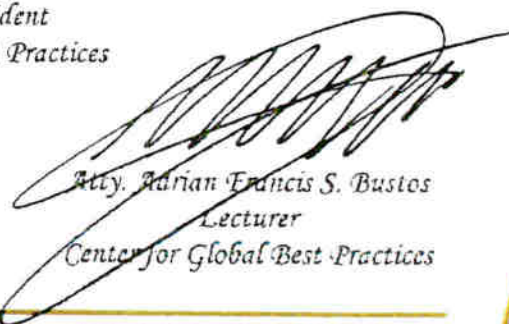
held on May 17 & 18, 2018 at

**EDSA SHANGRI-LA HOTEL
MANDALUYONG CITY, PHILIPPINES**

given this 18th day of May 2018


Henry Belleza Aguende
Founder & President
Center for Global Best Practices


Prof. Tristan A. Cayindig
Course Director & Lecturer
Center for Global Best Practices


Atty. Adrian Francis S. Bustos
Lecturer
Center for Global Best Practices



The Philippine Stock Exchange, Inc.
presents this

CERTIFICATE OF PARTICIPATION

to

MARIA LUZ CAMINERO

for attending the

2018 ANNUAL LISTING AND DISCLOSURE RULES SEMINAR

held on December 4-5, 2018 at the PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City.

A stylized blue ink signature of Janet A. Encarnacion.

JANET A. ENCARNACION
Head, Disclosure Department

A stylized blue ink signature of Roel A. Refran.

ROEL A. REFRAN
Chief Operating Officer



ANNEX 3

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF
SPC POWER CORPORATION**
December 9, 2021, 2:00 PM
Via Zoom Teleconference

PRESENT:

ALFREDO L. HENARES
DENNIS T. VILLAREAL
ALBERTO P. FENIX, JR.
JAMES ROY N. VILLAREAL
YOON, JONG-RYOON
LEE, KYUNG-EUN
YOUN, SANG YOUNG
KIM, YONG-UK
ENRIQUE L. BENEDICTO
SERGIO R. ORTIZ-LUIS, JR.
FRANCISCO L. VIRAY

ALSO PRESENT:

JAIME M. BALISACAN
MA. LUZ L. CAMINERO
CESAR O. VILLEGAS
NINO RAY D. AGUIRRE
CORAZON L. GAMEZ
VICTOR P. LAZATIN
MISHELLE ANNE R. RUBIO-
AGUINALDO

1. CALL TO ORDER AND ROLL CALL

The Chairman, Alfredo L. Henares, called the meeting to order at 2:00 p.m. The meeting was conducted through remote communication using Zoom Video Teleconference. The Assistant Corporate Secretary, Atty. Mishelle Anne R. Rubio-Aguinaldo, recorded the minutes of the meeting.

Pursuant to the Internal Procedures for Board Meeting by Teleconference¹, the Corporate Secretary, Atty. Victor P. Lazatin, requested the directors to state for the record their full name, location, and device used to access the meeting.

2. PROOF OF NOTICE AND QUORUM CERTIFICATION

After the roll call, the Corporate Secretary informed the Board that the notice, agenda, and materials for the meeting were sent to all the directors by electronic mail on **November 22, 2021** and **December 2, 2021**. He certified that with all the **eleven (11) directors present**, there was quorum to transact the business at hand.

3. APPROVAL OF THE MINUTES OF PREVIOUS (NOVEMBER 4, 2021) MEETING

The Chairman referred to the Board the minutes of the November 4, 2021 meeting and asked for their comments or objections. No one from the Board raised any. Upon motion duly made and seconded, and there being no objection, the Board of Directors approved the following resolution:

RESOLUTION

RESOLVED, that the motion, duly seconded, to approve the Minutes of the Special Meeting of the Board of Directors held on November 4, 2021, is hereby approved.

4. MATTERS ARISING FROM THE PREVIOUS MEETING

The Corporate Secretary informed the Board that there are no matters arising from the previous meeting.

5. OPERATIONS REPORT AS OF OCTOBER 31, 2021

SVP for Operations and Business Development Cesar Villegas reported on the highlights of plant performance for the period January to October 2021.

¹ For security reasons, details pertaining to this portion are redacted and transposed to Attachment I which will be strictly for internal use.

Panay Diesel Power Plant 1 (15MW)

The plant availability ended at 97.95 in 2021 which is lower by 1.4% than in 2020. The plant utilization is 18% higher at 69.45% in 2021 as compared to the same period last year. Net generation increased by 173.9% at 5,583 MW hours as compared to 2,038 MW hours in 2020 which explains the 152.5% increase in operating hours as more energy was required by NGCP this year. On the other hand, the lower availability in 2021 is the result of higher total outage of 2.06% compared to 0.64% in 2020.

Panay Diesel Power Plant 3 (50MW)

The plant availability ended at 97.69% in 2021 which is 1.5% lower than in 2020 at 99.14% considering that PDPP1 and PDPP3 share the same dispatchable reserve market. PDPP3 likewise experienced an increase in utilization rate at 67.48% which is 59.8% higher than in 2020 at 42.24%. The lower availability in 2021 is the result of the higher total outage of 2.3% compared to 0.86% in 2020.

Bohol Diesel Power Plant (16.2MW)

The plant availability of BDPP improved by 1.3% from 97.07% in 2020 to 98.36% in 2021. Similar with PDPP's condition, BDPP also experienced an increase in utilization rate from 97.07% in 2020 to 98.36% in 2021. However, unlike the normal system conditions where our Bohol plants are left mid to run most of the time, the damage on the Cebu-Negros submarine cable that started in June 2021 compelled NGCP to utilize Bohol plants more than the usual. This resulted in an increase in net generation by 413.5% which explains the 371.9% increase in the plant operating hours. In spite of the higher operating level, the total outage was reduced by 44.1% due to a very low maintenance outage.

Power Barge 104 (28MW)

The plant availability was reduced from 99.32% in 2020 to 93.25% in 2021 due mostly to retrofitting works of Unit 4's turbocharger last March. As the availability was reduced by 6.1%, the plant utilization also decreased by 7.5% at 91.21% in 2021. The net generation of PB 104 in 2021 also increased by 134.9% as NGCP required more energy because of the Cebu-Negros submarine cable damage resulting in 133% increase in the plants operating hours. As the said retrofitting works substantially increased the maintenance outage in the plant, the 2021 total outage increased also by 892.6% as compared to 0.86% in 2020.

SVP Villegas also reported on the overall plant performance. He reported that the plant availability of all plants combined decreased by 2.2% in 2021 which ended at 96.69% as compared to 2020's higher availability of 98.91%. The utilization rate on the other hand increased by 16.7% which was due mainly to the increase in utilization of all plants. The net generation and operating hours substantially increased by 156.2% and 142.2%, respectively. The overall total outage increase of 203.7% is due primarily to the increase in maintenance outage by 250.6% in 2021. SVP Villegas also discussed how the damage sustained by Thermo Visayas Inc. (TVI), the biggest plant in Visayas, affected the utilization rate of the Panay plants and that Bohol plants performed well in terms of schedule and priority. Overall, he concluded that the plants performance improved in 2021 as compared to 2020.

After the presentation, the Chairman asked for questions but the Board did not raise any.

6. PRESENTATION OF INTERIM FINANCIAL REPORTS (ACTUAL AS OF SEPTEMBER 30, 2021 AND PROJECTED FOR THE YEAR ENDING DECEMBER 31, 2021)

- a. Parent Company Financial Statements**
- b. Consolidated Financial Statements**

SVP for Finance and Administration Jaime Balisacan presented the Interim Financial Reports in two parts: *first*, performance highlights of the parent company and *second*, the consolidated performance highlights of the parent company and its subsidiaries.

For the first part, SVP Balisacan discussed the major assumptions for the projections: plant operating assumptions, non-firm status of ASPA contracts, merit increases and bonuses which are assumed to be the same as last year, no additional provisions of doubtful accounts, losses, if any, are expected to be minimal, etc. The parent company reportedly projected cash dividend income from its investees

amounting to 1.42 billion in 2021, which is lower by 295 million as compared to last year's total dividend income of 1.72 billion.

KSPC accounted the biggest decline in dividend income of 1.03 billion in 2021 which is lower by 330 million as compared to last year's 1.36 billion, which according to KSPC, was an to an offshoot of lower cashflows generated from operating activities because certain power supply contracts that expired in May 2021 were not renewed. Dividend income from BLCI is also projected to be lower by 13.9 million due to temporary under recoveries of cost of purchase power. The total dividend payout in 2021, including the 823 million to be declared in this meeting, is around 2.3 billion.

Based on the actual results of operations in the first nine months of 2021, net income is projected to increase to 1.5 billion for the year ending December 31, 2021. This projection is 19% lower than as compared to the net income of 1.8 billion in 2020. The 19% decline in net income is substantially due to lower dividend income received from KSPC, other reasons include: lower margin in the sale of power which is attributed to lower capacity utilization of only 92% in 2021 as compared to 99% in 2020; lower interest income of only 30.8 million which is attributed to lower effective interest rate of short term investments; and lower services income which decreased by 80 million due to lower technical and upgrading services.

It was further reported that despite the 19% decline in the projected 2021 net income, the parent company's financial position is projected to remain solid in 2021 with its total assets projected at 6.4 billion at the end of 2021. This, however, is lower by 800 million as compared to the previous year due to more cash dividends in 2021. It has minimal liability of 133 million at the end of 2021, although higher by 30 million as compared to the previous year and this is attributable mainly to higher volume and higher fuel cost payable at the end of 2021. The total equity is projected at around 6.3 billion and financial ratios remain very favorable.

For the highlights of comparative cashflows, the projected cash for operating activities in 2021 of 57.6 million is much lower compared to the 169.7 million in 2020 due to lower margin from power generation and lower other service income and lower interest income. Dividends received are also lower at 696.3 million compared to 1.425 billion due to decrease in dividends from KSPC and the dividend payments in 2021 are higher compared to previous years. The balance of cash and cash equivalents projected at the end of 2021 is around 2.6 billion after payment of the additional cash dividends of 823 million. The projected ending tax balance is lower by 350 million than the original estimate due to revised additional cash dividends to be received from KSPC by the end of 2021.

For the consolidated financial performance of the parent company and its subsidiaries, the actual consolidated net income for the first nine months of 2021 is 1.38 billion which is projected to increase to 1.54 billion by the end of 2021. All companies increased their contribution to the annual consolidated net income except SPC and SIPC which decreased from 426.8 million to 392.8 million due to the adjustment bill of the Independent Electricity Market Operator (IEMOP) amounting to 46.3 million. This represents refund of congestion charges attributed to the damage caused by the Department of Public Works and Highways (DPWH) in the Cebu-Negros submarine cable last June 2021. The ERC concluded that the damage was not due to the customers' fault and therefore, should not be liable for congestion charges. The total projected consolidated net income of 1.54 billion in 2021 is 6% lower compared to the actual of 1.64 billion in 2020 due to the 15% reduction in the earnings contributed by KSPC in 2021 which is attributed to the expiration of the power supply contracts last May 2021.

Under the assumption that some expiring power supply contracts will not be renewed, that there are no new income to be generated from new sources or new investment, and the consolidated results of operations of 2022, the projected consolidated net income in 2022 could drastically decline to around 620 million as compared to 1.81 billion in 2019, 1.64 billion in 2020, and projected at 1.54 billion in 2021. The projected decline in net income from SPC and SIPC of 392.8 million in 2021 to 250.7 million in 2022 is due mainly to the budget assumption that all ASPA contracts will have been converted into firm contracts at lower prices effective in the second quarter of 2022.

After the report, the Chairman asked if the changes made in the assumptions for year-end 2021 based on later information from KSPC and MECO were considered in the projection. SVP Balisacan confirmed that there were no changes in MECO's forecast, while KSPC reduced the additional dividends projected to be declared toward the end of the month, from 650 million, it was reduced by 350 million based on the latest forecast of KSPC and that there were no other changes made. Director Fenix, Jr. clarified if the change was considered in the projection to which SVP Balisacan answered in the affirmative. The Chairman further inquired on the reason for the significant reduction as it will reflect a lower pay out in relation to KSPC's earnings. Mr. Balisacan cited substantial increase in the price of coal that has yet to be paid (or increased working capital requirements). The Chairman cautioned that while a decrease in earnings is foreseen and expected, a decrease in pay-out is a different matter.

7. DECLARATION OF FINAL CASH DIVIDENDS FOR 2021

Based on the financial report and as recommended by the management, a motion to declare cash dividends was raised. Upon motion duly made and seconded, without objection, the Board approved and adopted the following resolution:

RESOLUTION

RESOLVED, that the motion, duly seconded, to declare final cash dividends of P0.55 per share totaling P823.1 million to stockholders of record as of December 23, 2021, payable on or before December 27, 2021, is hereby approved.

8. RESOLUTION FOR YEAR-END DIRECTORS' FEES

Based on the financial report and as recommended by the management, a motion to approve payment of Director's Fee of Php600,000.00 for a full year of service or pro rata thereof and the additional Php200,000.00 for the Chairman, same as the previous year. Upon motion duly made and seconded, without objection, the Board approved the following resolution:

RESOLUTION

"RESOLVED, that the motion to approve the payment of Year-End Director's Fee of Six Hundred Thousand Pesos (Php600,000.00) for a full year service or pro rata thereof to each member of the Board of Directors, and an additional Two Hundred Thousand Pesos (Php200,000.00) for the Chairman, duly seconded, is hereby approved."

9. APPROVAL OF PROPOSED 2022 OPEX AND CAPEX BUDGET

VP for Finance Nino Ray D. Aguirre informed the Board that the proposed 2022 OPEX and CAPEX budget was prepared based on the assumption that all ASPA contracts will be converted to firm contracts by April 2022 and any possible additional revenues from new projects being considered and still pending completion are not incorporated. VP Aguirre further discussed that the revenue projection is also based on the assumption that PB104 capacity will be at 29 MW starting April 2022. Availability is assumed to be the same as the preceding year while capacity utilization will be at 95% from 91% this year. Dispatch is projected to increase by 1% from 9.8% in 2021.

The plant operating expenses is projected to increase to 334 million in 2022 due to the increase in the cost of fuel and lubricant and increase in spares, materials, and supplies for the expected preventive maintenance and replacement of engine parts in 2022. Other factors pertain to depreciation expenses amounting to 35.7 million in 2022, personnel expenses of 22.9 million, and rental expenses including Philippine Ports Authority, transmission charges, repairs and maintenance, and ER-194 which are fixed charges. General administrative expense is projected to remain at 130 million. Deferred CAPEX projects from 2021 were carried over in 2022 budget due to mandatory quarantine protocols. The cost of the acquisition of PB102 and PB103 as well as office renovation were also considered.

VP Aguirre informed the Board that with the projected operating expenses of almost Php334 million, admin & general expenses of Php130 million, and capital expenditures of Php116 million, the total proposed budget for CY 2022 is approx. Php 580 million, and that the management requests that the proposed budget be approved.

Upon motion duly made and seconded, without objection, the Board approved the following resolution:

RESOLUTION

"RESOLVED, that the motion to approve the proposed budget of approx. Php580 million for OPEX and CAPEX for CY 2022, duly seconded, is hereby approved."

10. APPROVAL TO ACCEPT ASSIGNMENT OF SIPC'S RIGHTS AND OBLIGATIONS UNDER THE ASSET PURCHASE AGREEMENT WITH ACEN FOR THE PURCHASE OF PB 102 AND PB 103 AND DESIGNATION OF AUTHORIZED SIGNATORY FOR THE DEED OF ABSOLUTE SALE

SVP for Legal and Regulatory Affairs Ma. Luz L. Caminero presented to the Board the salient features of the Asset Purchase Agreement between SPC Island Power Corporation (SIPC) and AC Energy (ACEN) for the sale and purchase of Power Barge 102 and Power Barge 103, and discussed the proposed assignment of SIPC's rights thereunder.

After the presentation, she informed the Board that the management recommends and requests the approval of the assignment. Upon motion duly seconded, the Board approved and adopted the following resolution:

RESOLUTION

Whereas, by virtue of the Asset Purchase Agreement ("APA") between AC Energy Corporation and SPC Island Power Corporation ("SIPC"), the latter has acquired the right to purchase (a) Power Barge 102, a 4x8 MW oil-fired diesel power barge located in Barangay Obrero, Lapuz, Iloilo City ("PB102"); and (b) Power Barge 103, a 4x8 MW oil-fired diesel power barge located in Poblacion, Lapu-lapu City ("PB103"), collectively, "*assets*";

Whereas, SIPC intends to assign to its parent company, SPC Power Corporation, its right to purchase the subject *assets* and all its rights under the APA;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved that **SPC POWER CORPORATION** ("the Corporation") be authorized to accept the assignment of rights under the APA; for this purpose, the President, Mr. Dennis T. Villareal, or his duly authorized representative, is hereby authorized to sign, execute, perform, and deliver the deed of assignment, ancillary contracts, or any other document necessary to attain this objective;

RESOLVED FURTHER, that by virtue of this assignment, the Corporation be authorized to purchase the subject *assets*; for this purpose, the President, Mr. Dennis T. Villareal, or his duly authorized representative, is hereby authorized to sign, execute, perform, and deliver the instrument of sale or ancillary contracts, or any other document necessary to attain this objective;

RESOLVED FINALLY, that the President, Mr. Dennis T. Villareal, or his duly authorized representative, be authorized to perform any and all acts necessary for the performance, delivery, execution or implementation of the assignment of rights and the purchase and acquisition of the *assets*.

11. OTHER MATTERS

- a. **Corporate Housekeeping (Updating the List of Authorized Filers for Securities and Exchange Commission Online Submission Tool – (a.1) Exclusion of Ms. Myra Meligrito from the List of Authorized Filers; (a.2) Appointment/Designation of Ms. Mary Ann G. Daugdaug as Authorized Filer in addition to the Corporate Secretary, Assistant Corporate Secretary, SVP Jaime Balisacan, VP Nino Ray D. Aguirre, and Ms. Sonia M. Magno**

The Chairman informed the Board that in view of the resignation of Ms. Meligrito last September 15, 2021, there is a need to update the *Resolution dated April 7, 2021* which was submitted to SEC pursuant to Memorandum Circular No. 03, Series of 2021 and exclude the name of Ms. Meligrito as one of the Authorized Filers and to appoint Ms. Mary Ann Daugdaug as a replacement. Upon motion duly made and seconded, and without objection, the motion duly seconded, was approved and adopted:

RESOLUTION

RESOLVED, that the following persons are hereby appointed and designated as Authorized Filers to represent the Corporation and act for it in the submission of reportorial requirements with the SEC through the Online Submission Tool (OST):

- Atty. Victor P. Lazatin (Corporate Secretary)
- Atty. Mishelle Anne R. Rubio-Aguinaldo (Assistant Corporate Secretary)
- Mr. Jaime M. Balisacan (SVP for Finance and Administration and Treasurer)
- Mr. Nino Ray D. Aguirre (Vice President for Finance)
- Ms. Sonia M. Magno
- Ms. Mary Ann Daugdaug

12. ADJOURNMENT

There being no other matter to be taken up and with no other concerns from the Board, the motion to adjourn, duly seconded and without any objection, was approved. The meeting adjourned at 3:30 p.m.

Prepared and Attested by:

MISHELLE ANNE R. RUBIO-AGUINALDO
Assistant Corporate Secretary

Noted by:

VICTOR P. LAZATIN
Corporate Secretary

Approved,

ALFREDO L. HENARES
Chairman

DENNIS T. VILLAREAL
Director

ALBERTO P. FENIX, JR.
Director

LEE, DALHUN
Director

JAMES ROY N. VILLAREAL
Director

KIM, KILWON
Director

SERGIO R. ORTIZ-LUIS, JR.
Director

YOUN, SANG YOUNG
Director

ENRIQUE L. BENEDICTO
Director

LEE, KYUNG-EUN
Director

FRANCISCO L. VIRAY
Director

*[Attachment 1
follows]*

For security reasons, this portion is for internal use only –

ATTACHMENT I

Name	Location	Device
ALFREDO L. HENARES	Makati City	Ipad
DENNIS T. VILLAREAL	Makati City	Ipad
ALBERTO P. FENIX, JR.	Calamba, Laguna	Ipad
YOON, JONG-RYOON	Makati City	Laptop
LEE, KYUNG-EUN	Makati City	Laptop
YOUN, SANG YOUNG	Seoul, Korea	Laptop
KIM, YONG-UK	Makati City	Notebook
ENRIQUE L. BENEDICTO	Cebu City	Iphone
SERGIO R. ORTIZ-LUIS, JR.	Ortigas, Pasig City	Laptop
FRANCISCO L. VIRAY	Quezon City	Laptop
JAIME M. BALISACAN	Cebu City	Laptop
MA, LUZ L. CAMINERO	Quezon City	Desktop
CESAR O. VILLEGAS	Las Pinas City	Laptop
JAMES ROY N. VILLAREAL	Makati City	Laptop
NINO RAY D. AGUIRRE	Laguna	Laptop
CORAZON L. GAMEZ	Pasig City	Laptop
VICTOR P. LAZATIN	Muntinlupa City	Ipad
MISHELLE ANNE R. RUBIO-AGUINALDO	Muntinlupa City	Laptop

ANNEX 4

**MINUTES OF THE ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS
OF
SPC POWER CORPORATION**
May 28, 2021, 11:00 a.m.
Via Zoom Video Teleconference

PRESENT:

ALFREDO L. HENARES
DENNIS T. VILLAREAL
ALBERTO P. FENIX, JR.
YOON, JONG-RYOON
LEE, KYUNG-EUN
YOUN, SANG YOUNG
KIM, YONG-UK
RAMON Y. SY
ENRIQUE L. BENEDICTO
SERGIO R. ORTIZ-LUIS, JR.
FRANCISCO L. VIRAY

ALSO PRESENT:

JAIME M. BALISACAN
MA. LUZ L. CAMINERO
CESAR O. VILLEGAS
JAMES ROY N. VILLAREAL
NINO RAY D. AGUIRRE
CORAZON L. GAMEZ
VICTOR P. LAZATIN
MISHELLE ANNE R. RUBIO-
AGUINALDO

I. CALL TO ORDER AND ROLL CALL

The Chairman, Alfredo L. Henares, called the meeting to order at 11:00 a.m. The meeting was held through remote communication using Zoom Video Teleconference. The Assistant Corporate Secretary, Atty. Mishelle Anne R. Rubio-Aguinaldo, recorded the minutes of the meeting.

The Corporate Secretary, Atty. Victor P. Lazatin, requested that the directors state for the record their full name, location, and device used to access the meeting pursuant to the Internal Procedures for Board Meeting by Teleconference.¹

II. QUORUM CERTIFICATION AND PROOF OF NOTICE

The Chairman requested the Corporate Secretary to determine the existence of a quorum.

The Corporate Secretary informed the Board that the notice, agenda, and materials were sent to all the directors by electronic mail on May 21 and 23, 2021 and certified that with **all the eleven (11) directors present**, a quorum was validly constituted to transact business.

III. APPROVAL OF THE MINUTES OF THE PREVIOUS (APRIL 7, 2021) MEETING

The Chairman asked the Board for comments on the minutes of the previous board meeting which was part of the board materials; but no one raised any. Director Fenix, Jr. moved to approve the Minutes of the Meeting held on April 7, 2021. Director Ortiz-Luis, Jr. seconded the motion. The Chairman asked for objections but there was none from the Board.

Upon motion duly made and seconded, and there being no objection, the Board of Directors approved, by unanimous vote, the following resolution:

RESOLUTION

RESOLVED, the motion, duly seconded, to approve the Minutes of the previous meeting held last April 7, 2021 is hereby approved.

¹ For security reasons, details pertaining to this portion are redacted and transposed to Attachment I which will be strictly for internal use.

IV. MATTERS ARISING FROM THE PREVIOUS MEETING

The Chairman inquired if there were matters arising from the previous meeting not included in the agenda. The Corporate Secretary confirmed that there was none.

The Chairman asked for comments but the Board did not raise any.

V. ELECTION OF OFFICERS FOR 2021-2022

The Chairman opened the nominations for the election of officers for the term 2021 to 2022. Director Villareal moved to nominate the following as officers of the Corporation:

Chairman of the Board	-	Alfredo L. Henares
President and CEO	-	Dennis T. Villareal
Executive Director	-	Alberto P. Fenix, Jr.
Senior Vice President for Finance and Administration & Treasurer	-	Jaime M. Balisacan
Senior Vice President for Legal and Regulatory Affairs & Compliance Officer	-	Atty. Maria Luz L. Caminero
Senior Vice President for Business Development and Commercial Operations	-	Cesar O. Villegas
Vice President	-	James Roy N. Villareal
Vice President for Finance	-	Niño Ray D. Aguirre
Corporate Secretary	-	Victor P. Lazatin
Assistant Corporate Secretary	-	Mishelle Anne R. Rubio-Aguinaldo

Director Fenix, Jr. seconded the motion and moved to close the nominations. The Chairman asked for objections but there was none from the Board.

Upon motion duly made and seconded, and there being no objection, the Board of Directors approved, by unanimous vote, the following resolution:

RESOLUTION

RESOLVED, that the motion, duly seconded, to elect the following to their corresponding positions for the term 2021-2022, namely -

Chairman of the Board	-	Alfredo L. Henares
President and CEO	-	Dennis T. Villareal
Executive Director	-	Alberto P. Fenix, Jr.
Senior Vice President for Finance and Administration & Treasurer	-	Jaime M. Balisacan
Senior Vice President for Legal and Regulatory Affairs & Compliance Officer	-	Atty. Maria Luz L. Caminero
Senior Vice President for Business Development and Commercial Operations	-	Cesar O. Villegas
Vice President	-	James Roy N. Villareal
Vice President for Finance	-	Niño Ray D. Aguirre
Corporate Secretary	-	Victor P. Lazatin
Assistant Corporate Secretary	-	Mishelle Anne R. Rubio-Aguinaldo

... is hereby approved.

The Chairman congratulated the elected officers.

VI. ELECTION OF BOARD COMMITTEE MEMBERS FOR 2021-

The Chairman opened the nominations for the following board committee membership: Executive Committee, Audit Committee, and Corporate Governance Committee.

Director Villareal moved to nominate the following directors as members of the board committees:

Executive Committee

Chairman	:	Alfredo L. Henares
Members	:	Dennis T. Villareal Alberto P. Fenix, Jr. Yoon, Jong Ryoan Kim, Yong-Uk

Audit Committee

Chairman	:	Ramon Y. Sy
Members	:	Sergio R. Ortiz-Luis, Jr. Francisco L. Viray Alfredo L. Henares Kim, Yong-Uk

Corporate Governance Committee

Chairman	:	Sergio R. Ortiz-Luis, Jr.
Members	:	Ramon Y. Sy Enrique L. Benedicto Dennis T. Villareal Kim, Yong-Uk

Director Fenix, Jr. seconded the motion and moved to close the nominations. The Chairman asked for objections but there was none from the Board.

Upon motion duly made and seconded, and there being no objection, the Board of Directors approved, by unanimous vote, the following resolution:

RESOLUTION

RESOLVED, that the motion, duly seconded, to elect the following directors as members of the respective board committees for the term 2021-2022:

Executive Committee

Chairman	:	Alfredo L. Henares
Members	:	Dennis T. Villareal Alberto P. Fenix, Jr. Yoon, Jong Ryoan Kim, Yong-Uk

Audit Committee

Chairman	:	Ramon Y. Sy
Members	:	Sergio R. Ortiz-Luis, Jr. Francisco L. Viray Alfredo L. Henares Kim, Yong-Uk

Corporate Governance Committee

Chairman	:	Sergio R. Ortiz-Luis, Jr.
Members	:	Ramon Y. Sy
		Enrique L. Benedicto
		Dennis T. Villareal
		Kim, Yong-Uk

... is hereby approved.

The Chairman congratulated the newly-elected committee members.

VII. OPERATIONS REPORT (JANUARY - APRIL 2021)

Mr. Cesar O. Villegas presented the operational performance of SPC and SIPC power plants during the first four months in 2021 in comparison with the same period of the preceding year.

(1) Panay Diesel Power Plant 1 (PDPP 1)

On PDPP 1 (15MW), Mr. Villegas reported that the plant availability ended very high in 2021 at 98.7%, which is slightly higher during the same period in 2020. This high availability rate is also because of the slightly lower total outage of 2.3% in 2021. Reportedly, the utilization rate has improved by 11.3% at 61.7% this year compared to 55.4% last year. Net generation also increased by 33.8%, that is, 920.8 MW hours which is the result of 23.4% higher operating hours.

(2) Panay Diesel Power Plant 3 (PDPP 3)

On PDPP 3 (50MW), Mr. Villegas reported that the plant availability similarly ended very high at 99.6% in 2021 which is also slightly higher by 0.5% than last year's record of 99.15%. Utilization rate also increased by 70.5% from 33.7% in 2020 to 57.4% in 2021. It is worth noting that in spite of the very high increase in utilization rate, the net generation only increased by 23.9% which means that the plant was substantially utilized. Net generation ended at 5,277.8 MW hours resulting from lesser operating hours, which means that the gensets were tasked to run at a higher load which is operationally better for the engines.

(3) Bohol Diesel Power Plant (BDPP)

On BDPP (16.2MW), Mr. Villegas reported that the plant availability of BDPP also ended very high in 2021; higher by 0.1% compared last year, from 99.3% in 2020 to 99.4% in 2021. This slight increase is a result of the 11.9% reduction in total outage. Apparently, while utilization rate slightly decreased by 1.6% compared to 2020, it remained high at 97.3% considering the locational advantage of Bohol as well as BDPP's full capacity contract with NGCP. Net generation, on the other hand, increased by 4.9% in 2021 which ended at 964.7 MW hours resulting in higher operating hours and a variance of 3.4%.

(4) Power Barge 104 (PB104)

On PB104 (28MW), Mr. Villegas reported that the barge registered an availability of 88% in 2021 which was lower by 11.5% as compared to 2020 at 99.4%. Reportedly, the reduction was due to the pre-empted retrofitting of the turbochargers that broke down in the first quarter of the year. This decrease resulted in a 1806% increase in the total outage which was largely attributed to the scheduled maintenance for the said retrofitting works. The reduction in plant availability further resulted in a decrease in the utilization rate by 0.7% from 98.4% in 2020 down to 85.9% in 2021. Consequently, net generation also decreased by 19.3% that ended up at 4,151.1 MW hours, followed by a 17.7% decrease in operating hours in 2021.

Consolidated Plant Portfolio

According to Mr. Villegas, based on the overall plant portfolio, the availability of the four plants combined ended very high at 96.5% in the first four months of 2021 which was higher by 2.7% compared with the same period of 2020 which was at 99.2%. This was attributed to the maintenance outage of PB 104 that has resulted in the overall increase of the total outage by 319% but in spite of this, the combined utilization rate of the plants still ended up higher by 13.2% that is from 62.9% in 2020 to 71.2% in 2021. The increase was due to the improved utilization rate of the power plants. The overall net generation increase of 2.8% in 2021 is much lower than the overall increase in utilization rate of 13.2% this only means that the plants were utilized more without having to run as much. (End of the report)

The Chairman asked for questions or comments about the report, but none was raised.

VIII. PRESENTATION OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF AND FOR THE FOUR MONTHS ENDED APRIL 30, 2021 AND DECLARATION OF CASH DIVIDENDS

Mr. Nino Ray D. Aguirre presented the highlights of the consolidated interim financial statements of the Group as of and for the four months ended April 30, 2021. The consolidated total comprehensive income of P667.5 million is 2.3% higher during the same period last year. Other highlights are the following:

(1) KEPCO SPC Power Corporation (KSPC)

KSPC's gross revenue decreased by 6.3%% as compared to the same period last year, however, the cost of services and operating expenses actually decreased by about 9.8%. The decrease in Corporate Income Tax rate due to the enactment of the CREATE Law also contributed to KSPC's higher net income in 2021.

(2) Mactan Electric Company Inc. (MECO)

MECO's income contribution to the Group decreased by 26.1% as a result of a 6.5% decrease in energy sold primarily due to the impact of the pandemic. Although the sale of energy to residential consumers increased, the industrial and commercial energy consumption actually decreased as compared to the same period last year.

(3) SPC Island Power Corporation (SIPC)

SIPC generated an increase in income contribution to the Group of over 57% in 2021 as compared to the same period last year due to higher utilization of the plants resulting from increased requirements and continuing services of the Panay plants.

(4) SPC Power Corporation (SPC)

SPC's income contribution to the Group's net income decreased by about 36% as compared to the same period last year due to the maintenance outage of PB104 Unit 4 in 2021 and the lower fuel pass-through cost as a result of lower electricity generation.

(5) Bohol Light Company Inc. (BLCI)

BLCI's net income contribution decreased due to a reduction in energy sold in its commercial and industrial customer base by about 25% as a result of the controlled working environment and restrictions caused by the pandemic. While the residential consumers' consumption increased by 3%, however, the impact of the decrease in consumption of industrial and commercial customer base resulted to a negative bottomline amount.

Consolidated Financial Position

The Company is showing a sound consolidated financial position as shown in the current ratio where the Company has P6.10 of current assets for every P1.00 of current liabilities.

Mr. Aguirre presented the major sources and application of funds from the Company's consolidated statements of cash flows as of April 30, 2021, as compared to 2020. SPC declared and paid dividends amounting to P0.40 per share or a total of P598.6 million. The additions to Property, Plant and Equipment (PPE) pertain largely to BLCI's acquisition of land and other equipment. The total cash and cash equivalents at the end of April 2021 is P3,671.1 million.

The Chairman asked for questions or comments about the report, but none was raised.

At this juncture, Mr. Jaime M. Balisacan requested to be recognized by the Board of Directors and expressed that given the cash position of the Parent Company the placement of our cash and the planned capital and operating requirements, the management recommends the declaration of another interim cash dividends of P0.60 per share totaling P897.9 million to stockholders of record as of June 14, 2021, payable on or before June 22, 2021.

Director Villareal moved to declare a second interim cash dividend of P0.60 per share, totaling P897.9 million, to all stockholders of record as of June 14, 2021, payable on or before June 22, 2021.

Director Fenix, Jr. seconded the motion. The Chairman asked for objections. No objection was raised.

Upon motion, duly seconded, the Board of Directors approved, by unanimous vote, the following resolution:

RESOLUTION

RESOLVED, that the motion, duly seconded, to declare another interim cash dividend of P0.60 per share totaling P897.9 million to stockholders of record as of June 14, 2021, payable on or before June 22, 2021, is hereby approved.

IX. OTHER MATTERS

Director Kim Yong-Uk expressed concern over SPC's business plans which over the past few years have not materialized. He further commented that the company needs vision and strength to survive the competitive market. He urged the Company to exert more efforts to find and invest in profitable business for further growth of the Company. He then moved to hold a Board of Directors meeting by end of July where SPC shall present its medium and long term plans, which should be specific and feasible. A short discussion on this motion ensued and thereafter was carried, there being no objection.

The Chairman expressed surprise over the Director Kim's comments because SPC's joint venture with its Korean partners in KSPC has the lowest ROI among SPC's investee companies. In fact, SPC's biggest business concern is KSPC's expiring power sales contracts which it has been asking KSPC to address over the past 3 years.

Although the Chairman agreed that SPC should expand its business investments, he enjoined SPC's Korean partners in KSPC to improve its performance and overcome its many challenges.

X. ADJOURNMENT

The Chairman asked if there were other matters to be discussed. Director Fenix, Jr. moved to adjourn the meeting. Director Ortiz-Luis, Jr. seconded the motion. The Chairman asked for objections but there was none.

The motion to adjourn, duly seconded, was then approved. The meeting was adjourned at 11:45 a.m.

Prepared and Attested by:

MISHELLE ANNE R. RUBIO-AGUINALDO
Assistant Corporate Secretary

Noted by:

VICTOR P. LAZATIN
Corporate Secretary

Approved,

ALFREDO L. HENARES
Chairman

DENNIS T. VILLAREAL
Director

ALBERTO P. FENIX, JR.
Director

YOON, JONG RYOON
Director

RAMON Y. SY
Director

KIM, YONG UK
Director

SERGIO R. ORTIZ-LUIS, JR.
Director

YOUN, SANG YOUNG
Director

ENRIQUE L. BENEDICTO
Director

LEE, KYUNG-EUN
Director

FRANCISCO L. VIRAY
Director

[Attachment I follows]

For security reasons, this portion is for internal use only -

ATTACHMENT I

Name	Location	Device
Alfredo L. Henares	Makati City	Ipad
Dennis T. Villareal	Makati City	Ipad
Alberto P. Fenix, Jr.	Home	Laptop
Yoon, Jong-Ryoon	Seoul, Korea	Laptop
Youn, Sang Young	Seoul, Korea	Laptop
Lee, Kyung-eun	Makati City	Laptop
Kim, Yong-Uk	Makati City	Notebook
Ramon Y. Sy	Home	Laptop
Enrique L. Benedicto	Cebu City	Ipad
Sergio R. Ortiz-Luis, Jr.	Pasig City	Ipad
Francisco L. Viray	Quezon City	Laptop

ANNEX 5

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF
SPC POWER CORPORATION**
November 4, 2021, 2:00 p.m.
Via Zoom Video Teleconference

PRESENT:

ALFREDO L. HENARES
DENNIS T. VILLAREAL
ALBERTO P. FENIX, JR.
YOON, JONG-RYOON
LEE, KYUNG-EUN
YOUN, SANG YOUNG
KIM, YONG-UK
ENRIQUE L. BENEDICTO
SERGIO R. ORTIZ-LUIS, JR.
FRANCISCO L. VIRAY

ALSO PRESENT:

JAIME M. BALISACAN
MA. LUZ L. CAMINERO
CESAR O. VILLEGAS
JAMES ROY N. VILLAREAL
NINO RAY D. AGUIRRE
CORAZON L. GAMEZ
VICTOR P. LAZATIN
MISHELLE ANNE R. RUBIO-
AGUINALDO
GUILLERMO P. DABBAY, JR.

1. CALL TO ORDER AND ROLL CALL

The Chairman, Alfredo L. Henares, called the meeting to order at 2:00 p.m. The meeting was held by remote communication using Zoom Video Teleconference. The Assistant Corporate Secretary, Atty. Mishelle Anne R. Rubio-Aguinaldo, recorded the minutes of the meeting.

Pursuant to the Internal Procedures for Board Meeting by Teleconference¹, the Corporate Secretary, Atty. Victor P. Lazatin, requested the directors to state for the record their full name, location, and device used to access the meeting.

2. PROOF OF NOTICE OF MEETING AND QUORUM CERTIFICATION

After the roll call, the Corporate Secretary informed the Board that the notice, agenda, and materials for the meeting were sent to all the directors by electronic mail on **October 22, 2021**. He certified that with **ten (10) directors present**, there was quorum to transact the business at hand.

3. APPROVAL OF THE MINUTES OF PREVIOUS (JULY 29, 2021) MEETING

The Chairman asked the Board for comments or objections on the minutes of the July 29, 2021 meeting. No one from the Board raised any comments or objections.

Upon motion duly made and seconded, and there being no objection, the Board of Directors approved the following resolution:

RESOLUTION

RESOLVED, that the motion, duly seconded, to approve the Minutes of the Special Meeting of the Board of Directors held on July 29, 2021, is hereby approved.

4. MATTERS ARISING FROM PREVIOUS MEETING

Upon inquiry from the Chairman, the Corporate Secretary informed the Board that there are no matters arising from the previous meeting.

¹ For security reasons, details pertaining to this portion are redacted and transposed to Attachment I which will be strictly for internal use.

5. NOMINATION/ELECTION OF MR. JAMES ROY N. VILLAREAL AS DIRECTOR (TO REPLACE MR. RAMON Y. SY)

The Chairman expressed sadness over the passing of Dir. Ramon Y. Sy, Jr. last September 26, 2021. He then turned over the floor to Dir. Ortiz-Luis, Jr., Chairman of the Corporate Governance Committee which also discharges the functions of the Nomination Committee. Dir. Ortiz-Luis, Jr. informed the Board that the Committee received the nomination of Mr. James Roy N. Villareal to serve the remaining term of Mr. Sy. Finding that Mr. Villareal is qualified, Dir. Ortiz-Luis, Jr., on behalf of the Corporate Governance Committee, moved for the nomination of Mr. Villareal as member of the Board of Directors. The motion was seconded and when the Chairman asked for objections, the Board did not raise any. The nomination was closed and Mr. Villareal was elected as a member of the Board of Directors.

Thus, upon motion duly made and seconded, and there being no objection, the Board of Directors approved the following resolution:

RESOLUTION

RESOLVED, that the motion, duly seconded, to elect Mr. James Roy N. Villareal as member of the Board of Directors, is hereby approved.

The Chairman and other members of the Board congratulated Dir. Villareal.

6. NOMINATION/ELECTION OF THE CHAIRMAN AND OF A MEMBER OF THE AUDIT COMMITTEE AND A MEMBER OF THE CORPORATE GOVERNANCE COMMITTEE

Considering that the passing of Dir. Sy, Jr. also resulted in vacancies in Audit Committee and Corporate Governance Committee, Dir. Ortiz-Luis, Jr. informed the Board that the Committee likewise received the nomination of Dir. Francisco L. Viray as Chairman of Audit Committee and as Member of the Corporate Governance Committee, as well as the nomination of Dir. Enrique L. Benedicto as member of the Audit Committee. Finding both directors to be qualified for the respective positions, Dir. Ortiz-Luis, Jr., on behalf of the Corporate Governance Committee, moved for their nomination to serve the remaining period. The motion was seconded and when the Chairman asked for objections, the Board did not raise any.

Thus, upon motion duly made and seconded, and there being no objection, the Board of Directors approved the following resolution:

RESOLUTION

RESOLVED, that the motion, duly seconded, to elect Dir. Francisco L. Viray and Dir. Enrique L. Benedicto, as Chairman and as Member of the Audit Committee, respectively, and to further elect Dir. Francisco L. Viray as Member of the Corporate Governance Committee, is hereby approved.

The Board congratulated Dir. Viray and Dir. Benedicto.

7. APPROVAL OF THE CONTRACT OF LEASE WITH THE PHILIPPINE PORTS AUTHORITY (PPA) AND AUTHORITY OF PRESIDENT AND CEO

SVP Atty. Caminero presented to the Board the salient points of the Contract of Lease between the Corporation and the PPA and requested the Board to approve the Contract of Lease and to authorize the President and CEO or his duly authorized representative to sign, execute and perform the Contract of lease and any and all documents necessary for its implementation. A motion was made and when the Chairman asked for objections, the Board did not raise any.

Thus, upon motion duly made and seconded, and there being no objection, the Board of Directors approved the following resolution:

RESOLUTION

RESOLVED, that the motion, duly seconded, to approve the Contract of Lease between SPC Power Corporation and the Philippine Ports Authority is hereby approved;

RESOLVED FURTHER, that the President and CEO or his duly authorized representative is hereby authorized to sign, execute and perform the Contract of lease and any and all documents necessary for its implementation.

8. ACQUISITION OF PROJECT SOLIS

- (a) Approval to Submit a Firm Offer**
- (b) Approval of Authorized Signatories**

Dir. Villareal informed the Board and everyone present at the meeting that the information to be disclosed is covered by a confidentiality agreement which binds the directors and the officers of the Corporation. After the presentation, SVP Atty. Caminero discussed the resolutions for the approval of the Board of Directors.

Dir. Villareal moved to approve the resolutions. The motion was seconded by Dir. Fenix, Jr. When the Chairman asked for objections, Dir. Yoon registered the objection of KPHI.

Dir. Kim explained that since July, [KPHI] has already informed the management KPHI cannot approve any investment involving coal project including Project Solis as KPHI is obligated to follow the Korean Government and KEPCO's Green New Deal Policy in line with global endeavors toward net zero carbon. He further asserted that should SPC push through with the investment, KPHI may be constrained to sell all of its shares in SPC. Dir. Kim added that the investment will increase the approved budget by more than five percent (5%) and invoked KPHI's right to veto pursuant to the Amended and Restated Shareholders' Agreement (ARSA).

In addition to Dir. Kim's statement, Dir. Yoon informed the Board that on October 28, 2020, KEPCO officially declared that it will not promote any new coal-fired power plant and that they must follow their company's and government's guidelines. Otherwise, they will have to proceed with the sale of their portion in SPC.

The Chairman asked for additional comments or objections. There being none, the Chairman requested the management to respond to the issues raised, viz: (1) the Korean Government's Green New Deal Policy against new coal-fired power plants and (2) the 5% increase in the approved budget which will require special Board approval.

At this juncture, Dir. Fenix, Jr. addressed the Board and expressed appreciation for KPHI's actions to inform the Board of KEPCO's energy paradigm shift to align with the Korean Government's commitment to achieve carbon-neutrality by 2050. He clarified that SPC is fully supportive of this long-term goal. In fact, the Board recently approved an amendment to SPC's Articles of Incorporation (AOI) to allow it to engage in the business of developing renewable energy. He reiterated the statement of Dir. Villareal that, on the road to achieving this goal, the Board should be mindful of the critical stage that SPC is currently in, that is, if SPC were to immediately shift, it will gravely affect the original course it has taken in thermal energy which has sustained SPC for years. He emphasized that timing of the transition is important and that both SPC and KPHI share the responsibility for the near and long term future of SPC. Dir. Fenix, Jr. added that the policy of the Korean Government should not be imposed on SPC whose primary purpose in its AOI includes investments in thermal power plants. Finally, he added that KPHI still has the joint venture KEPCO-SPC Power Corporation (KSPC) which is also a coal-fired power plant and surely, KPHI cannot just immediately divest itself from KSPC. In sum, he opined that the policy will take some time to be implemented,

and in the meantime, SPC should find ways to survive in the current environment of excess capacity and reduced demand in the Philippine Electricity Power Market. He further explained that the investment presented precisely meets such need until such time that SPC can put in place its renewable energy progress.

The Chairman took note of the objection of KPHI and the statement of Dir. Fenix, Jr.

SVP Jaime M. Balisacan addressed the Board regarding the perceived increase in the approved budget raised by KPHI. He explained that there are two (2) types of capital expenditures or CAPEX: (1) the operating capital expenditures which are expenditures for the replacement of, additions to, major improvements on, and rehabilitation, maintenance and repair of, existing capital assets; and (2) growth capital assets which refer to expenditures for expansion projects, acquisition of capital improvements, or expenditures made solely for investment purposes. Growth expenditures will expand the company's asset base and productive capacity.

He further explained that operating capital expenditures is prepared annually and is included in the annual budget for approval of the Board of Directors. Growth capital assets on the other hand is presented separately for the approval of the Board to whenever an opportunity arises. He cited examples of growth capital expenditures such as the acquisition/purchase of the Naga Land-Based Gas Turbine in 2009 through a negotiated bid which only required Board approval; and the increase in equity contribution to KSPC Power Corporation and the acquisition of PDPP in 2009 and PB104 in 2016, with the approval of both delegated to the Execom. SVP Balisacan concluded that Project Solis is similarly situated and falls within the group of growth capital expenditure, and as such, it should not form part of the existing budget which consist only of operating capital expenditure.

After due consideration of the objections and clarifications raised, the Board proceeded to the voting by show of hands. With seven (7) votes in favor of the project and the proposed resolutions against four (4) dissenting votes, the motion was carried.

Director	In Favor	Not In Favor
Alfredo L. Henares	✓	
Dennis T. Villareal	✓	
Alberto P. Fenix, Jr.	✓	
James N. Villareal	✓	
Enrique L. Benedicto	✓	
Sergio L. Ortiz-Luis, Jr.	✓	
Francisco L. Viray	✓	
Yoon, Jong-Ryoon		✓
Kim, Yong-Uk		✓
Youn, Sang Young		✓
Lee, Kyung-eun		✓
Total	7	4

Upon motion duly made and seconded, and over the objection of four (4) directors, the Board of Directors approved the following resolution:

RESOLUTION

"RESOLVED, that the Board of Directors of **SPC POWER CORPORATION** (the "**Corporation**") authorize, as it hereby authorizes, the Corporation, to participate in the bidding, and submit a Firm Offer, for the acquisition of up to 51% interest in STEAG State Power Inc. ("**SPI**") (the "**Transaction**") in accordance with the guidelines and instructions set forth in the Process Letter dated 20 September 2021 from ING Bank N.V., by itself or through a consortium composed of the Corporation and Intrepid Holdings, Inc.

RESOLVED FURTHER, that any one of the following officers be, as each of them is hereby designated as authorized representative (the "**Authorized Representative**") of the Corporation in relation to the Transaction:

NAME	POSITION
Alfredo L. Henares	Chairman
Dennis T. Villareal	President and Chief Executive Officer

and as such, is authorized and empowered to act for and on behalf of the Corporation singly in respect of the Transaction, including without limitation, to approve the Purchase Price and other terms and conditions to be included in the Firm Offer, to sign, execute and/or deliver the Firm Offer, any and all documents necessary or proper in connection therewith, the share sale and purchase agreement, the deed of absolute sale, and any and all documents and papers in connection with the Transaction (collectively, the "**Transaction Documents**"), including those related, connected, antecedent, supplemental, consequential, or amendatory to the foregoing Transaction Documents, and to perform any and all acts, as may be necessary, appropriate and proper to carry out the Transaction, under such terms and conditions as the Authorized Representative may deem fair, reasonable, and to the best interest of the Corporation;

RESOLVED, FINALLY, that all actions taken or to be taken by the Authorized Representative pursuant to the foregoing authority are hereby ratified, confirmed and approved as the acts and deeds of the Corporation.

RESOLVED, FINALLY, that the Board of Directors of the Corporation, ratify and confirm, as it hereby ratifies and confirms, all that each of the Authorized Representatives has heretofore done or may lawfully do or cause to be done by virtue hereof."

RESOLUTION

"RESOLVED, that the Board of Directors (the "**Board**") of **SPC POWER CORPORATION** (the "**Corporation**") authorize, as it hereby authorizes, each of the following, and in each case acting singly and with full power of delegation (each an "**Authorized Representative**"):

NAME	POSITION
Alfredo L. Henares	Chairman
Dennis T. Villareal	President and Chief Executive Officer

And hereby conferring upon each Authorized Representative, and without need of any concurrent action or signature on the part of the Corporation, to represent the Corporation in its request for confirmation of non-coverage from the compulsory notification requirements or merger clearance procedure before the Philippine Competition Commission (the "**Commission**"), in accordance with Republic Act No. 10667, otherwise known as the Philippine Competition Act, and its implementing rules and regulations and issuances of the Commission (the "**PCA**"), in respect of the proposed acquisition by the Corporation of up to 51% interest in STEAG State Power Inc. ("**SPI**") from STEAG GmbH (the "**Transaction**");

RESOLVED, FURTHER, that pursuant to the foregoing grant of authority, the Board of Directors of the Corporation authorize, as it hereby authorizes, each of the Authorized Representatives, in all cases acting singly and with full power of delegation, to do and perform any and all of the following acts, or conduct any and all of the following, on behalf of the Corporation:

1. to draft, sign and file, with the Commission, the request for confirmation of non-coverage from the compulsory notification requirements or notification form, together with all the relevant certifications, affidavits and attestations, required under the PCA or by the Commission (including any amendment, supplement or correction thereof);

2. to receive, accept and rely on communications with the Commission in respect thereof;
3. to represent the Corporation at any meetings, proceedings or hearings before the Commission, whether before the notification or thereafter;
4. to submit remedies (if needed and appropriate) to the Commission, as designed and accepted by the Corporation;
5. to manage all confidentiality issues arising in and from documents transmitted to or received from the Commission;
6. to prepare, sign and file, with the Commission, all relevant documents, requests and briefs and provide all relevant information and data in respect thereof (including any amendment, supplement or correction thereof);
7. to do and perform all acts that may be necessary and proper to be done in connection with the powers granted above; and
8. to receive on the Corporation's behalf, any and all documents, communications, notices, decisions from the Commission, including but not limited to the Commission's confirmation of non-coverage, merger control decision or clearance; and
9. any and all things necessary and proper in the premises above-mentioned, with same binding force and effect as the Corporation was actually present and acting.

RESOLVED, FINALLY, that the Board of Directors of the Corporation, ratify and confirm, as it hereby ratifies and confirms, all that each of the Authorized Representatives has heretofore done or may lawfully do or cause to be done by virtue hereof."

Dir. Lee asked to be recognized and reiterated KPHI's position as a government/state-owned company. She also opined that SPC needs to hold a shareholders' meeting for the ratification of the investment pursuant to Item 8, Schedule III of the ARSA which states that investment of SPC's funds in another corporation requires at least 62 2/3% shareholders' approval.

In addition to Dir. Lee's statement, Atty. Dabbay, counsel of KPHI, stated for the record the legal basis for KPHI's veto and the request for the ratification of the shareholders. He referred to Sec.4.06 (B) of the ARSA which requires the affirmative vote of at least one (1) KPHI nominated director to approve any corporate act which will increase the approved budget by more than 5%, which is believed to be a necessary consequence of Project Solis. He also referred to Schedule III, Sec. 8 of the ARSA which enumerates corporate actions requiring the affirmative vote of shareholders holding 62 2/3% of the outstanding capital stock and among those enumerated is the investment of SPC's funds in another corporation, which is also believed to include Project Solis.

SVP Atty. Caminero informed the Board that the management solicited a confirmatory opinion from ACCRALAW that no stockholders' approval is necessary. She referred to Sec. 41 of the Revised Corporation Code which allows a corporation to invest its funds in any other corporation, business, or for any purpose other than the primary purpose for which it was organized, and added that one of the instances where stockholders' approval is not required is investment in a corporation necessary to accomplish the primary purpose as stated in the primary purpose. According to her, Project Solis is necessary to accomplish the primary purpose of SPC which includes the business of developing, constructing, commissioning hydro plants, diesel and thermal plants and other generating plants.

To further augment her position, SVP Atty. Caminero cited as a precedent, the investment made in SPC Malaya Corporation which operates and maintains a thermal power plant, that did not require stockholders' approval and no objection was raised by KPHI. Therefore, reconciling the provisions of the ARSA and the RCC, SVP Atty. Caminero concluded that if the investment of funds in another corporation is necessary to achieve the primary purpose, then stockholders' approval is not required.

The Board noted the basis of KPHI's objections and the statement of the management relative thereto.

9. OTHER MATTERS

(a) Renewal to Avail of UCPB's Payroll Service Facility

The memorandum of agreement for the payroll service facility of UCPB was presented by VP Aguirre to the Board of Directors. A motion was made and when asked if there were objections, none was raised.

Thus, upon motion duly seconded, without objection, the Board approved and adopted the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of SPC Power Corporation hereby authorize, as it hereby does, the opening of a PESO or FCDU savings, current, multi-one, and/or time deposit account, money market placement, trust account, and/or safety deposit box/es at UNITED COCONUT PLANTERS BANK (UCPB) - Main Office Branch or at any of its branches in Manila, Cebu, Bohol, and Panay;

RESOLVED FURTHER, that the Board authorizes the following individuals whose signatures appear below:

Dennis T. Villareal	
Lorenzo D. Inocando	

to sign checks, withdrawal slips, payment order, debit and credit memos, transfer of funds, and documents as may be necessary or proper to establish and maintain said bank accounts under the following capacity:

- () anyone can sign
- () any two can sign
- () all
- () other instruction specified below

RESOLVED FURTHER, that the Board of Directors authorizes the availment of the following services of UCPB:

1. Payroll Service;
2. eMoney Card Services;

3. MC Writer Services / Check Writer Services
4. PDC Warehousing / PDC Safekeeping
5. Pick-up Services / Cash Delivery Services
6. Point-of-Sale
7. Corporate Collection

(b) Authority of Atty. Isabelo Joseph P. Tomas as SPC User in Energy Virtual One-Stop Shop (EVOSS)

SVP Atty. Caminero discussed to the Board the Energy Virtual One-Stop Shop (EVOSS) and the authority requested to enable the User to access the account. A motion was made and seconded and when asked if there were objections, the Board did not raise any.

Thus, upon motion duly seconded, without objection, the Board of Directors approved the following resolution:

RESOLUTION

Whereas, the Energy Virtual One-Stop Shop (EVOSS) System is the DOE online system that allows the coordinated submission and synchronous processing of all required data and information and provides a single decision making portal for actions on applications for permits or certifications necessary for, or related to, an application of a proponent for new generation, transmission, or distribution projects;

Whereas, SPC Power Corporation (the Corporation) is registered in the EVOSS as a developer;

Whereas, Mr. Rhendan Bandalan, one of the registered users for the Corporation in the EVOS resigned from the Corporation and needs to be replaced as a registered user for the Corporation;

Whereas, the Corporation deems Atty. Isabelo Joseph P. Tomas II as qualified to represent the Corporation in the EVOSS System.

Now therefore, Be it Resolved as it is hereby resolved that Atty. Isabelo Joseph P. Tomas II is hereby authorized to be a registered user in the EVOSS in behalf of the Corporation.

The Chairman inquired if there were other matters to be discussed. The Corporate Secretary informed the Chairman that a request was received on short notice for the approval of the Board of the sale of the service vehicle and to authorize the President, Mr. Dennis T. Villareal and Mr. Victorio B. Naval for the purpose. A motion was made and seconded, and when asked for objections, the Board did not raise any.

Thus, upon motion duly seconded, without objection, the Board approved and adopted the following resolutions:

RESOLUTION

RESOLVED, that the Corporation is hereby authorized to sell the service vehicle **1997 Toyota Camry GHG-299**, more particularly described as follows:

Make: TOYOTA CAMRY
Body Type: Sedan
Year Model: 1997
Chassis No.: JT15SV20-
00016441

Engine No.: 5S-0574240
Fuel: Gasoline
Cylinder: 2.200 cc
Plate No.: GHG-299
Color: White

RESOLVED FURTHER, that the President, **Mr. Dennis T. Villareal** be authorized to represent the Corporation in the transaction with power to negotiate the terms of the sale; and the Purchasing Manager, **Mr. Victorio B. Naval**, be authorized to process and transact the sale of the vehicle;

RESOLVED FURTHERMORE, that both the above-named representatives be authorized to sign the deed of sale and other related instruments and papers;

RESOLVED FINALLY, that the above-named representatives be further authorized and to perform all other acts necessary to execute the sale.

10. ADJOURNMENT

Before adjourning, Dir. Lee clarified whether there is a need for a shareholders' ratification on Project Solis. She pointed out that the legal basis of SPC is Sec. 41 of the Revised Corporation Code; however, the ARSA is the contract between KPHI and the Villareal Group and as long as the ARSA is compliant with the law, the ARSA must take precedence over the RCC.

SVP Atty. Caminero explained that Sec. 41 was lifted from the old Corporation Code and was carried over to the RCC, and assuming for the sake of argument, that the ARSA does not contain the same provision or exception on stockholder's approval, it is deemed to be incorporated in the ARSA. Therefore, it cannot be said that the ARSA can overrule the provisions of the RCC.

The Board took note of the objection of Dir. Lee and the response of the management.

There being no other matter to be taken up by the Board, upon motion duly seconded and without any objection, the meeting was adjourned at 3:05 p.m.

Prepared and Attested by:

MISHELLE ANNE R. RUBIO-AGUINALDO
Assistant Corporate Secretary

Noted by:

VICTOR P. LAZATIN
Corporate Secretary

Approved,

ALFREDO L. HENARES
Chairman

DENNIS T. VILLAREAL
Director

ALBERTO P. FENIX, JR.
Director

YOON, JONG RYOON
Director

JAMES ROY N. VILLAREAL
Director

KIM, YONG UK
Director

SERGIO R. ORTIZ-LUIS, JR.
Director

YOUN, SANG YOUNG
Director

ENRIQUE L. BENEDICTO
Director

LEE, KYUNG-EUN
Director

FRANCISCO L. VIRAY
Director

[Attachment I follows]

For security reasons, this portion is for internal use only –

ATTACHMENT I

Name	Location	Device
ALFREDO L. HENARES	Makati City	Ipad
DENNIS T. VILLAREAL	Makati City	Ipad
ALBERTO P. FENIX, JR.	Calamba, Laguna	Ipad
YOON, JONG-RYOON	Makati City	Laptop
LEE, KYUNG-EUN	Makati City	Laptop
YOUN, SANG YOUNG	Seoul, Korea	Laptop
KIM, YONG-UK	Makati City	Notebook
ENRIQUE L. BENEDICTO	Cebu City	Iphone
SERGIO R. ORTIZ-LUIS, JR.	Ortigas, Pasig City	Laptop
FRANCISCO L. VIRAY	Quezon City	Laptop
JAIME M. BALISACAN	Cebu City	Laptop
MA. LUZ L. CAMINERO	Quezon City	Desktop
CESAR O. VILLEGAS	Las Pinas City	Laptop
JAMES ROY N. VILLAREAL	Makati City	Laptop
NINO RAY D. AGUIRRE	Laguna	Laptop
CORAZON L. GAMEZ	Pasig City	Laptop
VICTOR P. LAZATIN	Muntinlupa City	Ipad
MISHELLE ANNE R. RUBIO-AGUINALDO	Muntinlupa City	Laptop
GUILLERMO DABBAY, JR.		

ANNEX 6

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF
SPC POWER CORPORATION**
July 29, 2021, 2:00 p.m.
Via Zoom Video Teleconference

PRESENT:

ALFREDO L. HENARES
DENNIS T. VILLAREAL
ALBERTO P. FENIX, JR.
YOON, JONG-RYOON
LEE, KYUNG-EUN
YOUN, SANG YOUNG
KIM, YONG-UK
ENRIQUE L. BENEDICTO
SERGIO R. ORTIZ-LUIS, JR.
FRANCISCO L. VIRAY
RAMON Y. SY

ALSO PRESENT:

JAIME M. BALISACAN
MA. LUZ L. CAMINERO
CESAR O. VILLEGAS
JAMES ROY N. VILLAREAL
NINO RAY D. AGUIRRE
CORAZON L. GAMEZ
VICTOR P. LAZATIN
MISHELLE ANNE R. RUBIO-
AGUINALDO

1. CALL TO ORDER AND ROLL CALL

The Chairman, Alfredo L. Henares, called the meeting to order at 2:00 p.m. The meeting was held through remote communication using Zoom Video Teleconference. The Assistant Corporate Secretary, Atty. Mishelle Anne R. Rubio-Aguinaldo, recorded the minutes of the meeting.

The Corporate Secretary, Atty. Victor P. Lazatin, requested that the directors state for the record their full name, location, and device used to access the meeting pursuant to the Internal Procedures for Board Meeting by Teleconference.¹

2. PROOF OF NOTICE OF MEETING AND QUORUM CERTIFICATION

After the roll call, the Corporate Secretary informed the Board that the notice, agenda, and materials for the meeting were sent to all the directors by electronic mail on July 13 and July 23, 2021 and certified that with **ten (10) directors present**, there is a quorum was to transact the business at hand.

3. APPROVAL OF THE MINUTES OF PREVIOUS (MAY 28, 2021) MEETING

The Chairman asked the Board for comments and objections on the minutes of the previous meeting. Dir. Lee requested to be furnished with the ROI data of the investee companies mentioned in Section IX of the minutes. She informed the Board that based on the review conducted by KEPCO SPC Power Corporation (KSPC), it was not KSPC but Mactan Electric Company, Inc. (MECO) which had the lowest ROI. The Chairman clarified that it was Bohol Light Company, Inc. (BLCI) which registered the lowest ROI but other than BLCI, KSPC was among the investee companies with the lowest ROI. Dir. Lee's request was endorsed to the Senior Vice President for Finance and Administration, Mr. Jaime M. Balisacan.

Upon motion duly made and seconded, and there being no objection, the Board of Directors approved the following resolution:

¹ For security reasons, details pertaining to this portion are redacted and transposed to Attachment I which will be strictly for internal use.

RESOLUTION

RESOLVED, the motion to approve the Minutes of the Organizational Meeting of the Board of Directors held on May 28, 2021, duly seconded, is hereby approved.

4. MATTERS ARISING FROM PREVIOUS MEETING (CALL OF THIS SPECIAL MEETING)

The Chairman inquired whether there are matters arising from the previous meeting. The Corporate Secretary informed the Board that the call of this special meeting is the only matter arising out of the previous meeting.

5. CONSOLIDATED ACTUAL & INDICATIVE NET INCOME (2019 - 2022)

SVP for Finance and Administration, Mr. Jaime M. Balisacanm reported on the consolidated net income as well as the individual net income contributed by the respective companies that make up the consolidated net income. His report focused on the (1) highlights of the current year of operation as compared to the years before and after the start of the coronavirus pandemic; and the (2) highlights of the indicative net income in 2021 and in 2022 with assumptions based on continued operations of existing business units and on the current status and perceptions of KSPC power supply contracts expiring in the second half of 2021 and in 2022.

Actual Results (1st half of 2021 versus 1st half of 2020)

Both 2021 and 2020 operations were affected by the pandemic starting mid-March 2020.

According to the report, the actual consolidated net income of Php793.4 million in the first half of 2021 was 14% lower compared to the same period in 2020.

It was further reported that:

KSPC remained the biggest contributor with Php476.6 million contribution in 2021; however, KSPC also registered the biggest decline in net income of Php187.1 million due mainly to the 50-day major maintenance of units in the second quarter of 2021 without which, the performance of KSPC in the first half of 2021 would have been the same or even better than the previous year.

MECO's contribution was also lower by 22% due mainly to the continuing effect of the pandemic, especially on the industrial and commercial customers.

SPC and SIPC's contribution of Php253.7 million was 54% higher compared to the previous year which was attributed mainly to higher capacity utilization of generating assets in the ASPA and WESM businesses.

BLCI temporarily registered a negative contribution of Php2.9 million. In addition to the continued effect of the pandemic, especially on commercial and industrial customers, BLCI was also beset with temporary under-recoveries of purchased power. The total under-recovery for the first six months of 2021 was already Php21.9 million.

Actual Results (1st half of 2021 versus 1st half of 2019)

The actual consolidated net income of Php793.4 million during the first half of 2021 was also 14% lower as compared to the same period in 2019 (before the pandemic). All business units were operating with lower contributions in 2021 as compared to 2019. In the case of KSPC, however, the result of operations in the first half of 2021 was only 9% lower as compared to 2019 despite the 5-day scheduled maintenance done in the second quarter of 2021.

Indicative Results- for the Whole Year of 2021

SVP Balisacan also presented the indicative results of operations for the whole year of 2021 which were determined considering, among others, the: (i) actual results of operations in the first half of the year; (ii) government plan to convert all non-firm ASPA contracts into firm contracts by the second half of the year; and (iii) in the case of KSPC, the perceived impact of the expiring power supply contracts.

As shown by the results, the total indicative income in the second half of 2021 of Php587 million is lower as compared to the first half at Php794 million which brings the total indicative consolidated net income for the whole year of 2021 to around Php1.38 billion.

KSPC's lower indicative contribution in the second half is attributed to the expiring power supply contracts. MECO's indicative contribution in the second half is about the same as in the first half due to the continued effect of the pandemic. SPC and SIPC's indicative contributions in the second half of 2021 is lower due mainly to the assumed conversion of ASPA contracts at lower prices. BLCI, in the second half of 2021, will reverse its negative contribution during the first half based on the assumption that prices in WESM will be more stable and that some of the under-recovered purchase power will be recovered in the second half.

Projected Results in 2021 vs. Actual Results in 2020 and 2019

SVP Balisacan also showed the projected results in 2021 as compared to the actual results in 2020 and 2019.

The consolidated indicative net income for the whole year of 2021 of Php1.38 billion is 16% or Php255 million lower as compared to the actual income in 2020.

The consolidated indicative net income for the whole year of 2021 of Php1.38 billion is also 24% or Php428.8 million lower as compared to the actual in 2019. KSPC contributed the bulk of the decline. All other business units were also lower in 2021 as compared to 2019, before the pandemic year.

Indicative Results (for the year 2022)

According to the report, major assumptions used to determine the indicative results for 2022 include, among others, the following: (1) the projected environment of operations in 2021 will continue in 2022; (2) exclusion of new projects under consideration pending further development and completion of project studies; (3) the situation brought about by the pandemic is assumed to continue in 2022; (4) the government plan to convert all non-firm ASPA contracts at lower prices starting November 2021; and (4) the current status and perception of expiring power supply contracts of KSPC are also assumed and considered. Due to the extreme challenges in the renewal of power supply contracts, KSPC's indicative results is tentatively based on an alternative scenario to focus on retail electricity supply (RES) instead of focusing on competitive selection process (CSP) to renew expiring contracts. This assumption is also based on the perception that even if the existing power supply contracts are successfully renewed, it could only be on reduced prices because of extreme competition.

Based on the said assumptions, the indicative consolidated net income in 2022 of around Php582 million will be drastically lower than the indicative results of Php1.38 billion in 2021 and the actual results of Php1.6 billion and Php1.8 billion in 2020 and 2019, respectively. The report concluded that KSPC will no longer be the biggest contributor in the group's net income. The distribution utilities continue to be impacted by the pandemic, but have been slowly recovering. SPC and SIPC are also affected by the stiff competition in the ASPA business; however, enhancements are being undertaken to improve plant performance. Other measures to improve performance of SPC and SIPC include plans to continue with the projects under development.

After the report, the Chairman expressed his concerns on the performance of SPC and its subsidiaries which indicate a continuing decline from 2019 to 2022 with KSPC experiencing the steepest decline of Php1.0 billion. According to the Chairman, the decrease in net income of

SPC's subsidiaries are attributable to various reasons such as the coronavirus pandemic, stiff competition and lower prices, under-recovery of purchased power, and expiration of long term power supply contracts. He also expressed that it is unfortunate that KSPC, the highest contributor to SPC's consolidated income shall continuously incur a sharp drop in income brought about by expiring contracts.

Dir. Villareal added that SPC has consistently and closely worked with KSPC to cure the situation and has called for several meetings and has raised this issue in board meetings. Dir. Villareal also mentioned that he even wrote the KSPC Chairman who is also the EVP of KEPCO in Korea about this matter; not to mention the formal statement of SPC during the last KSPC stockholders' meeting. To date, while some of these issues remain, Dir. Villareal conveyed that they will continue to support KSPC; however, SPC as minority shareholder, does not control the decisions in KSPC. SPC can only give advice and extend assistance to KSPC.

6. REPORT ON PROJECTS UNDER DEVELOPMENT

Mr. Cesar O. Villegas, SVP for Operations and Business Development, reported on the new projects identified as follows:

A. Conventional Power

- a.1 Project ATLANTIS (Diesel)
- a.2 Project BESS (Diesel-Support)
- a.3 Project VIOS (Coal)
- a.4 Project SOLIS (Coal)

B. Renewable Power

- b.1 Project CLEAN AIR (Solar)
- b.2 Project CLEAR SKY (Solar)
- b.3 Project WHITEWATERS (Hydro)

He likewise informed the Board that due to the non-disclosure agreements executed (NDA) with the project proponents, his presentation and all limited information contained therein, shall be treated with utmost confidentiality.

After the presentation, Dir. Yoon addressed the Board stating that KEPCO had declared that it has no plans to pursue coal-fired power projects and it will be a problem for them to consider coal-fired power plants; thus, he requested the Board to consider their situation. Dir. Yoon added that as a part government-owned company, KEPCO should follow the ESG management policy. He informed the Board that KEPCO had made an announcement to abandon any kind of coal-related power. Dir. Yoon further explained that in case KEPCO tries to participate or develop coal power, it will not be able to get any support or any kind of a financial assistance or claim from its stakeholders. Dir. Yoon expressed his appreciation for the efforts of the management on these new projects, nonetheless, he emphasized that KEPCO's position on new coal power plants is very decisive and strong. He also asked if the management can explain the estimated IRR of the solar and hydro projects.

SVP Villegas informed the Board that due to the NDAs, he cannot disclose the information at this moment. However, the Chairman assured that while the management is bound by the NDAs, the projects will not be pursued without the consent of the directors and the stakeholders and that rest assured, all requested information will be shared in due time.

Dir. Fenix, Jr. proposed that the two (2) major stockholders confer and discuss on how to proceed with regard to the Korean government's directive on coal-fired power plants. The Chairman agreed and encouraged the shareholders to resolve the issue at the soonest possible time.

7. CORPORATE MATTERS

A. Amendments to the Amended Articles of Incorporation

- To include renewable energy in the primary purpose

Atty. Maria Luz L. Caminero, SVP for Legal and Regulatory Affairs, presented to the Board the management's recommendation to amend the Primary Purpose of the Corporation's Amended Articles of Incorporation in order to include to the existing Primary Purpose, among others, SPC's intention to engage in the business of renewable energy, including the exploration, development and utilization of renewable energy resources, such as but not limited to biomass, solar, wind, hydro, geothermal, ocean energy sources or hybrid systems.

- To change principal office address from Cebu to Makati

SVP Caminero also presented to the Board the proposal to amend the Principal Office and further explained that to improve operational efficiency and effectiveness of business and corporate functions, the management has recommended the merging of the Cebu and Makati offices thru the transfer of the principal office to Makati. She explained that the executive offices, where actual decisions emanate, are located in Makati. Also, with no more major operations in Cebu, maintaining an office in Cebu does not generate optimum results for the expenditure.

The Chairman asked for comments and objections, and there being none, Dir. Fenix, Jr. moved to approve the amendments and to endorse the same for the approval of the stockholders. The motion was seconded by Dir. Ortiz-Luis, Jr. Upon motion duly made and seconded, and there being no objection, the Board of Directors approved the following resolution:

RESOLUTION

RESOLVED, that the proposed amendments to Articles II and III of the Corporation's Amended Articles of Incorporation, particularly the Primary Purpose and the Principal Office, be amended to read as follows:

SECOND: That the purposes for which the Corporation is formed

PRIMARY

To design, develop, construct, erect, assemble, install, commission, rehabilitate, maintain, manage, and operate diesel, hydro, thermal, and other power generating plants, and electricity distribution and related facilities; TO ENGAGE IN THE BUSINESS OF SELLING, BROKERING, MARKETING OR AGGREGATING ELECTRICITY TO END-USERS (As amended by the resolution of the Board of Directors dated September 9, 2016 and by the written assent of stockholders representing at least 2/3 of the outstanding capital stock of the Corporation); to act as consultants, contractors or principals in the business of developing, constructing, operating and maintaining power generating plants and in the manufacture and repair of associated mechanical and electrical equipment; to carry on the general business of generation, manufacture, distribution, wheeling, transmission and/or sub-transmission of electric power in accordance with existing laws. (As amended by the Board of Directors and Stockholders in resolutions dated September 28, 2001);

TO CARRY ON THE GENERAL BUSINESS OF EXPLORATION, DEVELOPMENT, UTILIZATION AND/OR LEASE OF NATURAL RESOURCES, SUCH AS, BUT NOT LIMITED TO, SOLAR, WIND, BIOMASS, HYDRO, GEOTHERMAL, OCEAN, WAVE, AND OTHER

RENEWABLE SOURCES OF POWER OR HYBRID SYSTEMS, AS
SOURCE OF ENERGY FOR THE PRODUCTION OF ELECTRICITY;

TO OWN OR LEASE AND/OR DEVELOP NECESSARY AND/OR
RELATED REAL OR PERSONAL PROPERTIES, INCLUDING LAND,
TO EXPLORE, DEVELOP, UTILIZE AND/OR LEASE NATURAL
RESOURCES, AND/OR

TO MAKE EQUITY INVESTMENTS, IN, AND PARTICIPATE IN THE
MANAGEMENT OF DOMESTIC CORPORATIONS, PARTNERSHIPS,
AND OTHER ENTITIES ENGAGED IN (1) ACTIVITIES BY WHICH THIS
PRIMARY PURPOSE MAY BE ACHIEVED, INCLUDING BUT NOT
LIMITED TO THE ACQUISITION, CONSTRUCTION, DEVELOPMENT,
IMPROVEMENT, OPERATION, MAINTENANCE AND HOLDING OF
POWER PRODUCTION AND ELECTRICAL GENERATION FACILITIES
IN THE PHILIPPINES, AND OTHER PROPERTY INCIDENTAL
THERETO, AND (2) THE PRODUCTION AND SALE OF ELECTRICITY.

THIRD: THAT THE PRINCIPAL OFFICE OF THE CORPORATION SHALL
BE LOCATED IN 7TH FL BDO TOWERS PASEO, 8741, PASEO DE
ROXAS, MAKATI CITY, 1209 with such other branches and agencies as
it may later deem necessary to establish.

RESOLVED FURTHER, that the proposed amendments in Article II (Primary Purpose)
and Article III (Principal Office) of the Amended Articles of Incorporation, subject to the
written assent of the stockholders as of July 29, 2021² (or any other date as may be
determined to comply with existing laws), representing at least 2/3 of the outstanding
capital stock of the Corporation to be secured on September 8, 2021³ or any other
date thereafter, be approved.

8. OTHER MATTERS

No other matter was discussed at the meeting.

9. ADJOURNMENT

Upon motion duly made and seconded, the meeting was adjourned at 2:55 p.m.

Prepared and Attested by:

MISHELLE ANNE R. RUBIO-AGUINALDO
Assistant Corporate Secretary

Noted by:

VICTOR P. LAZATIN
Corporate Secretary

² Record date was modified to **August 20, 2021** to comply with the reglementary periods required by the PSE and SEC Rules. The amendment was approved by the Board of Directors through written assent.

³ Official date to secure the written assent was modified to **October 7 to 11, 2021** to comply with the reglementary periods required by the PSE and SEC Rules. The modification was approved by the Board of Directors through written assent.

Approved,

ALFREDO L. HENARES
Chairman

DENNIS T. VILLAREAL
Director

ALBERTO P. FENIX, JR.
Director

YOON, JONG RYOON
Director

RAMON Y. SY
Director

KIM, YONG UK
Director

SERGIO R. ORTIZ-LUIS, JR.
Director

YOUN, SANG YOUNG
Director

ENRIQUE L. BENEDICTO
Director

LEE, KYUNG-EUN
Director

FRANCISCO L. VIRAY
Director

[Attachment 1 follows]