



Machine Validation:

VALID UNTIL: JUNE 23, 2023



Republic of the Philippines
DEPARTMENT OF FINANCE
SECURITIES AND EXCHANGE COMMISSION
The SEC Headquarters
7907 Makati Avenue, Salcedo Village,
Barangay Bel-Air, Makati City, 1209



PAYMENT ASSESSMENT FORM

No. 20230509-7400053

DATE 05/09/2023	RESPONSIBILITY CENTER MSRD
PAYOR: SPC POWER CORPORATION MAKATI CITY	

NATURE OF COLLECTION	QUANTITY	ACCOUNT CODE	AMOUNT
Information Statement - Registrant		4020199099 (678)	7,500.00
Legal Research Fee (A0823)		2020105000 (131)	75.00
---NOTHING FOLLOWS---			
TOTAL AMOUNT TO BE PAID			Php 7,575.00

Assessed by: *NR*
nbleguardaVerified by: *jgg*
jgguiaoAmount in words:
SEVEN THOUSAND FIVE HUNDRED SEVENTY FIVE PESOS AND
00/100Remarks:
2023 ASM

PAYMENT OPTIONS

- Online payment thru eSPAYSEC at
• <https://espaysec.sec.gov.ph>
- Over the Counter Payments at any LandBank
branch nationwide

BREAKDOWN SUMMARY

FUND ACCOUNT	AMOUNT	ACCOUNT #
SEC SRC Current Account	7,500.00	0552-2222-88
SEC BTR Account - LRF	75.00	3402-2319-20
TOTAL	Php 7,575.00	

NOTES:

- A. The Payment Assessment Form (PAF) is valid until JUNE 23, 2023.
- B. Accepted modes of payment at Landbank branches:
1. Cash 2. Manager's/Cashier's Check payable to the Securities and Exchange Commission
- C. For check payment, please prepare separate Manager's checks per fund account as indicated on the breakdown summary.
- D. For over the counter payment at LandBank:
1. Print 2 copies of PAF, 1 Client Copy, 1 LandBank copy
2. Accomplish the onColl Payment slip per fund account as indicated on the breakdown summary.
Use the correct Fund Account and Account No. and provide the below information:
• Reference Number 1 - PAF No.
• Reference Number 2 - Name of Payor appearing on the PAF
3. Present OnColl Payment Slip, together with the PAF, to the LandBank Teller
- E. You may generate the electronic official receipt (eOR) by visiting <https://espaysec.sec.gov.ph/eor>
• Payment thru ESPAYSEC – eOR available upon payment
• LandBank OTC - eOR available within two (2) business days after the payment
- F. ANY ALTERATIONS WILL INVALIDATE THIS FORM

ONCOLL PAYMENT SLIP

This is your receipt when machine validated.

ONCOLL PAYMENT SLIP

P40.00



LANDBANK

Please check the appropriate mode of payment.		DATE
<input checked="" type="checkbox"/> CASH	<input type="checkbox"/> CHECK	05/09/2023
MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER		MERCHANT / AGENCY NAME
0552 2222 88		SEC SRC CURRENT ACCOUNT
Reference Number 1		Printed Name and Signature of Payor / Depositor / Representative
SPC POWER CORPORATION MARKET CITY		BARRY SANTOS RUBIOS
Reference Number 2		Validation
20230509-7400053		LBP YMCA T3(MA THERESA L.)
Reference Number 3 (Numeric)		05-09-2023 13:25 Trxn. Seq. #: 32500
8810-44-74		CASH Payment
Amount		0552-2222-88
P 7,500.00		20230509-7400053
		SPC POWER CO
		7,500.00

ONCOLL PAYMENT SLIP

This is your receipt when machine validated.

ONCOLL PAYMENT SLIP



LANDBANK

Please check the appropriate mode of payment.		DATE
<input checked="" type="checkbox"/> CASH	<input type="checkbox"/> CHECK	05/09/2023
MERCHANT / AGENCY DEPOSIT ACCOUNT NUMBER		MERCHANT / AGENCY NAME
3402 2319 20		SEC BTCL ACCOUNT - LRF
Reference Number 1		Printed Name and Signature of Payor / Depositor / Representative
SPC POWER CORPORATION MARKET CITY		BARRY SANTOS RUBIOS
Reference Number 2		Validation
No-20230509-7400053		LBP YMCA T3(MA THERESA L.)
Reference Number 3 (Numeric)		05-09-2023 13:26 Trxn. Seq. #: 25350
810-44-74		CASH Payment
Amount		3402-2319-20
P 75.00		20230509-7400053
		SPC POWER CO
		75.00

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COVER SHEET

A S 0 9 4 0 0 2 3 6 5

S.E.C. Registration Number

S P C P O W E R C O R P O R A T I O N
(f o r m e r l y S A L C O N P O W E R C O R P .)

(Company's Full Name)

7 t h F l o o r B D O T o w e r s P a s e o
8 7 4 1 P a s e o d e R o x a s
M a k a t i C i t y P h i l i p p i n e s 1 2 0 9

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

Mr. Jaime M. Balisacan

Contact Person

8810 44 74 to 77

Company Telephone Number

DEFINITIVE INFORMATION STATEMENT

SEC FORM

1 2 3 1

Month Day
Calendar Year

2 0 - I S

FORM TYPE

0 6 1 5

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS
SPC POWER CORPORATION

INFORMATION STATEMENTS PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box
☐ Preliminary Information Statement
☒ **Definitive Information Statement**
2. Name of Registrant as specified in its charter : **SPC POWER CORPORATION**
3. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
4. SEC Identification Number : **AS094-002365**
5. BIR Identification Code : **003-868-048**
6. **7F BDO TOWERS PASEO, 8741 PASEO DE ROXAS, MAKATI CITY 1209**
Address of Principal Office / Postal Code
7. Registrant's telephone number, including area code : **(63 2) 8810-4474 to 77**
8. Date, time and place of the meeting of security holders : **JUNE 15, 2023, 9:30AM via ZOOM**
9. Appropriate date on which the Information Statement is first to be sent or given to security holders : **MAY 23, 2023**
10. In case of Proxy Solicitations :

Name of Person Filing the Statement/Solicitor : **N/A**

Address and Telephone No. : **N/A**
11. Securities registered pursuant to Sections 8 and 12 of the code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Shares (as of March 31, 2023)	1,496,551,803 shares
Total Debt (as of March 31, 2023)	₱1,184,981,335

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

Yes ☒ No ☐

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
PHILIPPINE STOCK EXCHANGE, INC. / COMMON SHARE



ANNUAL STOCKHOLDERS' MEETING

SPC POWER CORPORATION will be holding its Annual Stockholders' Meeting on **June 15, 2023, Thursday, at 9:30 A.M.**, by remote communication¹ as approved by the Board of Directors on March 30, 2023. The meeting will be presided by the Chairman at the principal office located at 7th Floor BDO Towers Paseo, Paseo de Roxas, Makati City. The agenda of the meeting will be as follows:

1. Call to Order and Roll Call
2. Certification of Due Notice and Presence of a Quorum
3. Approval of the Minutes of the Annual Stockholders Meeting held on May 31, 2022
4. Report of the Chairman/Presentation of Highlights of Audited Financial Statements as of and for the Year Ended December 31, 2022
5. Approval of Directors' Fees/Bonus for CY 2022
6. Ratification of All Previous Actions of the Directors and Officers of the Corporation
7. Election of Directors (2023-2024)
8. Appointment/Reappointment of External Auditors
9. Other Matters
10. Adjournment

STOCKHOLDERS OF RECORD AS OF MAY 25, 2023 are entitled to the notice of, and to vote at, the said meeting. Stockholders intending to vote and participate remotely or *in absentia* must notify the Corporate Secretary via electronic mail at: SPCSECGroup@spcpower.com or info@spcpower.com, and must submit the following requirements: copy of valid government-issued ID with full name, signature, and photograph, proxy, and proof of authority (i.e. special power of attorney, secretary's certificate and/or board resolution), not later than **June 10, 2023**. Once validated and verified, access to the meeting, materials, and other relevant information will be sent to the stockholder by electronic mail.

Electronic copies of the Minutes of the 2022 Stockholders' Meeting, Information Statement, Management Report, and SEC Form 17A and other relevant documents are posted at the Company's website (www.spcpowergroup.com) and at PSE Edge.

The agenda does not include matters that may give rise to stockholder's exercise of appraisal right.

Muntinlupa City, May 4, 2023.

By:

MISHELLE ANNE R. RUBIO-AGUINALDO
Assistant Corporate Secretary

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

¹ Pursuant to SEC Memorandum Circular No. 6, Series of 2020 and SPC Power Corporation's Internal Procedures for Annual Stockholders' Meeting by Teleconference ("Internal Procedures").

Copy Furnished:

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, San Juan, Metro Manila

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City, Metro Manila

STOCK TRANSFER SERVICE, INC.

34th Floor, Rufino Plaza, Ayala Avenue
Makati City

ATR-KIM ENG CAPITAL PARTNERS, INC.

17th Floor, Tower One and Exchange Plaza
Ayala Avenue, Makati City



SPC POWER CORPORATION

AGENDA

ANNUAL STOCKHOLDERS' MEETING

1. Call to Order and Roll Call
2. Certification of Due Notice and Presence of a Quorum
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6. Ratification of Actions of the Directors and Officers of the Corporation
7. Election of Directors (2023-2024)
8. Appointment/Reappointment of External Auditors
9. Other Matters
10. Adjournment


MISHELLE ANNE R. RUBIO-AGUINALDO
Assistant Corporate Secretary

**WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE
REQUESTED NOT TO SEND US A PROXY.**

PROXY*

The undersigned stockholder of SPC POWER CORPORATION with _____ shares appoints the individual whose name appears below as proxy and attorney-in-fact, to represent and vote all shares registered in his/her/its name at the annual meeting on June 15, 2023, at 9:30 a.m., in any and all matters to be taken up at the said meeting and to cast the vote as follows:

Action Item	For	Against	Abstain
Approval of Minutes of 2022 Annual Stockholders' Meeting on May 31, 2022			
Approval of Directors' Fees/Bonus for CY 2022			
Ratification of Actions of the Directors and Officers of the Corporation			
Appointment/Reappointment of SGV & Co. as External Auditors			

Unless otherwise required by law, on all matters to be taken up, majority vote of the outstanding capital stock present and represented at the meeting where a quorum is existing shall be sufficient.

Nominee	No. of Votes
Dennis T. Villareal	
Alfredo L. Henares	
Alberto P. Fenix, Jr.	
James Roy N. Villareal	
Lee, Dal Hun	
Kim, Kilwon	
Bang, Sang Hee	
Lee, Sanghun	
Sergio Ortiz-Luis	
Francisco L. Viray	
Enrison T. Benedicto	

After the nomination for the election of directors is closed and the nominees are equal to, or less than, the number of directors to be elected, the Chairman will instruct the Corporate Secretary to cast all votes in favor of the nominees and declare all nominees to be elected. If the nominees are more than the directors to be elected, the Chairman shall instruct all shareholders and proxies present to vote by cumulative voting, openly, unless secret ballot is preferred.

The authority granted herein may be revoked any time before the same is exercised. A vote registered *in absentia* in the name of the undersigned stockholder will invalidate this proxy. Pursuant to Section 8 of the By Laws, in case of a corporate stockholder, this proxy must be accompanied by a board resolution or certification under oath executed by the secretary. All proxies must be submitted on or before June 10, 2023.

STOCKHOLDER
(Name and Signature)

PROXY/ATTORNEY-IN-FACT
(Name and Signature)

I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, time, and place of meeting of security holders

The annual stockholders' meeting of SPC POWER CORPORATION ("Company or Registrant") will be held on **June 15, 2023**, at **9:30 A.M.** by teleconference² (or remote communication) using the videotelephony and online chat services of Zoom Video Communications, Inc. The meeting will be hosted and presided at the principal office located at 7th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City 1209.

The approximate date when the information statement will be first sent to security holders will be on **May 23, 2023** and will be uploaded at the Company's website <https://www.spcpowergroup.com>.

Item 2. Dissenters' Right of Appraisal

As provided in Section 80 of the Revised Corporation Code of the Philippines, a stockholder may exercise his appraisal right in the following instances:

1. In case an amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or
2. authorizing preferences in any respect superior to those of outstanding shares of any class or extending or shortening of the corporate existence;
3. in case of a sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property or assets as provided in this Code;
4. in case of a merger or consolidation; and
5. in case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

In the exercise of the appraisal right, Sections 81-85 of the Revised Corporation of the Philippines provides the procedure on how it may be exercised:

- 1) File a written demand within 30 days after the voting. Failure to file the demand within the 30-day period constitutes a waiver of the right. Within 10 days from demand, the dissenting stockholder shall submit the stock certificates to the corporation for notation that such shares are dissenting shares. From the time of demand for payment until either abandonment of the corporate action or purchase of the shares by the corporation, all rights accruing to the shares shall be suspended, except the stockholders' right to receive payment of the fair value of his shares.
- 2) If corporate action is implemented, the corporation pays the stockholder the fair value of his shares upon surrender of the certificate/s of stock. Fair value is determined by the value of shares on the day prior to the date of which the vote was taken, excluding appreciation/depreciation in anticipation of such corporate action.

² See Exhibit "B"

- 3) If the fair value is not determined within 60 days from date of action, it will be determined by 3 disinterested persons (one chosen by the corporation, another chosen by the dissenting stockholder, and the last one chosen by both). The findings of the said appraisers will be final, and their award will be paid by the corporation within 30 days after such award is made. Upon such payment, the stockholder shall forthwith transfer his shares to the corporation. No payment shall be made to the dissenting stockholder unless the corporation has unrestricted retained earnings.
- 4) If the stockholder is not paid within 30 days from such award, his voting and dividend rights shall be immediately restored.

There are no corporate actions that will be taken up at the annual meeting for which a stockholder may exercise the right of appraisal.

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

Except for the approval of directors' fees and bonuses for CY 2023, the directors, officers, nominees and their associates do not have a substantial interest, direct or indirect, in any matter to be acted upon, other than election to office.

The registrant has not been informed in writing by any person of an intention to oppose any action to be taken by the registrant at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

As of April 30, 2023, there are 1,496,551,803 outstanding common shares (at P1.00 per share). Each common share is entitled to one vote, except with respect to the election of directors where the stockholders are entitled to cumulative voting. There is no classification of voting securities.

Of the total issued and outstanding common and voting shares of 1,496,551,803 as of April 30, 2023, 13.26% or 198,515,629 shares are held by the public. Equity ownership of foreigners amounts to 572,536,147 shares out of the total and outstanding shares of the Corporation.

The record date to determine the stockholders entitled to notice and to vote at the meeting is on May 25, 2023.

The election of the board of directors for the current year will be taken up and all stockholders have the right to cumulate their votes in favor of their chosen nominees for director in accordance with Section 23 of the Revised Corporation Code of the Philippines. Section 23 provides that a stockholder may vote such number of shares registered in his name as of the record date for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The total number of votes cast by such stockholder should not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected.

- **Persons Known to the Registrant to be Directly or Indirectly the Record or Beneficial Owner of More Than 5% of Any Class of the Registrant's Voting Securities**

As of April 30, 2023, the following stockholders beneficially own more than 5% of the Parent Company's common shares:

Title of Class	Name and Address of Record Owner and Relationship with the Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number Of Shares	Percent of Class
Common	KEPCO Philippines Holdings, Inc. ¹ 18 th Floor, BDO Towers Paseo 8741 Paseo de Roxas, Makati City (Stockholder) ³	KEPCO Philippines Holdings, Inc. Mr. Lee, Dalhun, President & CEO	Korean	568,098,822	37.96%
Common	Intrepid Holdings, Inc. ² 7 th Floor, BDO Towers Paseo 8741 Paseo de Roxas, Makati City (Stockholder) ³	Intrepid Holdings, Inc. Mr. Dennis T. Villareal, President	Filipino	321,905,611	21.52%
Common	JAD Holdings, Inc. ² 7 th Floor, BDO Towers Paseo 8741 Paseo de Roxas, Makati City (Stockholder) ³	JAD Holdings, Inc. Mr. Dennis T. Villareal, President	Filipino	293,201,397	19.59%

¹ Mr. Lee, Dalhun shall exercise the voting power of KEPCO Philippines Holdings, Inc.

² Mr. Dennis T. Villareal shall exercise the voting power for JAD Holdings, Inc. and Intrepid Holdings, Inc.

³ The above record owners are purely stockholders.

- **Voting Trust Holder/s**

The Company is not aware of any existing voting trust agreement involving Parent Company shares as of the date of this report.

- **Change in Control**

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

- **Security Ownership of Directors/Management**

The following Directors/Management personnel own shares in the Company as of April 30, 2023:

Title of Class	Name of Beneficial Owner	Citizenship	Number of Shares and Nature of Ownership	Percent of Ownership
Common	Dennis T. Villareal	Filipino	6,425,501(d)	0.43 %
Common	Alfredo L. Henares	Filipino	1 (d)	n.m.
Common	Alberto P. Fenix, Jr.	Filipino	855,933 (d)	0.06
Common	Enrique L. Benedicto	Filipino	1 (d)	n.m.
Common	Francisco L. Viray	Filipino	1 (d)	n.m.
Common	Sergio R. Ortiz-Luis, Jr.	Filipino	1 (d)	n.m.
Common	James Roy N. Villareal	Filipino	274,196 (d)	0.02
Common	Lee, Dalhun	Korean	1 (d)	n.m.
Common	Kim, Kilwon	Korean	1 (d)	n.m.
Common	Lee, Sanghun	Korean	1 (d)	n.m.
Common	Bang, Sanghee	Korean	1 (d)	n.m.
Common	Jaime M. Balisacan	Filipino	51,000 (d)	n.m.
Common	Maria Luz L. Caminero	Filipino	0	
Common	Cesar O. Villegas	Filipino	267,392 (d)	0.02
Common	Nino Ray D. Aguirre	Filipino	0	
Common	Victor P. Lazatin	Filipino	0	
Common	Mishelle Anne R. Rubio-Aguinaldo	Filipino	0	
Directors and Management personnel as a Group			7,874,030	0.53%

d-direct

n.m.- not material

The above company directors and officers shall hold office for one (1) year until their successors are duly elected and qualified. Such other officers may, from time to time, be appointed by the Board of Directors and shall hold office for such period as the Board of Directors may determine.

Item 5. Directors and Executive Officers

Hereunder is the list of incumbent directors and executive officers and their respective positions.

<u>Name</u>	<u>Nationality</u>	<u>Position with the Company</u>
Alfredo L. Henares ^{1, 2}	Filipino	Chairman
Dennis T. Villareal ¹	Filipino	Director, President & CEO
Alberto P. Fenix, Jr. ¹	Filipino	Executive Director
Enrique L. Benedicto ³	Filipino	Director (Independent)
Francisco L. Viray ⁴	Filipino	Director (Independent)
Sergio R. Ortiz-Luis, Jr. ⁵	Filipino	Director (Independent)
James Roy N. Villareal ⁶	Filipino	Director, Vice President
Lee, Dalhun ⁷	Korean	Director
Kim, Kilwon ⁷	Korean	Director
Bang, Sang Hee ⁸	Korean	Director
Lee, Sanghun ⁸	Korean	Director
Maria Luz L. Caminero ⁹	Filipino	SVP, Legal/Regulatory Affairs and Compliance Officer
Cesar O. Villegas ¹⁰	Filipino	SVP—Operations and Business Development
Jaime M. Balisacan ¹¹	Filipino	SVP – Finance and Administration/ Treasurer
Nino Ray D. Aguirre ¹²	Filipino	VP – Finance
Victor P. Lazatin ¹³	Filipino	Corporate Secretary
Mishelle Anne Rubio-Aguinaldo ¹⁴	Filipino	Asst. Corporate Secretary

¹ Directors and/or officers since incorporation on August 17, 1994.

² Mr. Alfredo L. Henares elected has been Chairman since May 30, 2014 up to the present.

³ Director from September 16, 2008 up to the present.

⁴ Director from May 28, 2021 up to the present.

⁵ Director from May 30, 2017 up to the present.

⁶ Assistant Vice President from Nov. 28, 2018 to May 29, 2019; Vice President from May 30, 2019 up to the present; Director from Nov. 4, 2021 up to the present.

⁷ Director from Feb. 4, 2022 up to the present.

⁸ Director from March 9, 2023 up to the present.

⁹ SVP for Legal/Regulatory Affairs from Nov. 18, 2013 up to present; concurrent Corporate Secretary from Dec. 3, 2014 to Nov. 20, 2017; also designated as Compliance Officer since Nov. 21, 2017.

¹⁰ VP-Operations and Business Development effective Dec. 3, 2014; appointed as SVP effective April 3, 2018.

¹¹ VP- Finance from Aug. 16, 1997 to April 2, 2018; SVP for Finance and Administration effective April 3, 2018; concurrent Treasurer from November 25, 2019 up to the present.

¹² VP-Finance effective May 7, 2020.

¹³ Corporate Secretary since June 25, 2020.

¹⁴ Assistant Corporate Secretary since April 3, 2018.

Unless otherwise provided by law, the powers, business and allocation of resources of the Parent Company are exercised, conducted and controlled by an eleven-member Board of Directors.

The Nomination Committee, created by the Board under its Manual of Corporate Governance, nominated the majority of the incumbent directors. The Nomination Committee further endorsed to the Board the partial list of candidates for independent directors in the persons of Mr. Francisco L. Viray, Mr. Sergio R. Ortiz-Luis, Jr., and Mr. Enrison T. Benedicto. Mr. Dennis T. Villareal was the one who nominated the Independent Directors. Mr. Dennis T. Villareal is not related to Messrs. Viray, Ortiz-Luis, and Benedicto by consanguinity nor affinity. Neither is there a professional relationship between Mr. Dennis T. Villareal and Messrs. Viray, Ortiz-Luis, and Benedicto. All nominees are qualified for election and nomination as independent directors.

In compliance with the provisions of SRC Rule 38, the Board of Directors amended its By-laws on December 8, 2004 and March 11, 2005 to include a provision on the procedure and selection of Independent Directors.

Each Director has a term of office of one year and is eligible for re-election every year. Each Director beneficially owns at least one share of the capital stock of the Parent Company. The members receive such compensation as determined by the Board of Directors.

By resolution passed by the Board, the Directors may designate one or more committees which, to the extent provided by said resolution, shall have and may exercise any of the powers of the Board which may lawfully be delegated in the management of the business and affairs of the Parent Company.

The executive officers of the Company are elected or appointed by the Board of Directors. The Chairman of the Board and the President/Chief Executive Officer are elected from the members of the Board.

• **Profile of the Incumbent Board of Directors and Executive Officers**

Alfredo L. Henares, Filipino, 69 years old, has been a Director of the Parent Company since 1994. On May 30, 2014, he was elected as Chairman and continues to serve as Chairman up to the present. He is also currently Chairman of the Parent Company's Executive Committee, a member of the Parent Company's Audit Committee, a Director of KEPCO SPC Power Corporation, and a member of the Executive Committee of KEPCO SPC Power Corporation. He was Executive Vice President and CFO of KEPCO SPC Power Corporation up to April 7, 2022; previously a Treasurer of the Parent Company and Mactan Electric Company, Inc. (MECO); On August 14, 2020, he was reelected in MECO as a Director and elected as Chairman of MECO's Audit Committee, Compliance and Related Party Transactions Committee, and Executive Committee. He is likewise the Treasurer and Director of the following corporations: Salcon Philippines, Inc.; Salcon International, Inc.; SPC Property and Development Corp.; SPEC Properties Inc.; Western Panay Hydropower Corp.; SPC Electric Co., Inc.; and SPC Light Co., Inc. He was a Director of Bohol Light Company, Inc. (BLCI) and Bohol Water Utilities, Inc. (BWUI) for about seven years prior to his appointment as Chairman of both companies effective May 2007. In the year 2015, he relinquished his Chairman position to Mr. Lim Chan Lok and went back to being a Director in BWUI. He is also the Chairman of SPC Island Power Corporation, SPC Malaya Power Corporation and KV Holdings, Inc.; President of Progressive Broadcasting Corp.; a Director of Isarog Pulp and Paper Co. He graduated from Harvard Graduate School with an MBA degree and from the Ateneo de Manila University with a Bachelor's Degree in Business Management.

Dennis T. Villareal, Filipino, 81 years old, is the Founding President, Chief Executive Officer and a Director of the Parent Company. He is also currently a member of the Parent Company's Executive Committee and Corporate Governance Committee; Director and Vice Chairman of KEPCO SPC Power Corporation; and member of the Executive Committee of KEPCO SPC Power Corporation.

He was previously the President of Mactan Electric Company, Inc. (MECO). On August 14, 2020, he was reelected in MECO as a Director and elected as Chairman of MECO's Nomination Committee and a member of MECO's Executive Committee. He is likewise the President and a Director of the following corporations: Salcon Philippines, Inc.; Salcon International, Inc.; SPC Island Power Corp.; SPC Property and Development Corp.; SPEC Properties, Inc.; Bohol Light Co., Inc.; Bohol Water Utilities, Inc.; Western Panay Hydropower Corp.; SPC Electric Co., Inc.; Rayfield Holdings, Inc.; SPC Light Co., Inc.; SPC Malaya Power Corporation; KV Holdings, Inc.; Filipinas Palmoil Processing Inc.; Filipinas Palmoil Plantations, Inc.; Filipinas Palmoil Properties, Inc.; Isarog Pulp and Paper Co., Inc.; Dentrade, Inc.; JAD Holdings, Inc.; and Intrepid Holdings, Inc. In addition, he is the Vice-President and a Director of Dowell Packaging Corp.; Rowell Industrial Corp.; and Rowell Plastic Corp. He graduated from the University of Missouri with a Bachelor of Science Degree in Business Administration.

Alberto P. Fenix, Jr., Filipino, 78 years old, has been a Director of the Company since 1994. He has also been an Executive Director of the Parent Company since September 28, 2001 and a member of the Board Executive Committee since March 7, 2006. He is likewise a Director of SPC Electric Company, Inc. starting 2001; SPC Light Company, Inc. effective 2002; Bohol Light Company, Inc. effective May 2007; SPC Island Power Corporation effective November 2007; Western Panay Hydropower Corp. since 1997; SPC Malaya Power Corporation since September 2011 and KV Holdings, Inc. since December 13, 2010. In March 2009, he was appointed as Managing Director of SPC Island Power Corporation until his resignation on August 31, 2010 but remained as a Director up to the present. In addition, he is currently the Chairman and President of Fenix Management and Capital, Inc., Independent Director of DM Wenceslao and Associates, Inc., and of VC Securities Corporation. He serves as Trustee of the Angeles University Foundation, and of the AUF Medical Center. His prior positions include directorships in National Steel Corp.; Refractories Corporation of the Philippines, Inc., Pryce Corp., Pryce Gases, Inc., Philippine National Oil Corp., Victorias Milling Company, Inc., Newtech Pulp, Inc., and Ivoclar Vivadent, Inc. with the last two corporations where he was Founding President and CEO until his retirement. He was also a Vice President of KEPCO SPC Power Corporation up to April 7, 2022. Dr. Fenix is a business leader, having been President in 1998 and 1999, and currently the Honorary President of the Philippine Chamber of Commerce and Industry (PCCI) and President of the PCCI Human Resources Development Foundation, Inc. He graduated with a Bachelor's Degree in Mathematics (cum laude) from the Ateneo de Manila University and Master's and Doctorate degrees in Industrial Management from the Sloan School of Management of the Massachusetts Institute of Technology.

Enrique L. Benedicto, Filipino, 81 years old, was appointed as Independent Director of the Parent Company on September 16, 2008 and continue to serve as such up to the present. Currently, he is also a member of the Corporate Governance Committee and the Audit committee. He is Chairman of the following companies: Enrison Holdings, Inc.; Enrison land, Inc.; Mabuhay Filcement, Inc.; Benedict Ventures, Inc.; and Berben Wood Industries, Inc. He is likewise the Vice Chairman of Bernardo Benedicto Foundation, Inc. Previously, he was either the Chairman or President of the following: Consular Corps of the Philippines, Cebu Chapter; Philippine Foundation, Inc.; Cebu Jaycee Foundation; and Cebu Jaycee Senate. He was also a Vice Chairman of the Cebu Investment Promotion Center and Trustee of the Cebu Chamber of Commerce & Industry, Inc. He was Honorary Consul of the Royal Consulate of Belgium from 1986 to 2017 and recipient of the following prestigious awards: Entrepreneur of the Year award (Grand Chamber Award) given by the Cebu Chamber of Commerce on June 28, 2013; "Officer in the Order of Leopold II" award conferred by His Majesty Baudowin King of the Belgians; Most Outstanding Cebuano Citizen presented during the 54th Cebu City's Charter day celebration; Great Cebuano Award conferred by the Province of Cebu, Mandaue Chamber of Commerce and Industry, Inc., Kapisanan Ng Mga Broadcaster ng Pilipinas (KBP), and Sugbuanong Kumintaristang Nagpakabana (SUKNA); Most Outstanding Alumnus conferred by the University of San Jose-Recoletos; Recognition Award for Outstanding Achievements by the Cebu City Government; and Recognition Award as a Member of the Board of Trustees for Ten Consecutive Years of the Cebu Investment Promotions Center. Mr. Benedicto has a Bachelor of Science in Commerce degree from the University of San Jose Recoletos.

Francisco L. Viray, Filipino, 73 years old, was appointed as Independent Director of the Parent Company on May 28, 2021 and continue to serve as such up to the present. Currently, he is also the Chairman of the Board Audit Committee and a member of the Board Corporate Governance Committee. He served as Secretary of the Department of Energy from 1994 to 1998 and President of National Power Corporation from 1993 to 1998. He is currently the President of Shin Clark Power Holdings, Inc. and Director of San Roque Power Corporation as well as a Trustee of University of Pangasinan and PHINMA-UPANG College Urdaneta, Inc. Dr. Viray was formerly President and CEO of Phinma Energy Corporation and was a member of the Board of Union. Dr. Viray has a Bachelor of Science degree and Master's degree in Electrical Engineering from the University of the Philippines. He obtained his Doctorate degree in Engineering from West Virginia University, U.S.A.

Sergio R. Ortiz-Luis, Jr., Filipino, 79 years old, was appointed as Independent Director of the Parent Company on May 30, 2017 and continue to serve as such up to the present. Currently, he is also the Chairman of the Board Corporate Governance Committee and a member of the Board Audit Committee. He is Chairman of Country Garden Agri-Tourism Development, Inc.; Manila Waterfront City; and Philippine International Airways. He is Honorary Chairman/Treasurer of the Philippine Chamber of Commerce and Industry; President and CEO of Philippine Exporters Confederations, Inc.; Honorary Chairman and Past President of Employers Confederation of the Philippines; Chairman of the National Center for Mediation; Vice Chairman/Independent Director of VC Securities Corporation; Director and Past President of Philippine Foundation, Inc.; Founding Director of International Chamber of Commerce of the Philippines; Vice Chairman of Alliance Global, Inc.; Honorary Chairman of Integrated Concepts & Solutions, Inc.; Trustee and Treasurer of Human Resources Development Foundation. He is likewise a Director of Drug Abuse Resistance Education (DARE) Phil.; Waterfront Philippines, Inc.; The Wellex Group; Manila Exposition Complex, Inc.; Lasaltech Academy; Philippine Estate Corporation; B.A. Securities; Rural Bank of Baguio; Acesite Hotel Philippines, Inc.; Forum Pacific, Inc.; Jollville Holdings Corporation; Philippine H2O Ventures Corp.; and LikeCash Asia & the Pacific Corporation. He is the President of Asia Pacific Chinese Media, Inc. His government affiliation includes being Vice Chairman of Export Development Council; Commissioner of Patrol 117; BPLS Champion of National Competitiveness Council; Member of the Industry Development Council and Private Sector Representative to the Philippine Bamboo Council. His civic organization affiliation includes being the Chairman of Rotary Club of Green Meadows Foundation; the Past President of Rotary Club Green Meadows Quezon City RI District 3780; a Senator of the Philippine Jaycee Senate; a Captain of the Philippine Coastguard Auxiliary; the Director/Treasurer of PILAK Foundation and the Vice Chairman of JARDELI Club Foundation. He is also the Honorary Consul General of the Consulate of Romania in the Philippines; Treasurer of the consular Corps of the Philippines and Honorary Adviser of the International Association of Educators for Work Peace. He was a recipient of various awards like the Business Leadership Award by the Business News Magazine, ICCP Global Excellence Award, ORAS Award, Presidential Merit Award Medal, Ulirang Ama, Most Outstanding Pasigueño, Most Outstanding Citizen of Nueva Ecija in the field of Business and International Peace Award for Economic Development to name a few. He graduated from De La Salle University with a degree of Bachelor of Arts and Bachelor of Science in Business Administration. He also took his masteral degrees in Business Administration; PhD in Humanities. and PhD in Business Technology at De La Salle University, Central Luzon University and Eulogio "Amang" Rodriguez Institute of Science and Technology, respectively

James Roy N. Villareal, Filipino, 33 years old, was elected to the Parent Company's Board on November 4, 2021. He first joined the Parent Company as Assistant Vice President on November 28, 2018 until his appointment as Vice President from May 30, 2019 and continuous to serve as such up to the present. On April 8, 2022, he was nominated and elected as Vice President of KEPCO SPC Power Corporation. On August 9, 2022, he was elected as Vice President of Bohol Water Utilities, Inc. He was connected with Seawood Resources, Inc. as Senior Analyst from March 2014 to March 2018. He was an intern at Ernst & Young, LLP, Assurance Services Department in Beijing, China; One Bank Talent Development \Program of Credit Suisse AG in Hongkong; and Bank of Singapore

Finance Department in Singapore. He was also a Management Trainee with Asian Agri Group in Sumatra, Indonesia from September 2012 to December 2012; and a Cadet Assistant Manager with Samling Plantation Group, Sdn Bhd in Sarawak, Malaysia from February 2013 to August 2013. He graduated from International School Manila with an International Baccalaureate (IB) Diploma in May 2008 and from the University of Illinois at Urbana-Champaign with a degree of Bachelor of Science in Finance, Class of 2012.

Lee, Dalhun, Korean, 56 years old, was elected to the Parent Company's Board and appointed as member of the Board's Executive Committee on February 4, 2022 to replace Mr. Yoon, Jong-Ryoon who was recalled to KEPCO's main office in South Korea for a new assignment. He is also currently the President of KEPCO SPC Power Corporation and KEPCO Philippines Holdings, Inc. His other work experiences at KEPCO include the following: Vice President, UAE Nuclear Power Construction department; General Manager of North America Business Development Department; Global Business Development Department; UAE Nuclear Power IPP Department; and UAE Nuclear Power Construction Department. He was Senior Manager of Overseas Project Development Department; KEPCO Philippines Corporation, and KEDO Nuclear Project Department. Mr. Lee Dalhun joined KEPCO in 1992. Educational attainment: B.A. in Law, Kyungbuk National University, Korea.

Kim, Kilwon, Korean, 47 years old, was elected to the Parent Company's Board and appointed as member of the Board's Executive Committee, Audit Committee and Corporate Governance Committee on February 4, 2022 to replace Mr. Kim, Yong-Uk who was recalled to KEPCO's main office in South Korea for a new assignment. He is also currently the General Manager of KEPCO Philippines. Mr. Kim joined KEPCO in 2002 and held the following positions: General Manager of South Incheon Office, Incheon Regional Headquarters; Senior Manager of overseas Nuclear Power Business Development, KEPCO Philippines, Overseas Business Operation Department, Treasury Department and Overseas Resources Development Department. Educational attainment: B.A. in Economics, Myungji University, Korea.

Bang, Sang Hee, Korean, 48 years old, was elected to the Parent Company's Board on March 9, 2023 to replace Ms. Lee, Kyung-Eun who was recalled to KEPCO's main office in South Korea for a new assignment. Ms. Bang joined KEPCO in 1998 and held the following positions: Senior Manager, Regional Headquarter KEPCO Gyeonggi; Senior Manager, Global Business Management Department; Senior Manager, KEPCO Philippines; General Manager, Regional Headquarter KEPCO Incheon; General Manager, Human Resources Department; and General Manager, Global Business Management Department. Her academic background includes IB-MBA, Helsinki School (2013) and Bachelor of Economics, Seoul Women's University (1998).

Lee, Sanghun, Korean, 43 years old, was elected to the Parent Company's Board on March 9, 2023 to replace Mr. Youn, Sang-Young who was recalled to KEPCO's main office in South Korea for a new assignment. Mr. Lee joined KEPCO in 2014 and held the following positions: Senior Manager, Overseas Nuclear Power Business Department; Senior Manager, Legal Affairs Deptment; and Senior Manager, KEPCO Philippines. His academic background includes B.A. in Law, Chungnam University of Korea (2006); M.A. in Commercial Law, Chungnam University of Korea (2012); and Judicial Research and Training Institute (2014).

Maria Luz L. Caminero, Filipino, 60 years old, was appointed Senior Vice President for Legal/Regulatory Affairs of the Parent Company on November 18, 2013 and continues to serve as such up to the present. Atty. Caminero was also appointed as Corporate Secretary from December 3, 2014 to November 20, 2017. She was also designated as Compliance Officer on November 20, 2017 up to the present. She has practiced law for twenty-five (25) years. Her present practice focuses on energy law, particularly in the power industry in the Philippines. From 2003-October 2013, she was the Vice-President and General Counsel of the Power Sector Assets and Liabilities Management Corporation (PSALM). During her ten-year stint in PSALM, she was designated as Acting President from April-June 2010 and thereafter appointed as OIC from June-September 15 of the same year.

Prior to her work at PSALM, she was the Chief Corporate Attorney for National Power Corporation (NPC) in the Tax Counseling Corporate Affairs and Government Relations Department and Litigation Department, Office of the General Counsel. She also served as legal adviser to the Office of the NPC President during the terms of two NPC presidents. In the transition period in anticipation of the implementation of the EPIRA, she was capbadged and assigned to TRANSCO to work on transmission business transactions. Atty Caminero worked for NPC from 1995 -2003, although eventually detailed to work for PSALM in 2001-2003. Atty. Caminero also worked with the Judiciary for a period of six years. She was the Head Lawyer (Court Attorney V) of the Office of Associate Justice Florida Ruth P. Romero, Supreme Court from 1991-1995. Earlier, she worked in the Office of Associate Justice Fidel P. Purisima, Court of Appeals, as Court Attorney V from 1989 -1991. As an underbar, she worked with the Office of Senator Santanina T. Rasul in the latter part of 1988 -1989.

Cesar O. Villegas, Filipino, 61 years old, was appointed as Senior Vice President for Operations and Business Development on April 3, 2018. He joined the SPC Group on February 2, 2010 as Senior Manager for Business Development/Technical Assistant to the President and later as Vice President for Business Development and Commercial Operation effective December 3, 2014. On April 8, 2022, he was appointed as Vice President of KEPCO SPC Power Corporation. He was also appointed as Vice President of Bohol Light Company, Inc. on August 9, 2022. Before joining the SPC Group, he was a Technical Manager of Ultrawaters, Inc. (a water treatment company); Electrical Engineer at Rudell & Associates; Project Manager at Pangea Green Energy Phils. Inc.; Operations Manager and Operations Shift Manager at Enron Power Philippines; Planning & Scheduling Chief, Instrumentations Engineer and Control Switchboard Engineer with National Power Corporation; and Plant Electrical Engineer at Coco-Chemicals Philippines. He obtained his Bachelor of Science in Electrical Engineering degree from the Mapua Institute of Technology. He is a Registered Electrical Engineer.

Jaime M. Balisacan, Filipino, 68 years old, has been the Senior Vice President for Finance and Administration of the Parent Company since April 3, 2018 and concurrent Treasurer from November 25, 2019 up to the present. On April 8, 2022, he was appointed as Executive Vice President and CFO of KEPCO SPC Power Corporation. He was elected as Treasurer of Mactan Electric Company, Inc. from August 14, 2020 up to the present. He also renders financial services to certain subsidiaries in the SPC Group. Mr. Balisacan joined the SPC Group on August 16, 1997 as Vice President for Finance of the Parent Company. Before joining the SPC Group, he was the Controller of Toledo Power Company from July 1994 to August 1997. He also worked as Financial Services Director/Specialist with Atlas Consolidated Mining and Development Corporation (ACMDC) from March 1989 to June 1994. He likewise served ACMDC in other capacities as Inventory Control Superintendent – Materials Management Division, Group Head/Inventory Accountant, Accounting Supervisor and Audit Clerk – Comptrollers Division. Mr. Balisacan is a Certified Public Accountant. He graduated from the Divine Word College of Laoag, Laoag City with a degree in Bachelor of Science in Commerce, Major in Accounting.

Nino Ray D. Aguirre, Filipino, 45 years old, has been the Group's Vice President for Finance since his election on May 7, 2020 up to the present. He was also appointed as Treasurer of Bohol Light Company, Inc. on August 9, 2022. Before joining the SPC Group, he was the Chief Financial Officer of Gendiesel Philippines, Inc.; Cost Controller of Ocean Rig Ultra Deepwater, Inc. of its South Korea Drillship Construction Projects; and Country Controller of Atlantic Marine Service Egypt based in Cairo, Egypt. He also worked in various international onshore locations such as India, Angola, South Africa, France, United States and Brazil when he was with Pride International, Inc. as a Senior Projects Cost Controller. He was also a Senior Cost Accountant III in Fujitsu Ten Corporation of the Philippines and an Associate in Sycip Gorres Velayo & Co., an affiliate of Ernst & Young. He graduated from the University of the Philippines in the Visayas with a degree of Bachelor of Science in Accountancy in April 1999 and became a Certified Public Accountant in October of the same year.

Victor P. Lazatin, Filipino, 75 years old, was elected as Corporate Secretary on June 25, 2020. He is connected with Angara Abello Concepcion Regala & Cruz (ACCRA) Law Offices since 1973: Associate (1973), Senior Associate (1974 to 1976); Partner (1977 to 1981); Senior Partner (1982-2012); Managing Partner (1992-2002); Of Counsel (2012 to 2020); and Senior Legal Counsel (2021). Presently, he is the Chairman of the Philippine Dispute Resolution Center, Inc. (2016) where he also served as President from 2009 to 2013. He was formerly a President of the Philippine Bar Association (2006-2007) and the Philippine Institute of Construction Arbitrators and Mediators (2004-2006). He is also a member of the International Court of Arbitration, Paris (2014 to present), the Asean Law Association, and the Inter-Pacific Bar Association. He was a Member of the Board of Directors of the following corporations: Philippine Bank of Communications (PBCOM), United Overseas Bank, Ltd. Manila, and Century Bank of California. He is the Chairman of Timog Silangan Development Corporation, Kenram Industrial and Development, Inc., and Kenram Palm Oil Industries, Inc, among others. He is a director of the MJC Investment Corporation, ACCRAIN Investment Corporation and Worldwide Express. At present, he is the Chairman of the UP Law Alumni Association (2014 to present) and a Director and the Treasurer of UP Law Alumni Foundation. He was also a former President of the UP Law Alumni Association (1996) and UP Law Class '71. He earned his Bachelor of Laws degree in 1971, as *Cum Laude*, and his AB Economics degree in 1967 from the University of the Philippines. In 1974, he obtained his Master of Laws from the University of Michigan as Clyde Alton de Witt Fellow. Atty. Lazatin ranked 3rd in the 1971 Bar Examinations.

Mishelle Anne R. Rubio-Aguinaldo, Filipino, 35 years old, was elected as Assistant Corporate Secretary on April 3, 2018. She founded her own law firm, Rubio-Aguinaldo & Attorneys Law Firm. She is actively engaged in various practice areas of law such as Civil Law, Criminal Litigation, Labor Law, Corporate and Commercial Law, Energy Law, Maritime Law, Appellate Practice and Special Projects. She is a legal adviser to several corporations: Archipelago Philippine Ferries Corporation and its Group of Companies, Channel Technologies, Inc. and Channel Solutions, Inc., CEAM Technical Services Corporation, and Mactan Electric Company, Inc. Atty. Rubio-Aguinaldo is a graduate of BA Political Science from the University of the Philippines, and obtained her Juris Doctor degree from San Beda University, School of Law. At present, she is taking up her Masters of Law degree in International Dispute Resolution at the Queen Mary University of London while engaged in various international trainings and conferences hosted by the University of Basel, Switzerland, the Università degli Studi di Milano, among others. Atty. Rubio-Aguinaldo is also a member of the International Bar Association, LAWASIA, and the Energy Arbitration Club.

The disclosed business experience of the above Directors and Officers is for at least the last five years, unless otherwise indicated in their profiles.

• **Family Relationships**

James Roy N. Villareal, a Director and Vice President of the Parent Company, is the son of Dennis T. Villareal, the Parent Company's President and Chief Executive Officer. Other than this, no officers and/or directors are related within the fourth civil degree either by consanguinity or affinity.

• **Involvement in Certain Legal Proceedings**

None of the Directors and Officers were involved in the past five years in any insolvency or bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities, or banking activities, nor found in action by any court or administrative body to have violated a securities or commodity law.

• Qualification and Election of Directors

The Parent Company has 11 directors. Under the Corporation Code, each director must be a stockholder of record at the time of election. The directors are elected by a plurality of votes at the annual meeting of the Parent Company each year. At each election of directors, every stockholder has the right to vote, in person or by proxy, the number of shares owned by such stockholder for as many persons as there are directors to be elected or to cumulate such stockholder's votes by giving one candidate as many votes as the number of such directors multiplied by the number of such stockholder's share, or by distributing such votes on the same principle to any number of candidates. Directors so elected hold office until the expiration of their respective terms and until the election and qualification of their respective successors.

The following directors will be nominated for election at the Annual Stockholders' Meeting on June 15, 2023:

Dennis T. Villareal; Alfredo L. Henares; Alberto P. Fenix, Jr.; Enrison T. Benedicto; Sergio R. Ortiz-Luis, Jr.; Francisco L. Viray; James Roy N. Villareal; Lee, Dalhun; Kim, Kilwon; Bang, Sang Hee, and Lee Sanghun.

No director has resigned or declined to stand for election to the board of directors since the date of the last annual meeting of shareholders because of a disagreement with the registrant on any matter relating to the registrant's operations, policies or practices. Furthermore, no director has furnished the registrant with a letter describing a disagreement with the registrant.

The Nomination Committee, pursuant to the Company's Revised Manual on Corporate Governance and the Code of Corporate Governance for Publicly-Listed Companies, is now part of its Corporate Governance Committee with the following membership:

Chairman	:	Sergio R. Ortiz-Luis, Jr.
Members	:	1. Francisco L. Viray
		2. Enrique L. Benedicto
		3. Dennis T. Villareal
		4. Kim, Kilwon

Attached as Exhibit "D" is a Certification on directors' non-affiliation with any government office. As further required by Section 49 of the Revised Corporation Code, directors' record of meetings attached as Exhibit "B-II" is appended as an additional attachment.

• Independent Directors

The following, based on the final list of candidates prepared and submitted by the Corporate Governance Committee to the Board, shall be nominated as Independent Directors for 2023-2024: Sergio R. Ortiz-Luis, Jr; Francisco L. Viray; Enrison T. Benedicto. Mr. Dennis T. Villareal submitted to the Corporate Governance Committee their nomination. He is not related to any one of them by consanguinity/affinity or professionally.

The procedures for the nomination and election of Independent Directors is in accordance with the provisions of SRC Rule 38, as amended and is cited in the Corporation's Revised Manual on Corporate Governance filed with the Commission on July 24, 2015 as amended. Moreover, the Corporation's Amended By-Laws, particularly Section 2, Article III thereof provided that "xxxxx The Corporation shall adopt the procedures on the nomination and election of independent directors pursuant to SRC Rule 38." Attached as Exhibit "D", series are the Certifications of the Independent Directors.

- **Certain Relationships and Related Party Transactions**

1. Dealings of Directors, Trustees, or Officers with the Corporation

There are no contracts with one or any of its directors, officers, or their spouses and relatives within the fourth civil degree of consanguinity or affinity.

2. Transactions between Parent Company and Subsidiaries

In the normal course of business, the Parent Company and its subsidiaries have significant transactions with related parties which are made on an arm's length basis as of the time of the transactions. The details of these transactions are contained in Note 5 of the Audited Financial Statements (AFS) of the Registrant as of and for the year ended December 31, 2022.³ The Consolidated AFS as of and for the period ended December 31, 2022 forms part of SEC Form 17-A attached as Exhibit "H".

- **Dependence on Certain Key Personnel**

Dennis T. Villareal, the Parent Company's President and Chief Executive Officer, has contributed significantly to the overall success of the Group. The loss of his services could, therefore, have an adverse impact on the future performance of the Group.

There is no one particular employee or personnel who is not an executive officer but is expected to make a significant contribution to the business of the Group on his own.

Item 6. Compensation of Directors and Executive Officers

1. Terms and Conditions of Employment Contract, Compensation Plan:

Except for the President and the Executive Director, the Parent Company's other Senior Officers are also regular employees and are similarly remunerated with a compensation package equivalent to thirteen (13) months' salary per annum. They also receive whatever year-end gratuity pay the Board extends to the managerial, supervisory, and technical employees of the Parent Company. These terms and conditions are included in the employment contract between the Parent Company and its Senior Officers.

The members of the Board of Directors are elected for a term of one year. They receive annual remuneration in director's fees, in addition to compensation of ₱27,777.78 per director on a per board or committee meeting participation. Moreover, members of the Board of Directors who perform executive functions are paid additional remuneration.

The aggregate compensation paid or incurred during the last three years and estimated to be paid in the ensuing year to the Parent Company's President and CEO, Executive Director, and five (5) most highly compensated Senior Officers are as follows:

³ See SPC 2022 AFS for Parent Company attached to Exhibit "H", SEC Form 17-A (Annual Report).

<u>Name & Principal Position</u>	<u>Year</u>	<u>Salary (Pesos)</u>	<u>Bonus (Pesos)</u>	<u>Total</u>
President/CEO, Executive Director, and five (5) most highly compensated Senior Officers	Projected 2023	43,724,462	3,952,761	47,677,223
	Actual 2022	43,343,314	3,764,534	47,107,847
	Actual 2021	36,287,553	4,031,361	40,318,914
	Actual 2020	33,426,666	3,040,010	36,466,676
All Directors and Senior Officers as a group unnamed	Projected 2023	48,430,017	3,952,761	52,382,778
	Actual 2022	48,048,869	3,764,534	51,813,403
	Actual 2021	42,093,108	4,031,361	46,124,469
	Actual 2020	39,226,565	3,040,010	42,266,575

The highest ranked Senior Officers included in the foregoing compensation table are the following:

Dennis T. Villareal - President and CEO/Director.
Alberto P. Fenix, Jr. - Executive Director/Director.
James Roy N. Villareal – Vice President/Director.
Maria Luz L. Caminero - SVP, Legal/Regulatory Affairs and Compliance Officer.
Cesar O. Villegas – SVP, Operations and Business Development.
Jaime M. Balisacan – SVP, Finance and Administration/Treasurer.
Nino. R. D. Aguirre –VP, Finance and Administration.

In 2022, the incumbent non-executive directors and independent directors of the Parent Company received remuneration in annual director's fees and compensation on a per meeting participation as follows:

Director	Amount
Alfredo L. Henares	P966,667
Francisco L. Viray	738,889
Enrique L. Benedicto	766,667
Sergio R. Ortiz-Luiz, Jr.	766,667
Youn, Sang Young	627,778
Lee, Dalhun	633,333
Kim, Kilwon	688,889
Lee, Kyung-Eun	683,333
Total	P5,872,223

Item 7. Independent Public Accountant

The stockholders appointed SyCip Gorres Velayo & Co. (SGV) as the Independent Public Accountant for the year 2022. Mr. Alvin M. Pinpin was appointed by SGV as the engagement partner to lead the audit of the Parent Company's financial statements effective for the year 2018. Mr. Pinpin replaced Ms. Jhoanna Feliza C. Go of the same auditing firm. Ms. Go was the engagement partner who led the audit of the Parent Company's financial statements from 2016 to 2017. The replacement of Ms. Go is brought about by SGV's initiative to continue ensuring the audit effectiveness in servicing the group where the Parent Company belongs. The Parent Company is an associate of KEPCO Philippines Holdings, Inc. and subsidiary, where Mr. Pinpin currently serves as the engagement partner.

The appointment of a new SGV engagement partner in 2018 was also an early compliance with SRC Rule No. 68, Paragraph 3(b)(iv) requiring the change of external auditor or engagement partner for

corporations covered under the Code of Corporate Governance who had engaged external auditors for a consecutive period of five years or more.

The reappointment of SGV as Independent Public Accountant for the year 2022, along with Mr. Alvin M. Pinpin as the engagement partner, will be submitted to the stockholders for their confirmation and approval.

Authorized representatives of SGV, who shall be present at the meeting, will have the opportunity to make a statement if they choose to do so, and will be available to respond to appropriate questions.

The composition of the Audit Committee is as follows: Mr. Francisco L. Viray (Chairman); Mr. Alfredo L. Henares (Member); Mr. Sergio R. Ortiz-Luis, Jr. (Member); Mr. Enrique L. Benedicto (Member); Mr. Kim, Kilwon (Member)

Item 8. Compensation Plans

Other than what is provided under applicable labor laws, there are no compensatory plans or arrangements with executive officers entitling them to receive any sum of money as a result of their resignation, retirement or any other termination of employment, or from a change in control of the Parent Company, or a change in the executive officers' responsibilities following a change in control of the Parent Company. There are no warrants or options outstanding in favor of directors and officers of the Parent Company.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange – *Not Applicable*

Item 10. Modification or Exchange of Securities – *Not Applicable*

Item 11. Financial and Other Information – *See page 32*

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters – *Not Applicable*

Item 13. Acquisition or Disposition of Property – *Not Applicable*

Item 14. Restatement of Accounts – *Not Applicable*

D. OTHER MATTERS

Item 15. Action with Respect to Reports

During the May 31, 2022 Annual Stockholders' meeting, the performance of the Parent Company and Subsidiaries in 2021 was reported to the stockholders. As contained in the 2022 Minutes of Stockholders' meeting and after a quorum was determined, the following agenda items were favorably acted upon and unanimously approved:

- a. Approval of Minutes of the 2021 Annual Stockholders' Meeting;
- b. Presentation of the Audited Financial Statements for CY2021;
- c. Approval of Directors' fees/bonuses for CY2021;
- d. Appointment/reappointment of external auditors;
- e. Ratification of all previous actions of the Board of Directors and Officers done in the ordinary course of business since the last annual stockholders' meeting; and
- f. Election of Directors for 2022 - 2023.

The Minutes of the 2022 Annual Stockholders' Meeting (Exhibit "J") will be presented for approval during the annual meeting and may be viewed Company's website at www.spcpowergroup.com. The Minutes include (1) a description of the voting procedure; (2) a description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given; (3) the matters discussed and resolutions reached; (4) a record of voting results for each agenda item; (5) the list of the directors, officers, and stockholders present.⁴

For the June 15, 2023 Annual Stockholders' Meeting, the Chairman of the Board and the Senior Vice President for Finance and Administration will report to the stockholders the highlights of operation and financial performance of the Parent Company and its Subsidiaries for the year ended December 31, 2021 and the following matters will be considered and acted upon during the meeting:

- a. Approval of the Minutes of the 2022 Annual Stockholders' Meeting;
- b. Presentation of the Audited Financial Statements for CY2022;
- c. Approval of Directors' fees/bonuses for CY2022;
- d. Appointment/reappointment of external auditors;
- e. Ratification of all Previous Actions of the Board of Directors and Officers of the Parent Company in the ordinary course of business; and
- f. Election of Board of Directors for 2022 - 2023

The significant actions undertaken in 2022 by the Board of Directors and Officers of the Parent Company are shown in the attached Exhibit "B-I" (Items for Ratification of Past Acts of the Board of Directors and Officers Since the last Annual Meeting). Approval and ratification of the minutes, reports, and acts of the Board of Directors and Officers constitute approval of the matters therein.

No action on any matter, other than those stated in the Agenda for the Meeting, is proposed to be taken, except matters of incidence that may properly come at the meeting.

⁴ Compliance with Section 49, Revised Corporation Code: (a) Minutes of the most recent regular meeting, see *website*; (b) List of material information on current stockholders and their voting rights, see *page 7*; (c) Director attendance report indicating the attendance of each director at each of the meetings of the board and its committees and in regular or special meetings, see *Exhibit "B-II"*; (d) Appraisals and performance report for the board and the criteria and procedure for assessment, see *page 34*; (e) Directors disclosures on self-dealing and related party transactions, see *page 18*.

Item 16. Matters Not Required to be Submitted

Proofs of transmittal to stockholders of the required Notice for the Meeting and of the presence of a quorum at the meeting form part of the Agenda for the Meeting but will not be submitted for approval by the stockholders.

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

On June 9, 2022, the Securities and Exchange Commission (SEC) approved the 2021 Amendments to the Articles of Incorporation, particularly Article II (Primary Purpose) to include the 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, among others; and, Article III (Principal Office) thereof which effectively transfers the principal office of the Corporation from Cebu to Makati City. A copy of the 2021 Amendments to the Articles of Incorporation is uploaded at the Company's website.

On May 31, 2022, the Board of Directors, consistent with the mandate of the Revised Corporation Code, the Board approved the proposed 2022 amendments to the amended By-Laws Corporation's **By-Laws**, particularly **Sections 2, 3, 4, and 7 of Article II and Section 7 of Article III** thereof. The amendments were submitted for stockholders' approval and ratification on August 5, 2022. The amendments are awaiting the approval of the SEC. A copy of the 2021 Amendments to the Articles of Incorporation is uploaded at the Company's website. A copy of 2022 amendments to the amended may also be accessed at the Company's website.

Item 18. Other Proposed Action

Other than the ones included in the agenda, the Corporation does not have any other matter proposed to be acted upon by the shareholders.

Item 19. Voting Procedures

Unless otherwise required by law, on all matters to be taken up, majority vote of the outstanding capital stock present and represented at the meeting where a quorum is existing shall be sufficient.

For the selection of directors, the eleven (11) nominees receiving most number of votes will be elected to the Board of Directors. Cumulative voting will apply.

After the nomination for directors is closed and the nominees are equal to or less than number of directors to be elected, the Chairman will instruct the Corporate Secretary to cast all votes in favour of the nominees and declare all nominees to be elected. If the nominees are more than the directors to be elected, the Chairman shall instruct all shareholders and proxies present to vote by cumulative voting using the ballots to be provided in the meeting. All ballots shall be returned and transmitted by electronic mail in the e-mail address provided and the Corporate Secretary will tabulate the votes as soon as possible and certify who are the duly elected directors.

If any stockholder prefers the election to be done by secret ballot, such intention must be communicated to the Corporate Secretary before the meeting in order to prepare the rules of procedure that will govern the election by secret ballot. Otherwise, the stockholders will vote openly or viva voce. The Corporate Secretary, in the presence of the external auditor, will then tally and report on the

votes, including the votes of stockholders *in absentia*. Thereafter, the Chairman will declare the elected directors.

Voting on motions may also be done by secret ballot, if any stockholder so requests, otherwise it will be conducted by *viva voce* or by show of hands. In case of a division of the house, the votes will be tallied and reported by the Corporate Secretary in the presence of the external auditor.

Stockholders who will participate via remote communication or in absentia may submit their votes on agenda items requiring stockholders' action and on the nomination and election of directors, as well as their concerns, through email at SPCSECGroup@spcpower.com or info@spcpower.com not later than June 10, 2023.

- **Participation Through Remote Communication**

Stockholders who will participate via remote communication will receive the Zoom meeting invitation and other instructions in their email account, or on their mobile phone or Viber account. They will be admitted by the meeting host/administrator of the meeting (i.e., the Corporate Secretary), and their presence will be recorded. They can participate in the meeting, and raise questions and concerns via live video, audio, and/or chat services on Zoom platform. Guidelines (Exhibit "A") for the conduct of the ASM will also be e-mailed to the stockholders prior the meeting.

SIGNATURE

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 Makati on May 5, 2023.

SPC POWER CORPORATION

By:

MISHELLE ANNE R. RUBIO-AGUINALDO
Assistant Corporate Secretary

II.

BUSINESS AND GENERAL INFORMATION

Business Development

The Company

SPC Power Corporation (the Parent Company), formerly Salcon Power Corporation, was incorporated in the Republic of the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on March 11, 1994.

The Parent Company was formerly a venture company owned by members of the Salcon Consortium which entered into a Rehabilitation, Operation, Maintenance and Management Agreement (ROMM Agreement) with the National Power Corporation (NPC) on March 25, 1994 for the purpose of undertaking the rehabilitation, operation, maintenance and management of the 203.8 megawatt (MW) Naga Power Plant Complex (NPPC) in Colon, Naga, Cebu under the rehabilitate-operate-maintain-and-manage scheme as defined in the ROMM Agreement.

Under the ROMM Agreement, the Parent Company, at its own cost, rehabilitated, operated, maintained and managed the NPPC over the Cooperation Period of 15 years commencing on the Turnover Date as defined in the ROMM Agreement. The Parent Company received from NPC, its sole customer, Operation and Maintenance (O&M) fees and energy fees derived from conversion into electricity of fuel supplied by NPC at no cost to the Parent Company throughout the Cooperation Period. The fees were subject to an agreed minimum energy off-take (EMOT), which was the minimum guaranteed energy purchase by NPC on a take-or-pay basis. The Parent Company was also entitled to a fuel efficiency bonus if the actual net heat rate of each of the power plants was less than the corresponding guaranteed net heat rate and be liable for a penalty if the actual net heat rate was greater than the guaranteed rate. At the end of the Cooperation Period, the Parent Company transferred to the NPC full possession of the NPPC, clean and unencumbered title to any and all the improvements, works and structures rehabilitated, constructed, improved and introduced by the Parent Company in the NPPC.

In resolutions dated September 28, 2001, the Board of Directors and Stockholders amended the primary purposes for which the Parent Company is formed. Together with its subsidiaries and associates, it is engaged in various business activities within the Philippines that include, among others, the development, construction, rehabilitation, maintenance, management, and operation of power generating plants, electricity distribution and related facilities in accordance with existing laws.

On April 2, 2002, the Parent Company's common shares were listed in the Philippine Stock Exchange (PSE).

On June 30, 2004, the Parent Company, the NPC and the Power Sector Assets and Liabilities Management Corporation (PSALM) further amended the Implementing Agreement (IA) which implemented the covenants set forth in the Term Sheet and amended the ROMM Agreement and its First Amendment, by executing the Amended Implementing Agreement (AIA) which became effective on August 26, 2004. Salient matters of the AIA included, among others, a 20% reduction in the EMOT for the CTPP 1, CTPP 2 and CDPP 1 during the remaining Cooperation Period subject to certain conditions. As a consequence of the EMOT reduction, the Cooperation Period for the CTPP 1, CTPP 2 and CDPP 1 was extended for nearly three (3) years from May 29, 2009 to March 25, 2012. After the Cooperation Period for the 55 MW LBGTs, on January 29, 2010, the Parent Company acquired the LBGTs for strategic purposes as the LBGTs are located in the Power Complex that is occupied by the Parent Company for the operation of the CTPP and CDPP under the ROMM

Agreement until March 25, 2012, and under series of Operation and Maintenance Service Contracts (OMSCs) until September 25, 2014.

After the expiration of the ROMM Agreement on March 25, 2012, OMSCs were awarded by PSALM to the Parent Company for the continuous operation and maintenance of CTPP 1, CTPP 2 and CDPP 1 for successive six-month periods up to September 25, 2014. Under the OMSC, the Parent Company received service and operating fees from PSALM.

In 2014, the Parent Company participated in the bidding for the acquisition of NPPC (see Note 29 of the consolidated financial statements of the Parent Company and Subsidiaries).

On April 15, 2016, SPC Island Power Corporation (SIPC), a wholly owned subsidiary of the Parent Company, submitted the highest offer to PSALM in the negotiated sale of the 32-MW Power Barge (PB) 104. On June 16, 2016, the Parent Company executed an Amendment, Accession and Assumption Agreement with PSALM and SIPC. Under the agreement, SIPC assigned all its rights and obligations as Buyer of PB 104 to the Parent Company after PSALM gave its consent pursuant to the provisions of the Asset Purchase Agreement between SIPC and PSALM. On June 30, 2016, PSALM turned over the PB 104 to the Parent Company for rehabilitation. PB 104 started commercial operations on August 1, 2018 (for Unit Nos. 1, 2 and 3) and on June 11, 2019 (for Unit No. 4).

On September 9, 2016, the Parent Company's Board of Directors amended the Parent Company's Articles of Incorporation in order to engage in the business of selling, brokering, marketing, or aggregating electricity to the end-users. The amendments were subsequently approved and confirmed by written assent of the stockholders representing at least 2/3 of the outstanding capital stock of the Parent Company. On January 4, 2017, the SEC approved such amendment.

On July 29, 2021, the Parent Company's Board of Directors further amended the Parent Company's Articles of Incorporation for it to embark on the exploration and development of renewable energy (RE) resources. Stockholders representing more than two-thirds of the outstanding capital stock voted on October 7 – 11, 2021 to include in the Parent Company's primary purpose to carry on the general business of exploration, development and utilization and/or lease of natural resources, such as solar, wind, biomass, hydro, geothermal, ocean, wave and other RE sources of power or hybrid systems, for the production of electricity. The stockholders also allowed the company to own, lease and develop real or personal properties, including land; and invest in the management of domestic corporations, partnerships and entities to attain its primary purpose. The SEC approved the amendment on June 9, 2022.

Subsidiaries/Associates

The Parent Company has the following subsidiaries:

(i) SPC Island Power Corporation (SIPC). SIPC, a wholly owned subsidiary, was incorporated and registered with the SEC on June 26, 2001. It operates the 146.5 MW Panay Diesel Power Plant (located in Dingle, Iloilo) and the 22 MW Bohol Diesel Power Plant (located in Tagbilaran City, Bohol) which were acquired on March 25, 2009 through the assignment of the Parent Company's rights and obligations to SIPC. It had also operated the Olango Diesel Power Plant (ODPP), located in the Island of Olango, Lapu-Lapu City, from September 15, 2001 to March 25 2021. ODPP supplied all the generated electricity to Mactan Electric Company, Inc. (MECO), an associate. On February 14, 2022, SIPC, in its intention to promote education and welfare among the people in Olango Island and nearby areas, donated the ODPP to the Technical Education and Skills Development Authority (TESDA), a government agency tasked to manage and supervise technical education and skills development in the Philippines.

(ii) Cebu Naga Power Corporation (CNPC). CNPC, a wholly owned subsidiary, was incorporated on August 12, 2015 to undertake the development, ownership, construction, operation and management

of a new 2 x 150 MW CFBC coal-fired power plant to replace the old CTPP 1 and CTPP 2 in the NPPC, Colon, City of Naga, Cebu. The construction of the new power plant had been aborted due to the adverse Supreme Court decision that led to the return of the NPPC to PSALM on July 13, 2018 (see Note 29 of the Notes to Consolidated Financial Statements). CNPC has not started commercial operations.

(iii) SPC Malaya Power Corporation (SMPC). SMPC, a majority owned subsidiary, was incorporated in the Republic of the Philippines and registered with the SEC on September 22, 2011. SMPC won the bidding processes for the Operation and Maintenance Service Contract (OMSC) of the 650 MW Malaya Thermal Power Plant (MTPP) located in Pilillia, Rizal and accordingly operated the MTPP from October 25, 2011 to October 25, 2014. However, SMPC either did not win or did not participate in the subsequent biddings of the OMSC after October 25, 2014 for certain reasons. SMPC has not restarted commercial operations since October 26, 2014.

(iv) Bohol Light Company, Inc. (BLCI). BLCI, a majority owned subsidiary, was organized on July 21, 2000 to engage in the business of supply and distribution of electricity, subject to applicable laws, rules and regulations. On July 10, 2003, the National Electrification Commission (NEC) granted BLCI's franchise to operate electric, light and power services for a period of 25 years retroactive from October 20, 2000 to October 19, 2025 in the area presently comprised by Tagbilaran City, Bohol.

(v) SPC Light Company, Inc. (SLCI) and SPC Electric Company, Inc. (SECI). SLCI (majority owned) and SECI were incorporated on January 15, 2003 and October 17, 2002, respectively, primarily to design, construct, install, commission, rehabilitate, maintain, manage, operate and invest in power generation/distribution plants and related facilities. The Parent Company has the power to govern the financial and operating policies of SECI by virtue of an agreement. SLCI and SECI have not started commercial operation.

The Parent Company also has the following major associates:

(i) KEPCO SPC Power Corporation (KSPC). KSPC, 40% owned by the Parent Company, was incorporated on June 22, 2005 primarily to build, operate, maintain, own and manage the 2 x 100 Megawatt Circulating Fluidized Bed Combustion (CFBC) Boiler Coal-Fired Power Plant in the City of Naga, Colon, Cebu.

(ii) Mactan Electric Company, Inc. (MECO). In July 1997, the Parent Company acquired 40% of MECO which was granted by the NEC, under Presidential Decree No. 269, a franchise for 25 years from October 10, 1991 to engage in, conduct and carry on the business of generating, buying and selling electric light for sale within the limits of the City of Lapu-lapu and the Municipality of Cordova in the Province of Cebu until October 9, 2016. On July 17, 2016, MECO was granted a renewal of its franchise for another 25 years.

Future Prospects

The Group remains firmly committed in looking for opportunities in new markets and customer segments, both in the renewable and non-renewable energy spectrum.

As of March 30, 2022, the Group is in the early stage of undertaking the evaluation process of a pipeline of solar projects for its medium and long-term growth in capacity. However, there is no immediate assurance yet that the Group will have substantial and additional sources of income.

While in pursuit of new opportunities, the Group will continue to focus on further improving efficiencies and leveraging existing business assets to sustain profitability.

On July 29, 2021, the Parent Company's Board of Directors further amended the Parent Company's Articles of Incorporation (approved by majority of the stockholders by written assent on October 7-11, 2021) to reflect current efforts to embark on the exploration and development of renewable energy (RE) resources. The amendment was approved by the SEC on June 9, 2022.

Competition

Increasing competition remains the primary challenge for the Group. It continues to face more and more competitive environment in the procurement of power supply by distribution utilities through competitive selection process (CSP), provision for ancillary services, development and financing of new power plants, and acquisition of existing power plants. Such competition may have an effect on the extent to which and the terms on which the Group is able to obtain or renew power supply contracts and to secure or put up more projects in the future. However, the Group believes that their capabilities and proven track record will allow them to be competitive in project evaluation, bidding and negotiation.

In order to optimize plant operations, the Group not only endeavors to renew expiring contracts from existing capacities but also maximizes energy trading opportunities in the spot market. Due to competition, however, spot market prices have also been volatile.

Transactions with and/or Dependence on Related Parties

In the normal course of business, the Parent Company and its subsidiaries have significant transactions with related parties which are made on an arm's length basis as of the time of the transactions. The details of these transactions are contained in Note 5 of the consolidated financial statements as of and for the year ended December 31, 2022.

Research & Development

The Group does not appropriate expenses for research and development activities based on fixed amounts or percentages. Instead, expenses for research and development activities are allocated on a per project basis that vary depending on the nature of the project. These expenses are funded from internally generated cash flows.

Patents, Licenses, Franchises and Government Approvals

Under the EPIRA, no person or entity may engage in the generation of electricity unless such person or entity has secured a Certificate of Compliance (COC) from the ERC to operate a generation facility and has complied with the standards, requirements and other terms and conditions set forth in the COC.

The generation units in the Group possess COCs for their generation businesses, details of which are as follows:

Date Issued	COC No.	Issued Under the Name of	Name	Type	Location	Capacity	Fuel	Terms of COC
Feb. 10, 2016	16-02-M-00068V	KSPC	Unit 1	Coal-fired	City of Naga, Cebu	110.50 MW	Coal	Until Feb. 19, 2023 (i)
		KSPC	Unit 2	Coal-fired		110.50 MW	Coal	Until Feb. 19, 2023 (i)
Nov. 29, 2016	16-11-M-00286hhV	SIPC (PDPP)		Diesel Power Plant	Dingle, Iloilo	92.22 MW	Diesel/Bunker C	Until Apr. 24, 2023 (ii)
June 13, 2016	16-06-M-00286nl	SIPC (BDPP)		Diesel Power Plant	Dampas, Tagbilaran City	22.00 MW	Diesel/Bunker C	Until July 17, 2022 (iii)
June 20, 2018	18-06-M-00163V	SPC (PB 104)	Unit 2 Unit 3	Diesel Power Plant	Ubay, Bohol	8.00 MW	Diesel/Bunker C	Until Feb. 19, 2023 (iv)
Dec. 19, 2018	18-12-M-00167V	SPC (PB 104)	Unit 1	Diesel Power Plant	Ubay, Bohol	8.00 MW	Diesel/Bunker C	Until Dec. 18, 2023
June 11 2019		SPC (PB 104)	Unit 4	Diesel Power Plant	Ubay, Bohol	8.00 MW	Diesel/Bunker C	Until Dec. 10, 2022 (v)

(i) Pending completion of certification for renewal of COC, KSPC Units 1 and 2 were granted Provisional Authority to Operate (PAO) by ERC from February 20, 2022 to February 19, 2023 and is currently being evaluated for extension of PAO or the issuance of COC per ERC Certification dated February 9, 2023.

(ii) SIPC PDPP was granted first (1st) extension of PAO by ERC from April 25, 2022 to April 24, 2023 pending compliance with PAO conditions. SIPC PDPP also requested to ERC for the issuance of COC or a second (2nd) extension of PAO as applicable.

(iii) SIPC BDPP was granted PAO by ERC from July 18, 2021 to July 17, 2022 pending compliance with PAO conditions. As of April 13, 2023, SIPC BDPP is still being evaluated by the ERC for another extension of its PAO or a conversion thereof into a COC, as may be applicable.

(iv) SPC filed an application for the renewal of COC for Units 2 & 3. As of April 13, 2023, ERC is still evaluating Units 2 & 3 for the renewal of their COC or the grant of a PAO, in lieu of renewal, as may be applicable.

(v) PB 104 Unit 4 was granted fourth (4th) extension of PAO by ERC from December 11, 2021 to December 10, 2022 pending compliance with PAO conditions. As of April 13, 2023, PB 104 Unit 4 is currently being evaluated by the ERC for extension of PAO or the issuance of a COC, as may be applicable.

Also, under the EPIRA, the business of electricity distribution requires a national franchise that can be granted only by Congress, except distribution utilities operating within economic zones. In addition, a Certificate of Public Convenience and Necessity (CPCN) from the ERC is also required to operate as a public utility. Distribution utilities are required to submit to the ERC a statement of their compliance with the technical specifications prescribed in the Philippine Distribution Code. The following are the expiration periods of the Group's Distribution Utilities' franchises:

<u>Distribution Utility</u>	<u>Expiration Date</u>
MECO	July 16, 2041
BLCI	October 19, 2025

The EPIRA likewise requires all suppliers of electricity to end-users in the contestable market, other than distribution utilities within their franchise areas, to obtain license from the ERC in accordance with the ERC's rules and regulations. With the implementation of Retail Competition and Open Access (RCOA), KEPCO SPC Power Corporation was granted by the ERC a license to operate as Retail Electricity Supplier (RES) valid from October 18, 2016 to October 17, 2021 and from October 18, 2021 to October 17, 2026.

Manpower

The Parent Company had 73 employees consisting of 25 managerial employees and 48 rank-and-file employees.

The Parent Company and its subsidiaries employed a total of 287 regular employees as of December 31, 2022.

Regular employee benefits of the Parent Company include a retirement plan and all government-mandated benefits, supplemented by group life and health insurance, medical care, rice subsidy, longevity pay, funeral and burial assistance, cash conversion of unused vacation and sick leave credits, and at the discretion of the Board, year-end bonus, various incentive and productivity awards, merit adjustments, and loyalty bonus.

There is no collective bargaining agreement covering the Parent Company employees as of December 31, 2022.

The Parent Company does not anticipate any substantial increase in manpower within the next twelve months unless new development projects and acquisitions would require an increase in the number of employees.

Properties

The consolidated net book value of property, plant and equipment of the Parent Company and its subsidiaries amounted to ₱734.7 million and ₱731.8 million as of December 31, 2022 and 2021, respectively. The breakdown is as follows:

Property, Plant and Equipment	2022	2021
Distribution lines, poles, and fixtures	₱92,542,925	₱89,364,695
Power transformers, switches, and devices	74,573,887	78,118,797
Plant machinery and equipment	391,717,449	428,716,330
Motor vehicles	9,141,358	13,314,748
Structures	14,245,336	16,664,818
Furniture and office equipment	3,272,905	4,268,226
Land held by subsidiaries	87,472,343	87,472,343
Construction in progress	46,454,500	9,230,467
Right-of-use-assets	15,297,159	4,615,478
Total	₱734,717,862	₱731,765,902

Locations of the principal properties, plant and equipment mentioned above are as follows:

Company/Subsidiary	Description	Location/Address	Condition
SIPC	Panay Diesel Power Plant/Structures	Tinocuan, Dingle, Iloilo	In use for operations
SIPC	Bohol Diesel Power Plant/Structures	Dampas, Tagbilaran City, Bohol	In use for operations
BLCI	Utility plant and equipment	Tagbilaran City, Bohol	In use for operations
Parent Company	Power Barge 104	Tapal Wharf, Ubay, Bohol	In use for operations
SIPC	Land	Dampas, Tagbilaran City, Bohol	In use for operations
SIPC	Land	Tinocuan, Dingle, Iloilo	Held for future plant expansion.
BLCI	Land	Tagbilaran City, Bohol	In use for operations
Parent Company	Office furnitures and equipment	Cebu Holdings Center, Cebu Business Park, Cebu City; and BDO Towers Paseo, 8741 Paseo de Roxas, Makati City	In use for operations

On June 16, 2016, the Parent Company executed an Amendment, Accession and Assumption Agreement between and among PSALM and SIPC. Under the said agreement, SIPC assigned all its rights and obligations as BUYER of PB 104 to the Parent Company after PSALM gave its consent pursuant to the provisions of the Asset Purchase Agreement between SIPC and PSALM. On June 30, 2016, PSALM turned over the PB 104 to the Parent Company.

Through an Accession Agreement on August 28, 2000, BLCI acquired the assets and equipment, rights, and interest of the Consortium composed of SII, the Parent Company and other members of the Joint Venture Agreement (JVA) with the Provincial Government of Bohol (PGB). The JVA allowed the Consortium to purchase, own, rehabilitate, operate, maintain and manage the Bohol Provincial Electric System (PES) and for PGB to sell and transfer the franchise to operate the PES in the City of Tagbilaran, Province of Bohol, to the Consortium.

In 2006, BLCI entered into a lease agreement with Bohol Water Utilities, Inc., a sister company, for the lease of land for a period of 20 years starting January 1, 2006 until December 31, 2025, renewable upon such terms and conditions as may be mutually agreed upon by both parties. The land is used and occupied primarily for the operation, management and maintenance of BLCI's utility plant and equipment. On January 21, 2021, the lease agreement was terminated due to the purchase of the land by BLCI.

On March 25, 2009, SIPC obtained control and possession of the 146.5- MW Panay Diesel Power Plant (located in Tinocuan, Dingle, Iloilo) and the 22-MW Bohol Diesel Power Plant (located in Dampas, Tagbilaran City, Bohol) by virtue of an assignment of the covering Asset Purchase Agreement (APA) and Land Lease Agreement (LLA) from the Parent Company. The LLA is in furtherance of and as ancillary contract to the APA for the 25-year lease of parcels of land used and occupied primarily for the operation, management, expansion and maintenance of the Purchased Assets. The LLA also covers an option to purchase the optioned assets within the leased premises that may be offered by the Lessor. In 2017, SIPC exercised its option to purchase the optioned assets covering all the lots underlying the Bohol Diesel Plant with a total area of 27,527 square meters.

The Parent Company leases a residential condominium unit at Winland Towers, Cebu City from Dentrade, Inc., a corporation majority owned by Mr. Dennis T. Villareal who is currently the President and CEO of the Parent Company. The condominium unit is used to house the Parent Company's directors and senior executive officers during their official visits to Cebu.

The Parent Company also leases an office condominium unit at the 7th Floor of BDO Towers Paseo, Makati City. This unit houses the Parent Company's Makati Office. The unit is leased from the Parent Company's affiliate, SPC Properties and Development Corporation (SPDC).

The Parent Company further leases office condominium units at the 7th Floor of Cebu Holdings Center, Cebu Business Park and 7th Floor of BDO Towers, Makati City from the Parent Company's affiliate – SPEC Properties, Inc. for use as its Cebu administrative office and additional executive offices in Makati.

Legal Proceedings

The Group is currently involved in various legal proceedings in the ordinary conduct of their businesses. The estimate of probable costs for the resolution of possible claims is developed in consultation with outside counsels handling the Group's defense in these matters and is based upon an analysis of potential results of litigation. As of December 31, 2022, the Group believes that the results of these actions will not have a material adverse impact on the Group's financial position and results of operations.

III.

OPERATIONAL & FINANCIAL INFORMATION

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Market Information

The principal market for the Parent Company's common equity is the Philippine Stock Exchange (PSE). The high and low sales prices for each period are indicated in the table below:

<u>Period</u>	<u>Highest Close</u>		<u>Lowest Close</u>	
	<u>Price</u>	<u>Date</u>	<u>Price</u>	<u>Date</u>
2023:				
1st Quarter	9.45	January 20	9.03	March 17
2022:				
1st Quarter	15.00	February 22	13.84	January 7
2nd Quarter	14.68	April 12	8.36	June 15
3rd Quarter	11.30	August 15	9.01	July 4
4th Quarter	10.18	November 21	8.99	October 5
2021:				
1st Quarter	10.50	March 18	9.72	January 4
2nd Quarter	12.50	June 29	10.22	April 26
3rd Quarter	14.76	September 27	11.34	July 21
4th Quarter	14.70	October 1	13.40	October 13

As of April 30, 2023, the total number of stockholders was 801 (707 under transfer agents and including 94 depository participants counted as one stockholder each).

Top 20 Stockholders

The following composed the top 20 stockholders as of April 30, 2023:

Rank	Name	Nationality	No. of Shares	Percent
1.	KEPCO Philippines Holdings, Inc.	Korean	568,098,817	37.96%
2.	Intrepid Holdings, Inc.	Filipino	321,905,611	21.51%
3.	JAD Holdings, Inc.	Filipino	293,201,397	19.59%
4.	KV Holdings, Inc.	Filipino	74,749,847	4.99%
5.	Boxboard Containers Corporation	Filipino	41,000,000	2.74%
6.	Cancorp, Inc.	Filipino	41,000,000	2.74%
7.	Rowell Plastic Corporation	Filipino	38,864,638	2.60%
8.	LDI Power Holdings, Inc.	Filipino	24,931,036	1.67%
9.	ALH Management, Inc.	Filipino	21,850,269	1.46%
10.	Mali Ni	Filipino	10,000,000	0.67%
11.	PCD Nominee (Fil/Non-Fil) Corp.	Fil/Non-Fil	8,954,054	0.60%
12.	Dennis T. Villareal	Filipino	6,425,501	0.42%
13.	Cecilia Chua Tiu	Filipino	1,000,000	0.07%
14.	Alberto P. Fenix, Jr.	Filipino	855,933	0.06%
15.	Ma. Theresa M. Ballesteros	Filipino	691,492	0.05%
16.	Stanley Krug	American	274,196	0.02%
	Dennis Lawrence N. Villareal	Filipino	274,196	0.02%
	James Roy N. Villareal	Filipino	274,196	0.02%
	Victor Anthony N. Villareal	Filipino	274,196	0.02%
17.	Cesar O. Villegas	Filipino	267,392	0.02%
18.	Myra P. Villanueva	Filipino	250,000	0.02%
19.	Landmark Holdings Corporation	Filipino	200,000	0.01%
20.	Corazon L. Gamez	Filipino	141,305	0.01%
	TOTAL		1,455,304,081	97.24%

Dividends

The cash dividends declared by the Parent Company to common stockholders in the last three years are shown in the table below:

Year	Cash Dividends Per Share	Total Amount Declared	Record Date
2022	0.20	299,310,361	June 15, 2022
2021	0.40	598,620,721	Apr. 23, 2021
2021	0.60	897,931,082	June 14, 2021
2021	0.55	823,103,492	Dec. 23, 2021
2020	0.40	598,620,721	May 22, 2020
2020	0.40	598,620,721	Dec. 21, 2020

The payment of dividends in the future will depend upon the Parent Company's earnings, cash flow and financial condition, among others. The Parent Company may declare dividends only out of its unrestricted retained earnings, except in the case of stock dividends which may be declared out of paid-in surplus. Any dividend declaration will likewise be subject to the provisions of any existing shareholders' agreement/s and to any prior consents required under the Parent Company's loan documentation with its bank creditors.

The Parent Company may pay dividends in cash, by the distribution of property, by the issuance of shares of stock, or a combination of any of the foregoing. Dividends paid in cash or property are subject only to the approval of the Board of Directors. Dividends paid in the form of additional shares are subject to approval by both the Board of Directors and stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Parent Company at a stockholders' meeting called for such purpose.

Section 42 of the Revised Corporation Code, however, requires that corporations with surplus profits in excess of 100% of their paid-up capital should declare and distribute the amount of such profits in the form of dividends, except when the retention is justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the consent of creditors is required under any loan agreement, or when it can be clearly shown that such retention is necessary under special circumstances.

Recent Sale of Unregistered Securities

The Parent Company has not had any sales of unregistered securities during the past three years.

Description of the Company's Shares

The Parent Company's securities consist entirely of common stock with par value of ₱1.00 per share.

Corporate Governance

The Company's Manual of Corporate Governance was approved by the Board in 2002 following such requirement by the SEC for listed companies. It underwent a series of revisions, the first of which was on February 28, 2011, thereafter, on July 24, 2015. The latest amendment was on May 29, 2017. This Revised Manual on Corporate Governance was in compliance with SEC Memorandum Circular No. 19, series of 2016, which directed all Publicly-listed Companies (PLCs) to submit a new Manual on Corporate Governance, pursuant to the new Code of Corporate Governance for PLCs.

The highlights of the Revised Manual on Corporate Governance of the Corporation included among others:

1. The designation of a Compliance Officer (CO), who holds a position of Senior Vice President or its equivalent with adequate stature and authority in the Company. The CO is primarily liable to the Corporation and its shareholders and not to the Chairman or President of the Company.
2. The election of at least three (3) Independent Directors (IDs) in the Board or such a number as to constitute at least one-third of the members of the Board. Their term is limited to a maximum cumulative of nine years.
3. Creation of Board Committees which are the Board Audit Committee, Corporate Governance Committee and the Executive Committee.
4. The election of a Corporate Secretary who is a separate individual from the Compliance Officer. He is neither a member of the Board of Directors of the Company. The Corporate Secretary is primarily responsible to the Corporation and its Shareholders, and not to the Chairman or President of the Company.

5. Respect and recognition of stockholders rights such as voting rights, pre-emptive rights, power of inspection, right to information, right to dividends, and appraisal right.

Compliance with the Manual on Corporate Governance by the Board of Directors and top level management is mandatory. To ensure its observance, the Directors and top level management undergo written self- evaluation based on the Board's general responsibility and the specific duties and responsibilities of each director.

The Company has also taken measures to comply with the adopted leading practices on good corporate governance thru compliance with regulatory requirements which include but is not limited to continued training of its Directors and top level management; sustainability reporting and establishing a policy and implementing rules on related-party transaction.

Overall compliance with the Manual of Corporate Governance by the Company is very satisfactory, with no deviations observed.

The Company shall continually pursue its avowed policy to abide by principles of good governance. In so doing, the Company's good governance framework shall be reviewed annually by analyzing the Company's level of Corporate Governance and forge a way to improve its plan to achieve a status of a leading practitioner in Corporate Governance.

Management's Discussion & Analysis of Financial Condition & Results of Operations

Hereunder is management's discussion and analysis of the significant factors affecting the financial performance, financial position and cash flows of the Parent Company and Subsidiaries (collectively referred to as the "Group"). The discussion and analysis should be read in conjunction with the accompanying audited consolidated financial statements and the notes thereto as well as the schedules and disclosures set forth elsewhere in this report.

Financial Conditions and Results of Operations

Results of Operations

Year Ended Dec. 31, 2022 vs. Year Ended Dec. 31, 2021

The Group registered total comprehensive income of ₱1,294.7 million in 2022, 8.1% better than the previous year's level of ₱1,197.7 million, as all business segments delivered higher results in 2022.

The improved performance in 2022 translated to a consistent double-digit return on average equity and higher earnings per share of 13.06% and ₱0.85, respectively.

Equity share from the earnings of the investee companies (namely, KSPC and MECO) comprised the bulk of the Group's total comprehensive income in 2022, accounting for 71% of the total. The investee companies' contribution of ₱925.4 million in 2022 was 6.6% more than the ₱867.8 million in the previous year. KSPC benefited from the resurgence of strong power demand and high spot market prices. The drop in the volume of contracted sales was made up by the stellar performance in the WESM. On the other hand, MECO posted steady recovery from the impact of coronavirus pandemic and typhoon Odette.

The generation business segment, which made up 27% of the group's net income, pitched in ₱349.6 million, 10.0 % higher year-on-year. The power plants actually had lower overall capacity utilization of 71% in 2022, versus 75% in 2021, due mainly to the impact of typhoon Odette in December 2021 spilling over the first two months of 2022. However, its contribution to the consolidated net income was higher as compared to the previous year due mainly to recoveries of fuel costs incurred in the previous year for rendering ancillary services.

The power distribution unit (namely, BLCI) accounted for the 2% balance of the pie. It recorded a turnaround in the fourth quarter of 2022 resulting in income contribution of ₱19.8 million for the whole year of 2022, 72.8% higher than the ₱11.5 million recorded a year ago. This was attributed to partial recoveries of previously unrecovered cost of purchased power. It was also helped by the accrual of unbilled revenues in December 2022 which was nil in the same period last year due to typhoon Odette.

Consolidated revenues rose by 55.9% to ₱3,850.0 million in 2022, from ₱2,469.4 million in 2021, due mainly to higher pass-through cost of services.

Cost of services increased substantially by 68.5% to ₱3,290.2 million in 2022, from ₱1,952.5 million in 2021, due mainly to high price of purchased power as well as increases in global fuel prices.

As revenues grew faster than costs of services, **gross margin** went up 8.3% to ₱559.8 million in 2022, from the previous year's ₱516.9 million.

General and administrative expenses increased by 21.2% to ₱249.3 million in 2022, from ₱205.7 million a year earlier, due mainly to: (i) marketing expenses incurred in behalf of an associate, and (ii) business development expenses for expansion projects that the Parent Company is seriously looking into.

Interest income dropped by 19.5% year-on-year, driven by lower rates for short-term investments. Furthermore, some funds set aside for power projects were placed in U.S. dollar-denominated short-term investments in 2022 as safeguard against peso devaluation. The very low interest income earned from the U.S. dollar-denominated short-term investments was more than compensated by huge foreign exchange gains from revaluation. Foreign exchange gains increased to ₱94.4 million in 2022, from ₱7.8 million only in 2021.

Service income was nil in 2022 as there was no technical, upgrading and maintenance services rendered to other companies during the year.

Other income - others increased by 87% to ₱41.9 million in 2022 from ₱22.4 million only in 2021 due mainly to: (i) more sale of scraps, bunker sludge and used oil; (ii) higher pole rentals; and (iii) higher income from penalties and surcharges as well as service and processing fees for new connections and reconnection of customers in the distribution business.

Year Ended Dec. 31, 2021 vs. Year Ended Dec. 31, 2020

The unprofitable operations of the Group in the fourth quarter of 2021 dragged the full-year consolidated net income in 2021 to ₱1,197.2 million, falling by 26.8% from ₱1,636.4 million in 2020.

With lower results, earning per share decreased to ₱0.80 in 2021 as compared with ₱1.07 in 2020. The performance also translated to a lower return on equity of 11.99% in 2021 versus 15.80% in 2020.

The Group's operations turned into a net loss of ₱178.7 million in the fourth quarter of 2021, in contrast to the average quarterly income of ₱458.7 million in the first three quarters of 2021. The poor performance in the fourth quarter of 2021 was attributed mainly to the following:

- (i) Typhoon Odette which barreled through parts of the Visayas region on December 16, 2021 and caused severe damages to power facilities (especially to distribution utilities). Wholesale Electricity Spot Market (WESM) operation in the Visas Grid, excluding Bohol Island, was resumed only on January 17, 2022. In the Bohol Island (where BDPP, PB 104 and BLCI are operating) WESM operation was resumed effective February 10, 2022; and
- (ii) Lower revenue of investee from sale of power generated and sold to Distribution Utilities/Electric Cooperatives brought about by lower prices and expired power supply contracts which were not fully compensated by the increase of available capacities sold to WESM.

By business segment, equity share in the earnings of investee companies contributed ₱867.8 million to the consolidated comprehensive income in 2021, down by 28.5% from ₱1,213.5 million in the comparable year-ago period. The power generation business segment contributed net income of ₱317.8 million, lower by 17.8% from last year. The power distribution business segment bore the brunt of typhoon damage as contribution to the current year's net income declined by 68.9% to ₱11.4 million, from ₱36.6 million a year ago. Furthermore, temporary lag in the recovery of purchased power costs exacerbated the woes of the power distribution business in Bohol.

Equity share in the earnings of investee companies accounted for 72.5% of the consolidated net income in 2021, while power generation and power distribution business segments accounted for 26.5% and 1.0%, respectively.

Consolidated revenues rose by 23.7% to ₱2,469.4 million in 2021, from ₱1,996.1 million in 2020, due mainly to higher pass-through cost of fuel and purchased power. Consolidated cost of operations also went up by 35.2% to ₱1,952.5 million in 2021, from ₱1,444.4 million in 2020, as a result also of higher pass-through cost of fuel and purchased power. As costs grew faster than revenues, gross margin decreased by 6.3% to ₱516.9 million in 2021 from the previous year's ₱551.7 million.

The Group reined in administrative and general expenses which increased only slightly by 1.1% to ₱205.7 million in 2021, from ₱203.4 million a year earlier.

Other service income substantially dropped to ₱40.0 million, from ₱120.0 million in the previous year, on account mainly of lower provision of technical and upgrading services rendered during the current period.

Interest income substantially dropped by 33.0% to ₱34.6 million, from ₱51.6 million, because of lower effective interest rate and lower amount of excess cash invested in short-term money market placements after payment of cash dividends.

Year Ended Dec. 31, 2020 vs. Year Ended Dec. 31, 2019

The Group ended 2020 with consolidated comprehensive income of ₱1,636.4 million, 9.6% lower than the ₱1,810.2 million in 2019. All business segments posted lower income in 2020 due mainly to the effects of COVID-19 pandemic on business operations. The demand growth recorded in the first quarter of 2020 was negated by decrease in average demand for the rest of the year, especially in the second and third quarters when the most stringent quarantine protocols were in place. The decrease in interest income further eroded year-on-year earnings.

Earnings per share declined to ₱1.07 in 2020 as compared with ₱1.19 in 2019. The performance also translated to a lower return on equity of 15.80% in 2020 versus 17.93% in 2019.

The investee companies remained the biggest contributor in 2020 with equity share in their net earnings of ₱1,213.5 million or 74.3% of the pie. This was lower by 8.6% year-on-year.

The power generation business segment made up the second biggest chunk of the Group's net income contributing 23.6% of the total. The power generation business segment contributed net income of ₱386.7 million, down by 6.2% from last year.

The power distribution business segment accounted for the balance of the pie, posting a net income of ₱36.6 million, lower by 46.9% from last year. The slight increase in demand for electricity from its residential customers could not offset the 21.5% average drop in demand from its commercial and industrial customers.

Consolidated revenues in 2020 declined to ₱1,996.1 million, falling by 28.7% from ₱2,799.0 million in 2019. This was attributed to weaker demand, lower prices due to adequate supply and competition, and lesser pass-through cost of fuel and purchased power.

Lower operating costs and expenses helped cushion the impact of the decrease in revenues.

Consolidated cost of operations decreased substantially by 31.5% to ₱1,444.4 million, from ₱2,108.5 million. The cost reduction was brought about mainly by lower cost of fuel, purchased power, lubricants, and spare parts.

Consolidated administrative and general expenses went down by 26.7% to ₱203.4 million in 2020, from ₱277.4 million in the previous year, due mainly to lower expenses for business development, taxes and licenses, transportation and travel, repairs and maintenance, and freight and handling.

Interest income substantially dropped by 49.6% to ₱51.6 million, from ₱102.5 million, because of lower effective interest rate and lower amount of excess cash invested in short-term money market placements after payment of cash dividends.

Financial Condition

Dec. 31, 2022 vs. Dec. 31, 2021

The Group ended 2022 with consolidated assets standing at ₱11,607.7 million, 12.1% higher compared to the last audited balance of ₱10,352.9 million as at end-2021. The increase was due largely to the rise in the carrying value of cash and cash equivalents, trade and other receivables, and materials and supplies inventory.

Total liabilities also increased but at a much slower pace. It increased by ₱277.7 million only to ₱1,208.2 million, from ₱930.5 million last year. This was traced mainly to higher trade and other payables at the end of 2022.

Stockholders' equity grew by 10.4% to ₱10,399.5 million, from ₱9,422.4 million in 2021, due mainly to increase in the balance of retained earnings.

Financial ratios remained very favorable. Current ratio, debt-to-equity ratio, and book value per share stood up at 6.52:1, 0.12:1, and ₱6.95, respectively, from 7.21:1, 0.10 :1, and ₱6.30, respectively, in the previous year.

Further details of significant items that contributed to the changes in assets, liabilities and stockholders' equity are discussed below.

Details of changes in the balance of cash and cash equivalents are discussed in the section for **Cash Flows**.

Trade and other receivables increased by 42.1% to ₱695.8 million, from ₱489.8 million in 2021, due mainly to increase in revenues for the month of December 2022 that included higher pass-through cost of fuel and purchased power as compared to December 2021 which was affected by typhoon Odette.

Materials and supplies inventory went up by 19.9% to ₱467.5 million, from ₱389.8 million at the beginning of the year. The increase is attributed to the following: i) higher volume and price of fuel inventory, (ii) higher replacement cost of inventories used during restoration of damage caused by Typhoon Odette, and (iii) inventories recovered from the scrapping of PB 102 and PB 103.

Investment in associates decreased slightly by 1.3% to ₱5,432.5 million, from ₱5,505.2 million in 2021. The decrease reflected the net effect of the following: (i) decrease in investments due to cash dividends received from the investee companies amounting to ₱1,004.7 million, (ii) increase in investment due to fresh equity share in the earnings of investee companies amounting to ₱925.4 million, and (iii) increase due to remeasurement of employee benefits of the investee companies amounting to ₱6.5 million.

Trade and other payables rose by 44.8% to ₱777.0 million, from ₱536.7 million in 2021, due mainly to: (i) higher volume and price of purchased power by BLCI in December 2022 as compared to

December 2021 and (ii) higher cost of fuel purchases in December 2022 resulting from global increases in the price of fuel.

Unappropriated retained earnings increased by 16.3% to ₱6,927.4 million, from ₱5,954.4 million. The net increase is reflective of the comprehensive income attributable to equity holders of the Parent Company amounting to ₱1,272.4 million in 2022, less cash dividends declared amounting to ₱299.3 million.

Dec. 31, 2021 vs. Dec. 31, 2020

Total assets stood at ₱10,352.2 million at end-2021, down by 9.5% from the end-2020 level at ₱11,440.0 million. The decrease in total assets was mainly a consequence of higher dividend payments made in 2021.

Total liabilities rose by 5.1% to ₱929.9 million as at end-2021. This was mainly on account of the increase in trade payables and customers' deposits.

The decrease in total assets and increase in total liabilities brought down **stockholders' equity** by 10.7% to ₱9,422.4 million in 2021, from ₱10,555.3 million in 2020.

The decrease in total equity resulted in book value per share declining to ₱6.30 from ₱7.05 at the end of the previous year.

Further details of significant items that contributed to the changes in assets, liabilities and stockholders' equity are discussed hereunder.

Trade and other receivables increased by 44.9% to ₱489.8 million, from ₱338.1 million in the previous year. This was attributed mainly to increase in trade receivables and accrual of additional cash dividends declared by MECO in December 2021 for payment on or before April 2022.

Materials and supplies inventory increased by 7.2% to ₱389.8 million as at end-2021, from ₱363.6 million at the beginning of the year. This was traced mainly to the build-up of inventories for fuel and maintenance spare parts for power generation and power distribution.

Prepayments and other current assets increased 38.9% to ₱76.3 million as at end-2021, from ₱55.0 due mainly to accumulated input VAT awaiting application against future output VAT.

Investment in associates decreased by 4.8% or by ₱277.6 million to ₱5,505.2 million as at end-2021 from ₱5,782.9 million as at end-2020. The decrease mainly reflected the net effect of the following: (i) decrease in investments due to cash dividends received from the investee companies amounting to ₱1,146.8 million and (ii) increase in investment due to fresh equity share in the earnings of investee companies amounting to ₱867.8 million in 2021.

Property, plant and equipment slightly decreased by 2.4% to ₱731.8 million, from ₱749.7 million. This was attributed to the net effect of the following: (i) increase due to new additions to property, plant and equipment amounting to ₱70.8 million; and (ii) reduction due to depreciation and disposal amounting to ₱85.9 million.

Other noncurrent assets decreased by 18.7% to ₱109.9 million from ₱135.3 million due mainly to amortization of cost recovery adjustment approved by ERC to be recovered by PSALM through the distribution business segment of the Group over a period of seven years from January 2018. The original amount of ₱257.6 million was booked as noncurrent assets pending collections by initially

charging the customers as part of the generation charge over a period of seven years. See Note 29 of the consolidated financial statements.

Trade and other payables went up by 18.4% to ₱536.7 million at end-2021. However, this is in line with the increase in inventories to build-up fuel and maintenance spare parts for power generation and power distribution.

Customers' deposits grew by 6.9% to ₱186.8 million from ₱174.7 million due mainly to additional bill and material deposits received from customers.

Other noncurrent liabilities decreased by 33.7% to ₱72.4 million from ₱109.2 million due mainly to amortization of cost recovery adjustment approved by ERC to be recovered by PSALM through the distribution business segment of the Group over a period of seven years from January 2018. The original amount of ₱257.6 million was booked as noncurrent liabilities pending remittance to PSALM of the amount collected from customers. See Note 29 of the consolidated financial statements.

Unappropriated retained earnings decreased by 15.9% to ₱5,954.4 million as at end-2021 from ₱7,083.4 million as at end-2020. The net decrease of ₱1,129.0 million was accounted mainly as follows: (i) decrease due to cash dividends declared by the Parent Company amounting to ₱2,319.7 million; and (ii) increase due to comprehensive income in 2021 attributable to equity holders of the Parent Company amounting to ₱1,190.7 million.

Cash Flows

2022 vs. 2021

The year 2022 was characterized by robust cash flows that provide more financial muscle to start the long-term growth ambition of the Group.

Net cash inflows exceeded cash outflows resulting in a 35.1% increase in the balance of cash and cash equivalents to ₱4,031.4 million as at end-2022 from ₱2,984.1 million at the beginning of the year.

Major sources of cash and cash equivalents in 2022 were: (i) net cash provided by operating activities amounting to ₱369.6 million and (ii) cash dividends received from investee companies amounting to ₱1,004.7 million. These funds were partially used for: (i) payment of cash dividends amounting to ₱317.6 million, and (ii) new additions to property, plant and equipment amounting to ₱73.9 million.

2021 vs. 2020

Cash and cash equivalents decreased by 24.3% to ₱2,984.1 million as at end-2021 from ₱3,944.3 million at the beginning of the year. Net cash flows used in financing activities exceeded net cash flows generated from operating and investing activities.

Major sources of cash and cash equivalents in 2021 were from operating activities and cash dividends received from investee companies amounting to ₱300.4 million and ₱1,146.8 million, respectively.

The major applications of funds in 2021 were: (i) payment of cash dividends amounting to ₱2,325.7 million, and (ii) new additions to property, plant and equipment amounting to ₱70.8 million.

Key Performance Indicators

The following financial indicators are used, among others, to evaluate the performance of the Parent Company and its Subsidiaries:

Key Performance Indicators	2022	2021	2020
<u>For the years ended December 31:</u>			
Earnings per share	P0.85	P0.80	P1.07
Share in net earnings of associates	P925,354,304	P867,849,896	P1,213,454,901
Return on equity	13.06%	11.99%	15.80%
Return on assets	11.80%	10.99%	14.52%
Cash Flows:			
Net cash flows from operating activities	P369,629,036	P300,434,967	P629,238,373
Net cash flows from investing activities	P930,799,167	P1,065,237,033	P1,335,891,638
Net cash flows used in financing activities	(P,321,100,929)	(P2,327,504,748)	(P1,247,833,991)
<u>As of December 31:</u>			
Balance of cash and cash equivalent at end of period	P4,031,421,593	P2,984,110,635	P3,944,306,886
Current ratio	6.52	7.21	9.71
Debt ratio	0.10	0.09	0.08
Debt-to-equity ratio	0.11	0.10	0.08
Solvency ratio	1.16	1.38	1.96

Earnings Per Share (EPS)

EPS is a measure of profitability representing net income attributable to equity holders divided by the weighted average number of shares outstanding as of the end of the year.

Share in Net Earnings of Associates

This indicates profitability of the investments and investees' contribution to the Group's net income. It is determined by multiplying the associate's comprehensive income or loss by the investor's percentage of ownership, less goodwill impairment cost, if any. Goodwill is the difference between the acquisition cost of an investment and the investor's share in the value of the net identifiable assets of the investee at the date of the acquisition.

Return on Equity

Return on Equity is derived by dividing total comprehensive income by average total stockholders' equity. This ratio indicates the level of profit earned by the Group in comparison with the total amount of stockholders' equity found in the statements of financial position. The higher the return on equity, the higher the Group's ability to produce internally generated cash flows. Moreover, the higher the Group's return on equity compared to other companies in the same industry, the better.

Return on Assets

Return on Assets (ROA) is derived by dividing total comprehensive income by average total assets. This ratio measures the ability of the Group's management to realize an adequate return on the total resources employed for the business. A high percentage rate indicates how the Group is well run and has a healthy return on assets employed.

Cash Flows

The Group uses the Statements of Cash Flows to determine the sources and application of funds for the period and to analyze and evaluate how the sources and uses of funds are being managed.

Current Ratio

Current Ratio is derived by dividing total current assets by total current liabilities. This ratio is a rough indication of the Group's ability to service its current obligations. The higher the current ratio, the greater the Group's ability to pay its current obligations.

Debt Ratio

Debt ratio is derived by dividing total liabilities by total assets. The ratio indicates the degree of protection provided for the Group's creditors. A high ratio generally indicates greater risk being assumed by creditors. On the other hand, a low ratio indicates greater long-term financial safety.

Debt-to-Equity Ratio

Debt-to-Equity Ratio is derived by dividing total liabilities by total equity. The ratio indicates how leveraged the Group is. It compares the resources provided by creditors against the resources provided by the stockholders in running the business of the Group.

Solvency Ratio

Solvency Ratio is derived by dividing the sum of total comprehensive income, depreciation and amortizations by the sum of long-term and short-term liabilities. This ratio provides another measurement of how likely the Group will be able to continue meeting its debt obligation. The higher the ratio, the greater the Company's ability to continue meeting its debt obligations.

Known Trends

Except as already discussed herein and disclosed in the notes to the consolidated financial statements, management is not aware of any other trend, event or uncertainty to have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations. Management is likewise not aware of any other event that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

Any Significant Elements of Income or Loss from Continuing Operations

There are no significant elements of income or loss from continuing operations.

Material Off-Balance Sheet Items

There are no material off-balance sheet transactions, arrangements, obligations, and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

Material Commitments for Capital Expenditures

As of December 31, 2022 there are no material commitment for capital expenditures other than in the ordinary course of business to improve power generation and distribution facilities. Funding comes from internally generated cash from operations.

Seasonal Aspects

The Group does not have any seasonal aspect that has a material effect on the financial condition or results of operations.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no changes in and disagreements with Accountants on accounting and financial disclosures.

External Audit Fees

For the annual audit of the Parent Company's and Subsidiaries' financial statements, tax advisory and other related financial advisory services, the aggregate fees paid to the independent auditors amounted to ₱1.6 million, ₱5.0 million and ₱1.5 million in 2022, 2021 and 2020, respectively, exclusive of VAT and out-of-pocket expenses. There were no other fees paid to the independent auditors other than for the above-described services.

Engagement of external auditor's services is bid out among qualified auditing firms. For the audit of the Parent Company's and Subsidiaries' annual financial statements, award is endorsed by the Board Audit Committee, recommended by the Board to the shareholders and approved by the shareholders during its annual meeting. Award of other services are approved by the Audit Committee as endorsed by the Internal Audit Department.

Financial Statements

The audited annual consolidated financial statements of the Parent Company and Subsidiaries as of and for the year ended December 31, 2021 and the unaudited interim financial statements for the quarter ended March 31, 2022 (together with the management's discussion and analysis) as set forth in SEC Form 17-A and SEC Form 17-Q are incorporated in this information statement.

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE FREE OF CHARGE, A COPY OF THE COMPANY'S SEC FORM 17- A (ANNUAL REPORT) DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING ADDRESS:

SPC POWER CORPORATION
7TH FLOOR, BDO TOWERS PASEO
8741 PASEO DE ROXAS, MAKATI CITY
1226 PHILIPPINES

ATTENTION : VICTOR P. LAZATIN
CORPORATE SECRETARY

MISHELLE ANNE R. RUBIO-AGUINALDO
ASSISTANT CORPORATE SECRETARY



SPC POWER CORPORATION

2023 ANNUAL STOCKHOLDERS' MEETING GUIDELINES

I. Validation

A. Individual and Joint Stockholders

1. Copy of valid government-issued ID with full name, signature, and photograph of stockholder/s
2. In case of proxy, proof of authority and copy of valid government-issued ID of the stockholder and proxy
3. Active e-mail address and mobile number

B. Stockholders under Broker Accounts

1. A broker's certification on the stockholder's number of shareholdings and that prior written consent of the person in whose account the shares are held, was properly obtained
2. Copy of valid government-issued ID with full name, signature, and photograph of stockholder/s
3. Active e-mail address and mobile number

C. Corporate Stockholders

1. Secretary's Certificate or duly signed and notarized Board Resolution
2. Copy of valid government-issued ID with full name, signature, and photograph of authorized representative
3. Active e-mail address and mobile number

Stockholders who wish to attend the ASM must be able to comply with registration requirements to be able to participate in the meeting. Unvalidated proxies shall not be honored.

Once registration requirements are validated and verified, the meeting link, access codes, materials, and other pertinent documents will be emailed to the stockholders at the official e-mail address provided. Registration requirements may be emailed at the following e-mail address/es:

SPCSECGroup@spcpower.com
info@spcpower.com

II. Registration

Online registration will be from 9:30 a.m. to 10:00 a.m. on June 15, 2023.

1. Attendees are advised to log-in within the registration period. After the lapse of the registration period, no one will be allowed to enter the platform.
2. Use of Display Names

Stockholders	-	(Full Name)
Proxy	-	(Full Name, SH represented)
Other attendees	-	(Full Name, Company)

Attendees will not be allowed to enter the platform if the attendee cannot be identified through his or her display name.

3. Upon entering the platform, attendees (except directors) must log their names in the chat box. This will be the basis for the attendance/registration.
4. Official List
An official list of attendees will be prepared based on the validated registration requirements received by the Corporation and the actual number of attendees present during the meeting.
5. No person shall be allowed to participate in the meeting unless verified and validated.

III. Meeting Proper

1. Manner of Voting (*see also Voting Procedure in Information Statement*)

Required vote: Unless otherwise required by law, on all matters to be taken up, majority vote of the outstanding capital stock present and represented at the meeting where a quorum is existing shall be sufficient. After the nomination for the election of directors is closed and the nominees are equal to, or less than, the number of directors to be elected, the Chairman will instruct the Corporate Secretary to cast all votes in favor of the nominees and declare all nominees to be elected. If the nominees are more than the directors to be elected, the Chairman shall instruct all shareholders and proxies present to vote by cumulative voting, openly, unless secret ballot is preferred.

Voting on motions shall be conducted *viva voce* or by show of hands, unless secret ballot is preferred. In case of a division of the house, the votes will be tallied and reported by the Corporate Secretary in the presence of the external auditor.

Stockholders who will participate via remote communication or in absentia may submit their votes on agenda items requiring stockholders' action, as well as their concerns, through the following e-mail address SPCSECGroup@spcpower.com and info@spcpower.com on or before June 10, 2023.

2. Opportunity to raise comments, objections, or questions

At the end of every agenda item, the Chairman will ask the stockholders for comments or objections. A stockholder who wish to be acknowledged must click the "raise-hand" icon or make a request in the chat box so he/she can be properly acknowledged. Comments, objections, or questions may also be made in the chat box. If not acknowledged immediately, questions, concerns, or clarifications may be raised during the Q&A portion before the end of the meeting.

3. No interruptions

Attendees are requested to mute their microphones to prevent unnecessary noise from disrupting the event. All attendees are enjoined to observe proper conduct during the entire meeting.

Link to the Annual Stockholders' Meeting

2023 Annual Stockholders' Meeting

Meeting ID: TBA
Passcode: TBA



SPC POWER CORPORATION

I.

ITEMS FOR RATIFICATION

Approval of the minutes of April 6, April 27, May 2, and May 10, 2022	May 31, 2022
Election of Officers for 2022-2023	May 31, 2022
Election of Committee Membership for 2022-2023	May 31, 2022
Declaration of dividends of P0.20 per share	May 31, 2022
2022 Amendments to the Amended By-Laws in compliance and consistent with the changes implemented by the Revised Corporation Code	May 31, 2022
Authority to make disclosures to Lacson & Lacson, Brokerage, Inc. for purposes of "Know-Your-Customer" (KYC) as required by the anti-money laundering laws, rules & regulations	July 8, 2022
Authority to vote and participate at the annual meeting of Mactan Electric Company, Inc.	July 8, 2022
Approval and ratification of 2022 amendments to ByLaws	August 5, 2022
Authority to vote and participate at the annual meeting of SPC Light Company, Inc., SPC Electric Company, Inc., SPC Malaya Power Corporation, Cebu Naga Power Corporation	August 30, 2022
Authority to apply for omnibus line with Land Bank of the Philippines	September 16, 2022
Updating of bank signatories	October 28, 2022
Authority to execute Emergency Power Supply Agreements with Bohol Light Company, Inc.	November 22, 2022
Authority to approve the Resignation of MBTC as STA, designate a new STA, and sign documents in relation thereto	November 22, 2022
Authority to execute PSE Acknowledgment and Undertaking	November 22, 2022
Authority to Transfer Business Registration	November 22, 2022
Approval of BPI resolution	November 23, 2022
To register new settlement account and facilitate the remittance of collectibles from IEMOP	Dec. 5, 2022
Approval of the minutes on May 31, 2022 & July 8, 2022	Dec. 12, 2022
Approval of the resolution for year-end directors' fees	Dec. 12, 2022
Approval of Proposed 2023 OPEX and CAPEX Budgets	Dec. 12, 2022
Schedule of April 2023 Regular Meeting	Dec. 12, 2022
Schedule of the Annual Stockholders' Meeting	Dec. 12, 2022
Authority to submit compliance with BIR	January 31, 2022
Authority to participate in NGCP's ASPA Bidding	February 3, 2023
Approval of and enrollment in PASS 5, WeAccess, ETPS	March 30, 2023
Updating of signatory in Pag-ibig transactions	March 9, 2023
Approval of opening of account with Chinabank	March 9, 2023
Approval of December 12, 2022 minutes	March 30, 2023
Approval of Audited Financial Statements for the Year Ended December 31, 2022	March 30, 2023
Delegation of approval of SEC Form 17-Q (for Quarter Ended March 31, 2023) to the EXECOM	March 30, 2023
Approval of the schedule of the 2023 Stockholders Meeting	March 30, 2023
To register the mobile numbers under SPC's managed accounts in compliance with the SIM Registration Act	May 3, 2023
Authority to represent the corporation at the General Membership Meeting of PIPPA	May 3, 2023



SPC POWER CORPORATION

II.

RECORD OF MEETINGS

August 1, 2022

Approval of the stockholders on the proposed amendments to the Amended By-Laws was obtained from August 1 to August 5, 2022 by written assent; no actual meeting was held

Board of Directors Meetings

	5/31/2022	7/9/2022	12/12/22	2/4/2023	3/30/2023
DENNIS T. VILLAREAL	✓	✓	✓	✓	✓
ALFREDO L. HENARES	✓	✓	✓	✓	✓
ALBERTO P. FENIX, JR.	✓	✓	✓	✓	✓
ENRIQUE L. BENEDICTO	✓	✓	✓	✓	✓
SERGIO R. ORTIZ-LUIS, JR.	✓	✓	✓	✓	✓
FRANCISCO L. VIRAY	✓	✓	ABSENT	✓	✓
JAMES ROY N. VILLAREAL	✓	✓	✓	✓	✓
LEE, DALHUN	✓	✓	✓	✓	✓
KIM, KILWON	✓	✓	✓	✓	✓
BANG, SANG HEE**	(Youn Sang Young)*	(Youn Sang Young)	(Youn Sang Young)	✓	✓
LEE, SANGHUN**	(Lee, Kyung-eun)*	(Lee, Kyung-eun)	(Lee, Kyung-eun)	✓	✓

* Resigned on January 2023.

** Elected on February 4, 2023.

Committee Meetings

Executive Committee		Audit Committee			Corporate Governance Committee	
	5/12/2023		12/1	3/24		5/12/2023
ALFREDO L. HENARES (C)	For approval of SEC 17-Q	FRANCISCO L. VIRAY (C)	✓	✓	SERGIO ORTIZ-LUIS (C)	For approval of final list of nominees for directors
DENNIS T. VILLAREAL		ALFREDO L. HENARES	✓	✓	DENNIS T. VILLAREAL	
ALBERTO P. FENIX, JR.		SERGIO ORTIZ-LUIS	✓	✓	FRANCISCO L. VIRAY	
LEE, DAL HUN		ENRIQUE L. BENEDICTO	✓	✓	KIM, KILWON	
KIM, KILWON		KIM, KILWON	✓	✓	ENRIQUE L. BENEDICTO	

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

SECRETARY'S CERTIFICATE

I, **MISHELLE ANNE R. RUBIO-AGUINALDO**, of legal age, Filipino, with address at Unit 802 Prime Land Tower, Market Street, Madrigal Business Park, Ayala Alabang, Muntinlupa City, after having been duly sworn in accordance with law hereby depose and state that:

1. I am the Assistant Corporate Secretary of **SPC POWER CORPORATION**, a corporation organized and existing under the Philippine laws with office address at 7th Floor, Cebu Holdings Center, Cebu Business Park, Cebu City, and at 7th Floor, BDO Towers Paseo (formerly, Citibank Center) 8741, Paseo de Roxas, Makati City, Philippines.

2. At the regular meeting of the Board of Directors on **March 30, 2023**, where a quorum was present and acted throughout, the Board resolved to postpone the Annual Stockholders Meeting and Organizational Meeting of the Board of Directors at a later date, instead of holding the annual meeting during the month of May pursuant to the Amended By-Laws (ratified by the stockholders subject to the final approval of the Securities & Exchange Commission) in order to adjust to the availability of the directors and officers of the Corporation, thus:

RESOLUTION

RESOLVED, that the Annual Stockholders Meeting and Organizational Meeting of the Board of Directors of SPC Power Corporation shall be held on **June 15, 2023**, at **9:30AM** by remote communication or *in absentia* which will be hosted at the principal office of the Corporation located at 7th Floor BDO Towers (formerly Citibank Center), Paseo de Roxas, Makati City.

IN WITNESS WHEREOF, I have hereunto affixed my signature this May 8, 2023, at Makati City, Philippines.

MISHELLE ANNE R. RUBIO-AGUINALDO
Assistant Corporate Secretary

SUBSCRIBED AND SWORN TO before me this May 8, 2023, at Makati City, Philippines by the affiant who exhibited to me her UMID CRN-0111-0482823-9.

Doc. No. 211;
Page No. 44;
Book No. 7;
Series of 2023.

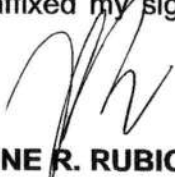
[Handwritten signature]

REPUBLIC OF THE PHILIPPINES)
 MAKATI CITY S.S.

SECRETARY'S CERTIFICATE

I, **MISHELLE ANNE R. RUBIO-AGUINALDO**, Assistant Corporate Secretary of **SPC POWER CORPORATION**, a corporation organized and existing under the laws of the Republic of the Philippines, with principal office at the 7th Floor, BDO Towers Paseo, 8741 Paseo de Roxas, Makati City, hereby certify that based on records of the Corporation, and as further confirmed by the directors, no director or officer of the Corporation is connected to or working with any government agency or instrumentality.

IN WITNESS WHEREOF, I have affixed my signature this 4th day of May 2023 in Makati City, Philippines.



MISHELLE ANNE R. RUBIO-AGUINALDO
 Assistant Corporate Secretary

MAY 04 2023

SUBSCRIBED and SWORN to before me in Makati City this 4th May 2023 by the affiant who is personally known to me and to me known who exhibited her UMID CRN-0111-0482823-9 as competent proof of identity.

Doc. No. 154,
 Page No. 32,
 Book No. 7,
 Series of 2023.



ATTY. JOE FERRER FLORES
 NOTARY PUBLIC FOR MAKATI CITY
 UNTIL DECEMBER 31, 2023 (2023-2024)
 APPOINTMENT NO. M-115
 ROLL NO. 77376 / MCLE (EXEMPT)
 PTR NO. 9563564 / JAN. 03, 2023 / MAKATI CITY
 IDP NO. 261994 / JAN. 03, 2023 / PASIG CITY
 1107 D. BATAAN ST., GUADALUPE HUBV3, MAKATI CITY