

**2023 ORGANIZATIONAL MEETING OF THE BOARD OF DIRECTORS**  
**SPC POWER CORPORATION**  
 June 15, 2023, 11:00 A.M.  
 via Zoom Video Teleconference

<b>Alfredo L. Henares</b>	<i>Chairman of the Board Chairman, Executive Committee Member, Audit Committee</i>
<b>Dennis T. Villareal</b>	<i>President and CEO Member, Executive Committee Member, Corporate Governance Committee</i>
<b>Alberto P. Fenix, Jr.</b>	<i>Executive Director Member, Executive Committee</i>
<b>James Roy N. Villareal</b>	<i>Member of the Board</i>
<b>Sergio R. Ortiz-Luis, Jr.</b>	<i>Independent Director Chairman, Corporate Governance Committee Member, Audit Committee</i>
<b>Francisco L. Viray</b>	<i>Independent Director Chairman, Audit Committee Member, Corporate Governance Committee</i>
<b>Lee, Dal Hun</b>	<i>Member, Executive Committee</i>
<b>Kim, Kilwon</b>	<i>Member, Executive Committee Member, Audit Committee Member, Corporate Governance Committee</i>
<b>Bang, Sanghee</b>	<i>Member of the Board</i>
<b>Lee, Sanghun</b>	<i>Member of the Board</i>
<b>Jaime M. Balisacan</b>	<i>SVP, Finance and Administration</i>
<b>Victor P. Lazatin</b>	<i>Corporate Secretary</i>
<b>Maria Luz L. Caminero</b>	<i>SVP, Legal/Regulatory Affairs Compliance Officer</i>
<b>Cesar O. Villegas</b>	<i>SVP, Operations and Business Development</i>
<b>Nino Ray D. Aguirre</b>	<i>VP Finance and Treasurer</i>
<b>Mishelle Anne R. Rubio-Aguinaldo</b>	<i>Assistant Corporate Secretary</i>

#### **I. Call to Order and Roll Call**

The Chairman called the meeting to order at 11:00 a.m. through remote communication using Zoom Video Teleconference. Pursuant to the Internal Procedures for Board Meeting by Teleconference, the Corporate Secretary, Atty. Victor P. Lazatin, requested the directors to state for the record their full name, location, and device used to access the meeting. The Assistant Corporate Secretary, Atty. Mishelle Anne R. Rubio-Aguinaldo, recorded the minutes of the meeting. Other attendees were requested to type their name and position, and location in the chat box.

#### **II. Certification of Due Notice and Quorum**

For the record, the schedule of this meeting was approved by the Board of Directors during the regular meeting held on March 30, 2023. The notice of this meeting was sent to all directors by electronic mail on June 1, 2023; and with 10 directors present, the Corporate Secretary certified that a quorum was present to transact business.

#### **III. Approval of the Minutes of Previous Meetings**

The next item on the agenda is the approval of the minutes of meeting held on March 30, 2023. Copies of the minutes are included in the agenda folder.

Upon motion duly seconded and there being no objection, the motion was declared unanimously approved by all present. Thus, it is resolved that the motion to approve the minutes of the meeting held on March 30, 2023, duly seconded, is hereby approved, subject to the corrections to be made, if any.

#### **IV. Matters Arising from the Previous Meeting**

There are no matters arising from the previous meeting.

#### **V. Election of Officers for 2023-2024**

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

Upon motion duly seconded and there being no objection, the nominations were declared unanimously approved by all present. The Corporate Secretary is directed to cast the votes in favor of the nominees. Thus, it is resolved, that the duly elected officers of the Corporation for the term 2023-2024 are as follows:

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

#### VI. Election of Board Committee Members for 2023-2024

The next item on the agenda is the election of board committee members for the period 2023-2024. The following were nominated for board committee membership:

##### Executive Committee

Chairman	:	Alfredo L. Henares
Members	:	Dennis T. Villareal Alberto P. Fenix, Jr. Lee, Dal Hun Kim, Kilwon

##### Audit Committee

Chairman	:	Francisco L. Viray
Members	:	Alfredo L. Henares Sergio Ortiz-Luis, Jr. Enrison T. Benedicto Kim, Kilwon

##### Corporate Governance Committee

Chairman	:	Sergio Ortiz-Luis, Jr.
Members	:	Dennis T. Villareal Enrison T. Benedicto Francisco L. Viray Kim, Kilwon

Upon motion duly seconded and there being no objection, the nominations were declared unanimously approved by all present. The Corporate Secretary is directed to cast the votes in favor of the nominees. Thus, it is resolved, that the duly elected members of the respective board committees for the term 2023-2024 are as follows:

##### Executive Committee

Chairman	:	Alfredo L. Henares
Members	:	Dennis T. Villareal Alberto P. Fenix, Jr. Lee, Dal Hun Kim, Kilwon

### **Audit Committee**

Chairman	:	Francisco L. Viray
Members	:	Alfredo L. Henares Sergio Ortiz-Luis, Jr. Enrison T. Benedicto Kim, Kilwon

### **Corporate Governance Committee**

Chairman	:	Sergio Ortiz-Luis, Jr.
Members	:	Dennis T. Villareal Enrison T. Benedicto Francisco L. Viray Kim, Kilwon

## **VII. Operations Report for Four Months Ended April 30, 2023**

The next item on the agenda is the Operations Report to be presented by Mr. Cesar Villegas.

**15 MW PDPP-1.** The plant availability of 98.47% on 2023 is higher by 5.4% compared with the 2022's 93.45%. The plant's utilization rate ended up higher by 8.8% in 2023 compared with 2022's 65.07%. On the other hand, the net generation in 2023 was favorably lower by 44.6% with only 1816 MW/H compared with 3279 MW/H in 2022. This reduction actually cost the 41.5% lower operating hours in 2023. The higher availability in 2023 resulted from the 76.7 reduction in the total outage this year, compared with last year's 6.55%.

**50 MW PDPP-3.** The plant availability similarly ended higher by 3.1% in 2023 compared with 2022's 95.86%. Similarly, with PDPP-1, which serves the same market, the utilization rate of PDPP-3 also increased by 2.4% in 2023. In spite of the higher utilization rate, the net generation was also favorably lower by 51.4% from 18,788 MW/H in 2022 to just 9123 MW/H in 2023, which consequently cost the 53.8% decrease in the operating hours. The higher availability in 2023 resulted from the reduced total outage by 72.5% from 2022's 4.14%.

**16.2 MW BDPP.** The plant availability of BDPP in 2023 ended high at 96.89% which is 8.2% higher than 2022's 89.54%. Like our plants in Panay, the utilization rate of BDPP also increased by 33.6% in 2023, from 67.1 MW/H in 2022 to this year's 89.7 MW/H. Fortunately, the net generation was also lower by 17.9% due to relatively better system operation. The lower net generation in 2023 resulted lower operating hours by 42.3% from 28% in 2022 down to only 16.2% in 2023. The higher availability in 2023 resulted from the total outage that was lower by 70.2% from 10.46% in 2022, down to only 3.11% in 2023.

**29 MW PB104.** The plant availability in 2023 was lower by 4.4% compared with last year's 97.22%. But like BDPP and PDPP-1 and 3, its utilization rate in 2023 also increased by 20.4% from 69.2% in 2022 to 83.35% in 2023. Similar with all other plants, in spite of the higher utilization rate, the net generation of PB104 was also lower in 2023 from 16,450 MW/H down to 11,839 MW/H. Consequently, this resulted into lower operating hours by as much as 52.4%. The lower availability in 2023 resulted from the increase in total outage from 2.8% in 2022 to 7.1% in 2023.

Based on the plant portfolio, the over-all availability of the 4 diesel plants combined in 2023 is 96.95%, that is 2.1% higher than 2022's 94.94%. As the combined utilization rate of all plants favorably increased by 13.4%, it is fortunate that the net generation and operating hours were lowered by 36.9% and 50.3%, respectively. And lastly, the higher over-all plant availability was due to the reduced combined total outage of 3.05% in 2023, that is 39.8% lower than 2022's 5.06%. *(End of the report)*

There were no questions from the Board.

### **VIII. Presentation of the Consolidated Interim Financial Statements as of and for the Four Months Ended April 30, 2023**

For the next item on the agenda, Mr. Nino Ray D. Aguirre will present the Consolidated Interim Financial Statements as of and for the Four Months Ended April 30, 2023.

The group's consolidated comprehensive income rose to P401.7 million for the 4 months ended April 30, 2023, increased by 87% from P215.3 million in 2022 due to the significant increase in the income contribution of the investing companies and power generation segment as electricity demand continued to shift towards pre-pandemic levels. The consolidated comprehensive income is largely contributed by equity in net earnings of associates coming from KSPC followed by SPC and SIPC, resulting from higher plant utilization and lower outages in 2023 as compared to 2022. MECO and BLCI's increase in contributions to the group's comprehensive income are largely attributable to the higher KW/H sold in 2023 as that of the previous year.

The group's increase in total assets in this consolidated financial position were attributed mainly to additional cash generated from operating activities and appreciation of the carrying value of investments in associates. 64% of the total liabilities are trade payables and the group has no bank loans. The net cash inflows from operating activities in relation to the increase in the group's comprehensive net income. Cash dividends received are coming from MECO. Cash dividends paid are dividends payable at the parent company which were only recently claimed by the stockholder.

Additions to the property, plant and equipment in 2023 pertains largely to the distribution assets of BLCI. The consolidated cash and cash equivalents amount to P4.2 billion in 2023, P1.2 billion higher as that of the previous year. *(End of the report)*

There were no questions from the Board.

### **IX. Projects/Investments Progress Reports**

Mr. Cesar O. Villegas presented the progress reports on projects and investments.

- (a) Ubay-1 Solar Power Project
- (b) Bolo Solar Project
- (c) Project Kermit
- (d) Ubay-2 Solar Power Project
- (e) San Manuel Solar Power Project
- (f) Bohol Battery Energy Storage System Project
- (g) Panay Battery Energy Storage System Project

*\*A summary of the report is transposed as an attachment for confidentiality reasons.*

Director Bang Sanghee expressed that KEPCO cannot approve the new project investments because details of the new projects should have been submitted to KEPCO, including any formal materials with the valuation of the new projects, at least a month before the meeting, to give them ample time to study the projects and see whether they are feasible. The director firmly took the position that KEPCO will not approve any project without any official materials such as due diligence or FS or TA report; and further stressed that as long as KEPCO doesn't approve the project and its appropriation, that the Corporation should pay all the unappropriated retained earnings of the year 2022 should be paid for the dividend, according to our shareholders agreement.

Director Lee Dal Hun also reiterated the position of KEPCO management. He pointed out that they have been trying to sell KSPC shares for almost a year, but are struggling because the Corporation insists on a well-funded buyer. He further claimed that the Corporation prefers companies which does not have enough funds to buy KSPC to lower the KSPC selling price and that the Corporation is interrupting the plan of selling

KSPC at a sufficiently high price. He stated that since they have already decided to sell their SPC shares, there is no more reason to agree to the appropriation of the new projects, and no reason at all to use the retained earnings supposed to be KEPCO's dividend for exercising SPC's right of first refusal. The director requested to discuss about these issues before the next board meeting and hold a special board meeting before the end of June.

#### **X. Appropriation of Retained Earnings**

In the course of the discussion with KEPCO directors, a motion was made to defer the Appropriations of Retained Earnings (agenda item X) and the Declaration of Cash Dividends (agenda item XI), and that a Special Board Meeting be scheduled not later than July 14, 2023 for the approval of these matters; and to further include in that board meeting the approval of Ubay-1 and Bolo Solar Power Projects. KEPCO directors opposed the deferment. Due to the opposing views, the motion was put to a vote with 6 votes in favor of the motion and 4 votes against. Thus, by a majority vote, the motion was carried.

Therefore, upon motion duly seconded, majority of the directors resolved that agenda item X or the Appropriations of Retained Earnings, and agenda item XI or the Declaration of Cash Dividends, be deferred, and that a Special Board Meeting be scheduled not later than July 14, 2023 for the approval of these matters, and to further include the approval of Ubay-1 and Bolo Solar Power Projects in the agenda of the said meeting. The Corporate Secretary was directed to coordinate with the directors to finalize the date and the agenda of the Special Board Meeting.

#### **XI. Declaration of Cash Dividends**

This agenda item is deferred as approved by the majority of the Board.

#### **XII. Other Matters**

The Assistant Corporate Secretary presented the items for approval. Upon motion duly seconded, without objection, the following resolutions are hereby approved –

##### **I. Updating of bank account signatories (applicable to all banks) –**

..... RESOLVED, that the signatures of any two of the signatories below shall be required for all check issuances/withdrawals under/against any of the aforesaid regular accounts of the Corporation and for all appropriate instructions on money market placements of the Corporation's funds as applicable; Provided that, Messrs. Dennis T. Villareal or James Roy N. Villareal shall be signing in an "either-or" capacity or for and on behalf of each other:

DENNIS T. VILLAREAL  
ALFREDO L. HENARES  
CORAZON L. GAMEZ  
JAMES ROY N. VILLAREAL

RESOLVED FURTHER, that the designated signatories for all Imprest Peso and US Dollar bank accounts of the Corporation, whether in Metro Manila, Makati, Cebu, Tagbilaran City, Iloilo or anywhere in the Philippines, shall hereafter consist of two (2) classes as follows: Provided that, Messrs. Dennis T. Villareal or James Roy N. Villareal shall be signing in an "either-or" capacity or for and on behalf of each other:

**CLASS A**

DENNIS T. VILLAREAL  
ALFREDO L. HENARES  
CORAZON L. GAMEZ  
JAMES ROY N. VILLAREAL

**CLASS B**

ALBERTO P. FENIX, JR.  
JAIME M. BALISACAN  
NINO RAY D. AGUIRRE

**II. Bureau of Customs Accreditation**

NOW, THEREFORE, BE IT RESOLVED, that the Corporation authorizes the following individuals to be its duly authorized representatives: Mr. Jaime M. Balisacan (SVP Finance and Admin), Mr. Nino Ray D. Aguirre (VP Finance), Ms. Angelica R. Javier (Procurement Manager), and Mr. Victorio B. Naval (Cebu Office Manager), to represent the Corporation before the Bureau of Customs and make a formal request to lift the decree of abandonment and release the affected shipments; provided that, this authority shall extend to all other prospective shipments that may be declared as such;

RESOLVED FURTHER, that Corporation grants its duly authorized representative the authority to sign, execute, and deliver any and all documents and papers necessary to achieve the purpose for which this authority is granted, and to appoint a substitute in case of their absence or unavailability.

**III. Authority to transact with IEMOP re: payments (WESM transactions)**

... RESOLVED, that JAIME M. BALISACAN, SVP-FINANCE & ADMIN, is hereby authorized to coordinate with IEMOP and to execute and deliver for and in behalf of the Corporation all such documents and papers necessary, to appoint a substitute in his absence or incapacity, and to do or cause to be done all acts and things necessary, proper and convenient to give effect to the foregoing resolution.

**IV. BIR reportorial requirements**

"RESOLVED, that the Corporation hereby authorizes JAIME M. BALISACAN or NINO RAY D. AGUIRRE to sign and execute, the Company's computerized accounting books/records, in accordance with the keeping of books of accounts and records for internal revenue tax purposes, and to appoint a substitute representative in case of absence or unavailability;

RESOLVED FURTHER, that the Company, through JAIME M. BALISACAN or NINO RAY D. AGUIRRE or their authorized representative be authorized to submit and deliver said Updated Book of Accounts to the BIR; and

RESOLVED FINALLY, that JAIME M. BALISACAN or NINO RAY D. AGUIRRE or their authorized representative be authorized to perform such all acts necessary for the compliance with the BIR requirements."

**V. CHINABANK**

"RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation be empowered and authorized to open and maintain deposit account(s) and to avail of any banking related products and services, and/or to open and maintain placement(s), and/or to invest in (i) treasury products and/or other investment instruments such as but not limited to government securities, corporate bonds, derivatives, swaps and repurchase agreements, or to enter into (ii) foreign exchange dealings/transactions such as but not limited to spot and forward foreign currency purchases and sales, cross-currency interest rate swaps, listed or over-the-counter options on foreign currencies, non-deliverable forwards and options, and any other similar transaction providing the purchase of one currency in the exchange for the sale of another currency, (iii) interest or currency swaps, futures, options, collars, caps, floors, forward rate or other interest rate protection or similar arrangements, (iv) any transaction that is similar to any of the transactions described above (including an option with respect to any one of them) and any combination of these transactions (collectively, "Treasury Products"), and/or to enter into trust and/or investment management agency

transactions/arrangements and/or open and maintain trust/investment management account(s) with CHINA BANKING CORPORATION and/or CHINA BANKING CORPORATION – TRUST AND ASSET MANAGEMENT GROUP, under such terms and conditions, as may be mutually agreed upon, where its cash funds, any credit remittances or checks issued in its favor, with or without endorsement, may be deposited or invested.”

RESOLVED FURTHER, that the signatures of any two of the “Class A” signatories shall be required for all check issuances/withdrawals under/against any of the aforesaid regular accounts of the Corporation and for all appropriate instructions on money market placements of the Corporation’s funds as applicable;

RESOLVED FURTHER, that the designated signatories for all Imprest Peso and US Dollar bank accounts of the Corporation, whether is Metro Manila, Cebu, Tagbilaran City, Iloilo, or anywhere in the Philippines, shall hereafter consist of two (2) classes as follows:

CLASS A	CLASS B
DENNIS T. VILLAREAL	ALBERTO P. FENIX JR.
ALFREDO L. HENARES	JAIME M. BALISACAN
CORAZON L. GAMEZ	NINO RAY D. AGUIRRE
JAMES N. VILLAREAL	

Provided that, either Messrs. Dennis T. Villareal or James Roy N. Villareal shall be signing in an “either-or” capacity or for and on behalf of each other.

I. For the Peso Imprest Account

Any two (2) of the Class “A” signatories (No limit)  
 Any one (1) signatory from Class “A” and any one (1) signatory from Class “B” (for any single payment not exceeding ₱500,000.00)  
 Any two (2) signatories from Class “B” (for any single payment not exceeding ₱100,000.00).

II. For the US Dollar Imprest Accounts

Any two (2) signatories from Class “A” (No Limit)  
 Any one (1) signatory from Class “A” together with one (1) signatory from Class “B” (for any single payment not exceeding US\$3,000.00)  
 Any two (2) signatories from Class “B” (for any single payment not exceeding US\$1,500.00).

RESOLVED FURTHER, that the Peso Imprest account shall have and maintain a maximum deposit of Five Million Pesos (₱5,000,000.00) and that such account can only be replenished or can only receive payment from the Corporation’s regular Peso account;

RESOLVED FURTHER, that the US Dollar Imprest account shall have and maintain a maximum deposit of US\$ Fifteen Thousand (US\$15,000.00) and that such account can only be replenished or can only receive payment from the Corporation’s regular US Dollar account;

RESOLVED FURTHERMORE, that the Corporation is hereby authorized to avail of the bank’s products and services as may be necessary to effect the foregoing;

RESOLVED FINALLY, that the following are hereby appointed and designated as bank signatories:

CLASS A	CLASS B
DENNIS T. VILLAREAL	ALBERTO P. FENIX JR.
ALFREDO L. HENARES	JAIME M. BALISACAN

CORAZON L. GAMEZ	NINO RAY D. AGUIRRE
JAMES N. VILLAREAL	

Provided that, either Messrs. Dennis T. Villareal or James Roy N. Villareal shall be signing in an "either-or" capacity or for and on behalf of each other.

"RESOLVED FURTHER, that the authority to sign in the withdrawal slips by the above designated signatories include the authority for them to designate a representative to receive the amount withdrawn."

"RESOLVED FURTHER, as it is hereby resolved, that the Corporation be empowered and authorized to apply for, negotiate, and obtain loans from CHINA BANKING CORPORATION and/or CHINA BANKING CORPORATION – TRUST AND ASSET MANAGEMENT GROUP, including the renewal, extension, increase and/or restructuring thereof and/or of its existing credit facilities in such amount(s) and under such terms and conditions as may be mutually agreed upon, and to secure and guarantee the payment of the aforesaid loans or credit facilities by means of mortgage, pledge, assignment or any other form of encumbrance upon any and all properties or assets of the Corporation of whatever kind or nature, real or personal, as may be sufficient, necessary or required for the purpose."

RESOLVED ALSO, that the above Class A and Class B signatories apply to authorize to sign, execute, and deliver any and all documents including but not limited to loan application, disclosure statement, trust/investment management agreement, purpose sheet, application for letters of credit, promissory note, draft, surety agreement, trust receipt, shipside bond, bank guarantee, mortgages, pledge, assignment, and the like, including the renewals/extensions/amendments thereof, in order to effectuate the foregoing matters."

"RESOLVED FURTHER, as it is hereby resolved, that the Corporation be empowered and authorized to avail of various cash management services from CHINA BANKING CORPORATION such as, but not necessarily limited to: Check Depot, and Bancnet Payment System; disbursements management including products and services such as BancNet e-Gov, and Inter-Bank Fund Transfer; and liquidity management including products and services such as China Bank Online; and all other related services under such terms and conditions as may be mutually agreed upon between the Corporation and CHINA BANKING CORPORATION."

"RESOLVED ALSO, that any two of the Class A signatories be authorized to (a) negotiate and agree on the terms of and sign, execute, and deliver for and in behalf of the Corporation any and all agreements, information, documents, amendments, and supplements as shall be necessary under such terms and conditions as the officers shall deem proper to enable the Corporation to avail of the various cash management services, (b) designate representatives of the Corporation ("Users") who will use and operate various electronic channels such as, but not limited to, China Bank Online and BancNet e-Gov, (c) prescribe the authority and limits of said Users, authorize subsequent changes in the Users and their limits of authority, and do or cause to be done all other acts or deeds required, necessary, or appropriate for purposes of implementing the transactions authorized therein."

**V. BPI**

**A. DEPOSITORY BANKS OF THE CORPORATION**

RESOLVED, that the following: BANK OF THE PHILIPPINE ISLANDS, BPI FAMILY SAVINGS BANK and BPI DIRECT SAVINGS BANK, INC. be, as they hereby are, designated individually as depositories of the Corporation, and that the officers or agents of the Corporation herein designated be, as they hereby are, authorized to deposit/place any of the funds of the Corporation, whether peso, dollar or any other currency, in any of the said banks, their subsidiaries, and affiliates including non-bank financial institutions either at their head offices or at any of their branches.

**B. WITHDRAWAL OR CHARGE AGAINST THE FUNDS OF THE CORPORATION WITH ITS DEPOSITORY BANKS, THEIR SUBSIDIARIES AND AFFILIATES, INCLUDING NON-BANK FINANCIAL INSTITUTIONS**

RESOLVED, that any withdrawal from, or charge against, the funds, properties or accounts of the Corporation with its depository banks, their subsidiaries, and affiliates, by way of checks, drafts, bills of exchange, acceptances, endorsements, undertakings, debit/credit memo(s), funds transfer(s) or other instruments or order involving payment of money or documents assigning, transferring and conveying rights to any fund or property of the Corporation, shall be signed, executed and delivered by the authorized signatories as provided in Subsection G herein.

RESOLVED, that there shall be Peso and US Dollar Regular Account and Peso and US Dollar Imprest Account;

RESOLVED, that the Peso Imprest account shall have and maintain a maximum deposit of Five Million Pesos (₱5,000,000.00) and that such account can only be replenished or can only receive payment from the Corporation's Regular Peso account;

RESOLVED FURTHER, that the US Dollar Imprest account shall have and maintain a maximum deposit of US\$ Fifteen Thousand (US\$15,000.00) and that such account can only be replenished or can only receive payment from the Corporation's regular US Dollar account;

RESOLVED, that the Corporation hereby acknowledges and confirms that funds transfers from the accounts of the Corporation to other accounts of the Corporation or to accounts of third parties are for the purpose of or in furtherance of the normal or regular course of business of the Corporation or for its operations.

**C. INVESTMENT/MONEY MARKET TRANSACTIONS**

Resolved, that the Corporation be, as it is hereby, authorized to invest its funds or make money market placements with or through the Bank of the Philippine Islands ("BPI") and/or Trust Department and its subsidiaries, such as BPI Capital Corporation, by giving orders or instructions for placements in or purchases of Common Trust Funds and Mutual Funds managed by BPI, commercial papers, bonds and other securities and investment instruments, issued by private corporations, the Republic of the Philippines or other governmental agencies or instrumentalities, in local or dollar currencies, (collectively, the "Investment Instruments").

Resolved further that the following officers of the Corporation be as they are hereby authorized to operate and manage the Corporation's money market placements and investments in and purchases of Investment Instruments and for this purpose, any two of said officers can fund, withdraw, pre-terminate, and renew the Investment Instruments, including the proceeds thereof.

NAME	SPECIMEN SIGNATURE
DENNIS T. VILLAREAL	
ALFREDO L. HENARES	
CORAZON L. GAMEZ	
JAMES ROY N. VILLAREAL	

Resolved , finally, that the same officers mentioned above are authorized as they are hereby authorized to open securities and deposit accounts with BPI and or its subsidiaries, to issue a debit authority against any deposit or money market investments of the Corporation maintained at BPI Head Office or any of its branches and to execute and deliver such documents, agreements and instruments as may be necessary or appropriate in relation to their authority to operate and manage the Corporation's funds and investments as above-provided. Provided that, Messrs. Dennis T. Villareal and James Roy N. Villareal shall sign in an "either-or" capacity or for and on behalf of each other.

#### D. CASH MANAGEMENT AND OTHER TRANSACTIONAL BANKING SERVICES

RESOLVED, that the Corporation be, as it is hereby, authorized to enter into transaction and/or avail of products or facilities of, or brokered by, or through the intermediation of its depository banks, or any of its branches, affiliates, and wholly / partly owned subsidiaries, including but not limited to, cash management services, phone / electronic / internet banking facilities, safety deposit boxes, deposit pick-up arrangements, placements and / or purchase of debt papers, negotiable instruments, trust placements and similar transactions as the Corporation may deem reasonable, beneficial and in the furtherance of the interest of the Corporation;

RESOLVED, that the Corporation's authorized signatories be, as they are hereby, authorized to sign, for and in behalf of the Corporation any documents, papers, instruments, instructions, forms, agreements, or contracts as may be appropriate and/or required for the implementation of the foregoing powers / transactions, authorized above;

#### E. LOAN NEGOTIATION AND DRAWINGS, AVAILMENTS OR UTILIZATION OF LOANS OR OTHER CREDIT ACCOMMODATIONS:

RESOLVED, that the Corporation shall apply, negotiate and obtain any and all loans or other credit accommodations or facilities of the Corporation, whether in peso, dollar or any other currency, including but not limited to trust receipts, with any of its depository banks, their subsidiaries and affiliates and/or trust departments, or with any other bank or non-bank financial institution, or with any other lender or entity, or with any foreign bank, in such amounts and under such terms and conditions as the Corporation's authorized signatories may deem proper and reasonable;

RESOLVED, that the Corporation shall grant, transfer, convey, mortgage, pledge, assign or hypothecate any property, real or personal, of the Corporation to secure the payment of the principal and interest of the obligations of the Corporation whether all the time owned or thereafter acquired, under such terms and conditions and stipulations as the Corporation's authorized signatories may deem advisable and desirable in the best interest of the Corporation and its stockholders:

RESOLVED, further that the Corporation's authorized signatories, be, as they are hereby, authorized to sign, execute and deliver such loan documents, mortgages, pledges, assignments, conveyances, trust receipts, renewals, supplements, amendments thereto, and such other instruments and papers as may be required, necessary to implement and carry into effect the resolutions and authority herein granted.

RESOLVED, furthermore, that any drawings, availments, reavailments, usage or utilization of the loans or other credit accommodations or facilities including trust receipts, promissory notes, drafts, bills of exchange and other negotiable or non-negotiable instruments or other evidence of indebtedness shall be signed, executed and delivered by the Corporation's authorized signatories.

#### F. FOREIGN EXCHANGE TRANSACTIONS

RESOLVED, that the Corporation shall apply, negotiate and obtain for establishment or opening of letters of credit, or other modes of trade payments/collections with any of the aforesaid depository banks, their subsidiaries and affiliates including non-bank financial institutions;

RESOLVED, that any and all documents, instruments, and papers, including and without in any manner restricting or limiting to applications for establishment or opening of letters of credit, or other modes of trade payments/collections, their renewals, extensions, amendments or increase or decrease of the same, bankers acceptances, bills of exchange, guarantee bonds, bills of lading or any and all such other instruments, documents and papers related to foreign exchange transactions, such as purchase or sale of foreign exchange, servicing of trade or non-trade transactions involving visibles and invisibles, shall be signed, executed and delivered by the Corporation's authorized signatories.

**G. AUTHORIZED SIGNATORIES**

RESOLVED FURTHER, that for all check issuances/withdrawals under Peso and US Dollar Regular Accounts, the signatures of any two of the signatories shall be required:

Name	Specimen Signature
DENNIS T. VILLAREAL	
ALFREDO L. HENARES	
CORAZON L. GAMEZ	
JAMES ROY N. VILLAREAL	

Provided that, Messrs. Dennis T. Villareal or James Roy N. Villareal shall be signing in an "either-or" capacity or for and on behalf of each other;

RESOLVED FURTHER, that for check issuances/withdrawals under Peso and US Dollar Imprest Accounts, the authorized signatories shall hereafter consist of two (2) classes as follows:

Class A	Specimen Signature
DENNIS T. VILLAREAL	
ALFREDO L. HENARES	
CORAZON L. GAMEZ	
JAMES ROY N. VILLAREAL	
Class B	Specimen Signature
ALBERTO P. FENIX, JR.	
JAIME M. BALISACAN	
NINO RAY D. AGUIRRE	

Provided that, Messrs. Dennis T. Villareal or James Roy N. Villareal shall be signing in an "either-or" capacity or for and on behalf of each other;

RESOLVED FURTHER, that for the Peso Imprest Account, the following shall apply:

- o Any two (2) of the Class "A" signatories (No limit)
- o Any one (1) signatory from Class "A" and any one (1) signatory from Class "B" (for any single payment not exceeding ₱500,000.00)
- o Any two (2) signatories from Class "B" (for any single payment not exceeding ₱100,000.00).

RESOLVED FURTHER, that for the US Dollar Imprest Account, the following shall apply:

- o Any two (2) signatories from Class "A" (No Limit)
- o Any one (1) signatory from Class "A" together with one (1) signatory from Class "B" (for any single payment not exceeding US\$3,000.00)
- o Any two (2) signatories from Class "B" (for any single payment not exceeding US\$1,500.00).

RESOLVED, further, that the Corporate Secretary or the Assistant Corporate Secretary of the Corporation be authorized, as they are hereby authorized, to submit the updated list of the incumbent officers/directors occupying the positions of the Corporation's authorized signatories.

RESOLVED, finally, that the Corporation undertakes to save free and harmless as well as indemnify the banks from any and all liabilities, claims, suits, charges or expenses, of whatever nature arising out of, in connection with or by virtue of the implementation of these resolutions.

**VII. LBP**

"RESOLVED, that the designated signatories for all regular Peso and US Dollar bank accounts of the Corporation in (1) Land Bank of the Philippines Makati Avenue Bel-Air Branch (former UCPB Main Office Branch) and in any other Land Bank branch located in Metro Manila, Cebu, Iloilo, Tagbilaran and anywhere in the Philippines; (2) Banco de Oro (BDO), Philippine National Bank (PNB), Metropolitan Bank and Trust Company (Metrobank), Bank of the Philippine Islands (BPI), within Metro Manila, Cebu, Iloilo, Tagbilaran and anywhere in the Philippines, shall hereafter consist of two (2) classes as follows

Class A	Specimen Signature
DENNIS T. VILLAREAL	
ALFREDO L. HENARES	
CORAZON L. GAMEZ	
JAMES ROY N. VILLAREAL	
Class B	Specimen Signature
ALBERTO P. FENIX, JR.	
JAIME M. BALISACAN	
NINO RAY D. AGUIRRE	

Provided that, Messrs. Dennis T. Villareal or James Roy N. Villareal shall be signing in an "either-or" capacity or for and on behalf of each other;

RESOLVED FURTHER, that the signatories required for check issuances/withdrawals under/against the said accounts shall be as follows:

For the Peso Accounts

Any two (2) of the Class "A" signatories (No limit)

Any one (1) signatory from Class "A" and any one (1) signatory from Class "B" (for any single payment not exceeding P500,000.00)

Any two (2) signatories from Class "B" (for any single payment not exceeding P100,000.00).

For the US Dollar Accounts

Any two (2) signatories from Class "A" together with one (1) signatory from Class "B" (for any single payment not exceeding US\$3,000.00)

Any two (2) signatories from Class "B" (for any single payment not exceeding US\$1,500.00)

RESOLVED FURTHER, that the Peso account shall have and maintain a maximum deposit of Five Million Pesos (P5,000,000.00) and that such account can only be replenished or can only receive payment from the Corporation's regular Peso account.

RESOLVED FURTHER, that the US Dollar account shall have and maintain a maximum deposit of US\$ Fifteen Thousand (US\$ 15,000.00) and that such account can only be replenished or can only receive payment from the Corporation's regular US Dollar account.

RESOLVED FINALLY, that the foregoing resolutions repeal/amend any and all previous resolutions on the subject matter that are inconsistent therewith or contrary thereto.”

#### VIII. OMNIBUS LINE

RESOLVED, that in connection with the establishment of accounts of the Corporation with the LAND BANK OF THE PHILIPPINES (the Bank, formerly, United Coconut Planters Bank or UCPB), with office address at LANDBANK Plaza, 1508 M.H. Del Pilar corner Dr. J. Quintos Sts., Malate, Manila, Philippines, that:

1. The Corporation is hereby authorized to apply for and obtain with the Bank the following accommodations:
  1. DOMESTIC BILLS PURCHASE/DOMESTIC BILLS PURCHASE – MANAGER’S CHECK LINE in the aggregate principal amount of TEN MILLION PESOS (PhP10,000,000.00), Philippine Currency; and
  2. OMNIBUS LINE in the aggregate principal amount of TWO HUNDRED FIFTY MILLION PESOS (PhP250,000,000.00), Philippine Currency,

as well as the temporary excesses or permanent increases thereon as may be approved by the Bank from time to time, under such terms and conditions as the Bank may require.

2. The Corporation hereby authorizes SPC ISLAND POWER CORPORATION, and BOHOL LIGHT COMPANY, INC. (collectively, the Nominee) to avail themselves of the Corporation’s STANDBY LETTER OF CREDIT LINE under the OMNIBUS LINE.
3. The Corporation is hereby authorized to act as surety to guarantee the payment of the loan obligations of the Nominee with the Bank.
4. The Corporation hereby authorizes **any two** of the following designated corporate officers, namely: **Dennis T. Villareal, Alfredo L. Henares, and Corazon L. Gamez**, in joint capacities with full power of substitution, to sign, execute, and deliver, for and on behalf of the Corporation, any and all documents and instruments, including, but not limited to, the loan or credit instruments, promissory notes and other evidence of indebtedness, mortgages, assignments and other collateral documents, suretyship agreements, deeds of assignments or conveyances, import and export transactions, special powers and letters of attorney, and waivers, including authority to the Bank to disclose to third parties information about the Corporation and its transactions with the Bank, and to do any and all acts necessary, pertinent and incidental to, or required by the Bank in the above transactions.
5. The Corporation hereby approves, confirms, and ratifies any and all acts that the designated officers/authorized signatories, or their substitutes, shall lawfully do or cause to be done, or has done or caused to be done, including entering into any and all subsequent renewals, amendments, conversions, increases, extensions or restructurings of the said credit accommodation/s with the Bank.

#### IX. HDMF

RESOLVED, that the Board of Directors of the Corporation authorizes, as it hereby does, the application for Penalty Condonation Program of Pag-IBIG Fund (Home Development Mutual Fund) (HDMF) and other transactions related to Membership Savings (MS) and loans remittances with HDMF;

RESOLVED, FURTHER, that the Corporation authorizes, as it hereby does, **Ms. Jocelyn O. Capule, HR Manager and Mr. Niño Ray D. Aguirre, Vice President for Finance and Administration**, to represent the Corporation in the Penalty Condonation Program of Pag-IBIG Fund (Home Development Mutual Fund) (HDMF) and other transactions related to Membership Savings (MS) and loans remittances with HDMF, and to sign, execute and deliver any instrument or document which may be deemed necessary or appropriate for the purpose, and to perform or execute all other acts and deeds as may be necessary or appropriate to carry out or accomplish the said purpose, on its behalf;

RESOLVED, FINALLY, that the Corporation ratifies and confirms all valid stipulations or acts that the above authorized representatives may lawfully enter into, do, or cause to be done in behalf of the Corporation by virtue of this authority.

**X. BDO**

"RESOLVED, that the Corporation shall be authorized to open, maintain, operate and manage in the name of the Corporation, any number of savings, current, time and other accounts with BDO (the "Depository Accounts"), and to:

1. Deposit to and withdraw or make fund transfers from the Depository Accounts, in whatever form and manner, and in such amount as the Representatives may deem appropriate or necessary;
2. Receive, accept, endorse and negotiate all checks, drafts, or orders of payment payable to the Corporation or its order that may require the Corporation's endorsement;
3. Enroll and use the Corporation's Depository Accounts with BDO to serve as debit account/s to fund the needs/requirements of its subsidiaries and/or affiliates, subject to existing policies of BDO thereon; and
4. Close the Depository Accounts and ask, demand, sue for, collect, and receive the proceeds of the Depository Accounts.
5. Apply for, negotiate and obtain working capital loans, credit and/or lease accommodations or facilities, such as letters of credit, trust receipts, bills purchases, foreign exchange settlement lines from time to time in amounts which may be required by the Corporation, which authority shall include extensions, renewals, re-availments, increases, excess / over availments, rollovers, restructurings, novations, amendments or conversions into other credit form or type, and in this regard, to:
6. Execute, sign and deliver from time to time the relevant loan, lease agreements, promissory note/s, disclosure statements, lease schedules, trust receipts and any and all other documents pertinent and necessary to implement the accommodations / facilities referred hereto;
7. Lease from and/or sell to BDO Leasing and Finance, Inc. (BDOLFI) and/or BDO Rental, Inc. (BDORI), real and/or personal property (such as motor vehicle/s, vessels, aircraft, equipments and/or machinery) including availment of BDOLFI's or BDORI's facilities such as Installment Paper Purchase, factoring, floor stock financing, assignment of trade receivables and sale-and-lease back transactions.

RESOLVED FURTHER, that the signatures of any two of the signatories shall be required for all check issuances/withdrawals under/against any of the aforesaid regular accounts of the Corporation and for all appropriate instructions on money market placements of the Corporation's funds as applicable;

Name	Specimen Signature
DENNIS T. VILLAREAL	
ALFREDO L. HENARES	
CORAZON L. GAMEZ	
JAMES ROY N. VILLAREAL	

RESOLVED FURTHER, that the designated signatories for all Imprest Peso and US Dollar bank accounts of the Corporation, whether is Metro Manila, Cebu, Tagbilaran City, or anywhere in the Philippines, shall hereafter consist of two (2) classes as follows:

Class A	Specimen Signature
DENNIS T. VILLAREAL	
ALFREDO L. HENARES	
CORAZON L. GAMEZ	

JAMES ROY N. VILLAREAL	
Class B	Specimen Signature
ALBERTO P. FENIX, JR.	
JAIME M. BALISACAN	
NINO RAY D. AGUIRRE	

Provided that, Messrs. Dennis T. Villareal or James Roy N. Villareal shall be signing in an "either-or" capacity or for and on behalf of each other;

RESOLVED FURTHER, that the signatories required for check issuances/withdrawals under/against the said imprest accounts shall be as follows:

**I. For the Peso Imprest Account**

Any two (2) of the Class "A" signatories (No limit)

Any one (1) signatory from Class "A" and any one (1) signatory from Class "B" (for any single payment not exceeding ₱500,000.00)

Any two (2) signatories from Class "B" (for any single payment not exceeding ₱100,000.00).

**II. For the US Dollar Imprest Accounts**

Any two (2) signatories from Class "A" (No Limit)

Any one (1) signatory from Class "A" together with one (1) signatory from Class "B" (for any single payment not exceeding US\$3,000.00)

Any two (2) signatories from Class "B" (for any single payment not exceeding US\$1,500.00).

RESOLVED FURTHER, that the Peso Imprest account shall have and maintain a maximum deposit of Five Million Pesos (₱5,000,000.00) and that such account can only be replenished or can only receive payment from the Corporation's regular Peso account;

RESOLVED FURTHER, that the US Dollar Imprest account shall have and maintain a maximum deposit of US\$ Fifteen Thousand (US\$15,000.00) and that such account can only be replenished or can only receive payment from the Corporation's regular US Dollar account;

RESOLVED, that the Corporation is hereby authorized to avail of the bank's products and services as may be necessary to effect the foregoing.

**XIII. Adjournment**

There being no other matter left to be discussed, the meeting was adjourned at 12:30 PM.

## Board of Directors Self-Evaluation

	<b>Considerations</b>	<b>5 Very Good</b>	<b>4 Good</b>	<b>3 Ave.</b>	<b>2 Fair</b>	<b>1 Poor</b>
1	board has full and common understanding of the roles and responsibilities of a board					
2	board members understand the Company's mission-vision and put to practice its stated values					
3	structural pattern (board, officers, committees, executives and staff) is clear					
4	board has a clear goals and actions resulting from relevant and realistic strategic planning					
5	board attends to policy-related decisions which effectively guide operational activities of staff					
6	board receives regular reports on finances/budgets, products/program performance and other important matters.					
7	board effectively represents the Company to its customers, other stakeholders like the government, community in which its operations are located					
8	board meetings facilitate focus and progress on important organizational matters					
9	board regularly monitors and evaluates progress toward strategic goals and product/program performance					
10	board regularly evaluates the chief executive					
11	board has approved comprehensive personnel policies which have been reviewed by a qualified professional					
12	each member of the board feels involved and interested in the board's work					

13	all necessary skills, stakeholders and diversity are represented on the board					
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**Please list the three to five points on which you believe the board should focus its attention in the next year. Be specific as possible in identifying these points.**

- 1.
- 2.
- 3.
- 4.
- 5.

**SELF- ASSESSMENT**

BY: EXECUTIVE COMMITTEE

	Considerations	5 Very Good	4 Good	3 Ave.	2 Fair	1 Poor
1.	Reviewed major issues that the Board as a whole delegated to it and made decisions or preliminary decisions for discussion and voting at the next full board meeting					
2.	Acted with timeliness on behalf of the Board in an emergency situation or with regard to matters delegated to it by the Board					
3.	Assisted the Board Chair, President and CEO in establishing agenda for Board Meetings					
4.	Provided organizational direction on behalf of the Board and advised the Board on decisions and business matters ranging from strategy planning, policy, investment and risk					
5.	Acted within the limits of authority prescribed by Section 35 of the Corporation Code, the By-Laws and the Board and observed the requirements on quorum and voting to carry out corporate transactions					

## SELF- ASSESSMENT

BY: The CHAIRMAN

	Considerations	5 Very Good	4 Good	3 Ave.	2 Fair	1 Poor
1.	Provided leadership and governance of the Board so as to create the conditions for overall Board's and individual Director's effectiveness, and ensured that all key and appropriate issues were discussed by the Board in a timely manner					
2.	Promoted effective relationships and open communication, and created an environment that allowed constructive debates and challenges, both inside and outside the boardroom, between Non-executive Directors and the management					
3.	Ensured that the Board as a whole plays a full and constructive part in the development and determination of the Company's strategies and policies, and that Board decisions taken are in the Company's best interests and fairly reflect Board's consensus					
4.	Ensured that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the management					
5.	Set, in consultation with the Chief Executive and Company Secretary, the Board meeting schedule and agenda to take full account of the important issues facing the Company and the concerns of all Directors, and ensured that adequate time is available for thorough discussion of critical and strategic issues					
6.	Ensured that the Board is properly briefed on issues arising at Board meetings and receives, in a timely manner, adequate information which must be accurate, clear, complete and reliable, to fulfill its duties, such as reports on the Company's performance, the issues, challenges and opportunities facing the Company, and matters reserved for it to make decision					

	<b>Considerations</b>	<b>5 Very Good</b>	<b>4 Good</b>	<b>3 Ave.</b>	<b>2 Fair</b>	<b>1 Poor</b>
7.	Arranged informal meetings of the Directors at least annually, including meetings of the Non-executive Directors at which the Chief Executive is not present, and ensured that sufficient time and consideration is given to complex, contentious or sensitive issues					
8.	Ensured that there is effective communication with shareholders, and that each Director develops and maintains an understanding of the stakeholders' views					
9.	Established good corporate governance practices and procedures and promotes the highest standards of integrity, probity and corporate governance throughout the Company and particularly at Board level					

## SELF - ASSESSMENT

BY: INDEPENDENT DIRECTOR

	<b>Considerations</b>	<b>5 Very Good</b>	<b>4 Good</b>	<b>3 Ave.</b>	<b>2 Fair</b>	<b>1 Poor</b>
1.	Conducted fair business transactions with the Corporation and ensured that personal interest did not affect Board decisions and did not conflict with the interests of the Corporation					
2.	Devoted time and attention necessary to properly discharge one's duties and responsibilities					
3.	Acted judiciously on matters brought before the Board, thoroughly evaluating the issues involved before making any decision					
4.	Exercised independent judgment					
5.	Having a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission and, where applicable, the requirements of other regulatory agencies having jurisdiction over the corporation, and keep abreast with industry developments and business trends.					
6.	Observed and safeguarded confidentiality on non-public information acquired by reason of one's position as a director					
7.	Ensured the continuing soundness, effectiveness and adequacy of the Corporation's control environment.					

## SELF- ASSESSMENT

BY: CORPORATE GOVERNANCE COMMITTEE

	Considerations	5 Very Good	4 Good	3 Ave.	2 Fair	1 Poor
1.	Oversaw the implementation of the corporate governance framework and periodically reviewed the said framework to ensure that it remained appropriate in light of material changes to the Corporation's size, complexity and business strategy, as well as its business and regulatory environments					
2.	Oversaw the periodic performance evaluation of the Board and its committees as well as executive management, and conducted an annual self-evaluation of its performance					
3.	Ensured that the results of the Board evaluation are shared, discussed, and that concrete actions plans are developed and implemented to address the identified areas for improvement					
4.	Recommended continuing education/training programs for directors, assignment of tasks/projects to board members and senior officers, and remuneration packages for corporate and individual performance					
5.	Adopted corporate governance policies and ensured that these are reviewed and updated regularly, and consistently implemented in form and substance					
6.	Observed and safeguarded confidentiality on non-public information acquired by reason of one's position as a director					
7.	Proposed and planned relevant trainings for the members of the Board					
8.	Performed the functions of a Nomination and Remuneration Committee					

## SELF- ASSESSMENT

BY: AUDIT COMMITTEE


	Considerations	5 Very Good	4 Good	3 Ave.	2 Fair	1 Poor
1.	Checked all financial reports against its compliance with the pertinent accounting standards, including requirements, laws, rules and regulations					
2.	Assisted the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations					
3.	Performed oversight financial management functions, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management. This function included regular receipt from Management of information on risk exposures and risk management activities					
4.	Pre-approved all audit plans					
5.	Performed direct interface functions with the internal and external auditors. Performed oversight functions over the Corporation's internal and external auditors. Ensured that the internal and external auditors act independent from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions					

	<b>Considerations</b>	<b>5 Very Good</b>	<b>4 Good</b>	<b>3 Ave.</b>	<b>2 Fair</b>	<b>1 Poor</b>
7.	Developed a transparent financial management system that will ensure the integrity of internal control activities throughout the Corporation					
8.	Met with the External Auditor and the Internal Auditor without the presence of the Corporation's management at least annually					
9.	Ensured that a review of the effectiveness of the Corporation's material internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually. Such review can be carried out by the internal and/or external auditors					
10.	<p>Reviewed the annual financial statements before their submission to the Board, with particular focus on the following matters:</p> <ul style="list-style-type: none"> <li>a. Any change/s in accounting policies and practices</li> <li>b. Major judgmental areas</li> <li>c. Significant adjustments resulting from the audit</li> <li>d. Going concern assumptions</li> <li>e. Compliance with accounting standards</li> <li>f. Compliance with tax, legal, and regulatory requirements</li> </ul>					

	Considerations	5 Very Good	4 Good	3 Ave.	2 Fair	1 Poor
11.	Reviewed the annual internal audit plan to ensure its conformity with the objectives of the Corporation. The plan included the audit scope, resources and budget necessary to implement it					
12.	Prior to the commencement of the audit, discussed with the external auditor the nature, scope and expenses of the audit					
13.	Organized an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal					
14.	Reviewed the reports submitted by the internal and external auditors					
15.	Evaluated and determined the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to the Corporation's overall consultancy expenses. The committee disallowed any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, was disclosed in the Corporation's annual report					
16.	Established and identified the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He reported directly to the Audit Committee.					
17.	Performed the functions of a Board Risk Oversight Committee and Related Party Transactions Committee as defined in the Code of Corporate Governance for Publicly Listed companies.					

314722

UNIFORM CODE OF CONDUCT



**SPC POWER CORPORATION**

TO: ALL EMPLOYEES

FROM: THE BOARD OF DIRECTORS

DATE: FEBRUARY 21, 2017

THE BOARD OF DIRECTORS HAS ADOPTED THE UNIFORM CODE OF CONDUCT FOR ALL EMPLOYEES OF SPC POWER CORPORATION. THIS CODE OF CONDUCT IS A STATEMENT OF THE VALUES AND ETHICS THAT WE EXPECT ALL EMPLOYEES TO FOLLOW IN THE COURSE OF THEIR WORK.

BY ACCEPTING EMPLOYMENT WITH SPC POWER CORPORATION, YOU AGREE TO ACCEPT AND FOLLOW THE UNIFORM CODE OF CONDUCT.

FOR MORE INFORMATION, CONTACT:

LEGAL COUNSEL  
SPC POWER CORPORATION

**Westpac**

TO: ALL EMPLOYEES

FROM: THE BOARD OF DIRECTORS

DATE: FEBRUARY 21, 2017

THE BOARD OF DIRECTORS HAS ADOPTED THE UNIFORM CODE OF CONDUCT FOR ALL EMPLOYEES OF WESTPAC BANKING CORPORATION. THIS CODE OF CONDUCT IS A STATEMENT OF THE VALUES AND ETHICS THAT WE EXPECT ALL EMPLOYEES TO FOLLOW IN THE COURSE OF THEIR WORK.

BY ACCEPTING EMPLOYMENT WITH WESTPAC BANKING CORPORATION, YOU AGREE TO ACCEPT AND FOLLOW THE UNIFORM CODE OF CONDUCT.

FOR MORE INFORMATION, CONTACT:

LEGAL COUNSEL  
WESTPAC BANKING CORPORATION

**SPC Power Corporation**

February 21, 2017

TO: **CHRISTOPH L. BAKER**  
Assistant to the President

FROM: **EE/ADMINISTRATION**

SUBJECT: **EE/ADMINISTRATION**

In the capacity of the person who is made responsible of all the projects and transactions, you are hereby advised to use all the copies of Administration and Human Resources documents in the following order: Administration and Human Resources documents, Security and Safety documents, Management and Special Assignments documents, Corporate Governance of SPC, SPC Board Charter, Corporate Policy, etc.

For OBU and BCU you shall receive regular or additional new copies. Administration and Human Resources documents shall be provided to you. Administration and Human Resources documents shall be provided to you. Administration and Human Resources documents shall be provided to you.

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This e-mail and any files transmitted with it are confidential and intended solely for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail. Please notify the sender immediately by e-mail if you have received this e-mail by mistake and delete this e-mail from your system. If you are not the named addressee you should not disseminate, distribute or copy this e-mail. Please notify the sender immediately by e-mail if you have received this e-mail by mistake and delete this e-mail from your system.

**SPC Power Corporation**

TO: **CHRISTOPH L. BAKER**  
Assistant to the President

FROM: **EE/ADMINISTRATION**

DATE: **FEBRUARY 21, 2017**

SUBJECT: **EE/ADMINISTRATION**

In the capacity of the person who is made responsible of all the projects and transactions, you are hereby advised to use all the copies of Administration and Human Resources documents in the following order: Administration and Human Resources documents, Security and Safety documents, Management and Special Assignments documents, Corporate Governance of SPC, SPC Board Charter, Corporate Policy, etc.

For OBU and BCU you shall receive regular or additional new copies. Administration and Human Resources documents shall be provided to you. Administration and Human Resources documents shall be provided to you. Administration and Human Resources documents shall be provided to you.

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**Westpac**

TO: **CHRISTOPH L. BAKER**  
Assistant to the President

FROM: **EE/ADMINISTRATION**

DATE: **FEBRUARY 21, 2017**

SUBJECT: **EE/ADMINISTRATION**

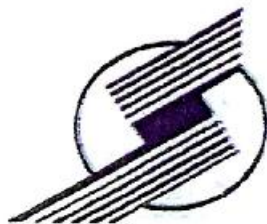
In the capacity of the person who is made responsible of all the projects and transactions, you are hereby advised to use all the copies of Administration and Human Resources documents in the following order: Administration and Human Resources documents, Security and Safety documents, Management and Special Assignments documents, Corporate Governance of SPC, SPC Board Charter, Corporate Policy, etc.

For OBU and BCU you shall receive regular or additional new copies. Administration and Human Resources documents shall be provided to you. Administration and Human Resources documents shall be provided to you. Administration and Human Resources documents shall be provided to you.

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2/21/17

# UNIFORM CODE OF CONDUCT



1.0  
REV  
SUB  
Plan  
Work  
Proc  
Date  
8/201  
For

CCP  
Admin



## SPC Power Corporation

February 21, 2017

**TO :** CORAZON L. GAMES  
Assistant to the President

**SUBJECT :** HR/Administration

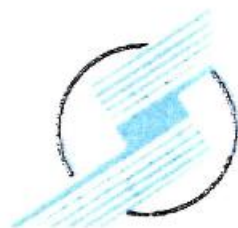
In the exigency of the service and to ensure continuity of official processes and transactions, you are hereby designated as over all in charge of Administration and Human Resources specifically on the following: Contracts Administration on services, namely Health Insurance, Security, Technical and Skilled Manpower; and Signing Appointments/Employment Compensation

SPC Power Corporation (PDPP, BOPP)

April 3, 2013

TO  
SUBJECT

Effective from  
Officers, name



SPC Power Corporation

To: KIER A. ABORQUEZ, (Encoder)  
From: JOCELYN O. CAPULE for: *for signing*  
HR Manager  
Date: 09 SEPTEMBER 2020  
Re: VIOLATION OF THE UNIFORM CODE OF CONDUCT

---

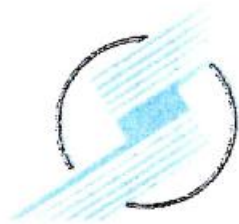
In line with the Company's effort to keep our employees safe from the COVID-19 pandemic, we've implemented policies and guidelines for employee's awareness and prevention. Apart from that, the company was doing a daily health monitoring of all employees' health condition via text message.

However, on the day of the Rapid Testing last August 5, 2020, you were found positive in IGG. You admitted on the same day via text message after the testing, that you're experiencing symptoms of COVID (blant taste and lost sense of smell) without informing HR ahead. In that effect, you knowingly put at risk three (3) other employees who were with you in the company vehicle as you got the symptoms already.

Therefore, you have violated the Uniform Code of Conduct of SPC, Section I. Efficiency: B. Work Attitude, "6. Sanctions for refusal to comply Company Memos, Notices and Policies", with a sanction of 3 days suspension.

The Company hereby give you three (3) days to answer this memo in writing. Please note that failure to submit a written explanation to HR means acceptance of the sanction/s imposed together thereto based on the company policy.

For your information and compliance.



SPC Power Corporation

To: KIER A. ABORQUEZ, (Encoder)

From: *for: Jocelyn*  
JOCELYN D. CAPULE  
HR Manager

Date: 14 SEPTEMBER 2020

Re: NOTICE OF SUSPENSION

---

Upon receipt of your response to the Violation of the Uniform of Code of Conduct Memo today (14<sup>th</sup> Sept. 2020), the management decided to place you under one (1) day SUSPENSION WITHOUT PAY which is scheduled on September 16, 2020 (Wednesday).

The company resorted to this suspension to impress upon you the seriousness of your violation and to give you the opportunity to reflect upon your future compliance with our company rules and regulations.

For your information.

# FEASIBILITY STUDY FOR THE SPC COAL-FIRED POWER PLANT PROJECT

2<sup>nd</sup> FINAL REPORT

AUG 2015



SPC POWER CORPORATION



KEPCO PHILIPPINES  
CORPORATION



KEPCO Engineering & Construction Company, Inc.

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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 C e b u H o l d i n g s C e n t e r  
A r c h b i s h o p R e y e s A v e n u e,  
C e b u B u s i n e s s P a r k, C e b u C i t y  
( Business Address: No. Street City/ Town / Province )

Mr. Reynante C. Del Rosario  
Contact Person

810 44 74 to 77  
Company Telephone Number

1 2 3 1  
Month Day  
Calendar Year

SEC FORM  
1 7 - C  
FORM TYPE

0 5 3 0  
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

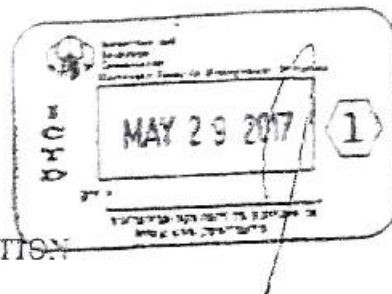
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**MANUAL ON CORPORATE GOVERNANCE**  
**OF**  
**SPC POWER CORPORATION**

SPC POWER CORPORATION  
MANUAL ON CORPORATE GOVERNANCE  
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This manual supersedes the previous Manual on Corporate Governance that was approved and adopted by the Corporation on July 24, 2015.



## SPC POWER CORPORATION

### MANUAL ON CORPORATE GOVERNANCE

The Board of Directors and Management of SPC Power Corporation hereby commit themselves to the principles and guidelines contained in this Manual, and acknowledged that the same shall guide the attainment of its corporate goals.

#### 1. OBJECTIVE

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness thereof within the organization.

#### 2. COMPLIANCE SYSTEM

##### 2.1 Compliance Officer

2.1.1 To insure adherence to corporate principles and best practices, the Board shall designate a Compliance Officer who shall hold the position of Senior Vice President or an equivalent position with adequate stature and authority in the corporation. The Compliance officer shall not be a member of the Board of Directors and should attend an annual training on corporate governance. He is primarily liable to the corporation and its shareholders and not to the Chairman or President of the company.

2.1.2 The Compliance Officer shall perform the following duties:

- o Monitor compliance with the provisions and requirements of the rules and regulations of regulatory agencies and this Manual;
- o Identify, monitor and control compliance risks;
- o Collaborates with other departments to properly address compliance issues, which may be subject to investigation;
- o Ensures the integrity and accuracy of all documentary submissions to regulations;
- o Appear before the Securities and Exchange Commission (SEC) and other regulatory government agencies upon summon on matters that need to be clarified;

- Determine violation/s of the rules and regulations of regulatory agencies and the corporate governance Manual and recommend penalty/ies for such violation/s, subject to review and approval of the Board. Violations of other required internal process/controls and the code of ethics shall be dealt with in accordance with the prevailing internal rules and regulations;
  - Ensures proper onboarding of new Directors (i.e., orientation on the company's business, charter, articles of incorporation and by-laws among others);
  - Issue certification every January 30<sup>th</sup> of the year on the extent of the Corporation's compliance with this Manual for the completed year, explaining the reason/s for such deviation, if any;
- 2.1.3 The appointment of the Compliance Officer shall be immediately disclosed to the Securities and Exchange Commission under SEC Form 17-C. All correspondence relative to his functions as such shall be addressed to the said Officer.

## **2.2 Plan of Compliance**

### **2.2.1 Board of Directors**

Compliance with the principles of good corporate governance shall start with the Board of Directors. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

#### **2.2.1.1 General Responsibility**

It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation and its stockholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

The Board shall formulate the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor management's performance.

#### **2.2.1.2 Specific Duties and Functions**

To ensure a high standard of best practice for the Corporation and its stockholders, the Board shall conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

- Install a process of selection to ensure a mix of competent directors and officers who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest, and highly motivated management officers. Adopt an effective succession planning program for Management;
- Provide sound strategic policies and guidelines to the corporation on major capital expenditures. Establish programs that can sustain its long term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets, and Management's overall performance;
- Ensure that the Corporation complies with all relevant laws, regulations and codes of best business practices;
- Identify the Corporation's major and other stockholders and formulate a clear policy on communicating or relating with them through an effective investor relations program. If feasible, the Corporation's President or Treasurer/Chief Financial Officer shall exercise oversight responsibility over the investor relations program;
- Identify the sectors in the community where the corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely, and effective communication with them;
- Adopt a system of internal checks and balances. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness;
- Identify key risk areas and key performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability;
- Properly discharge Board functions by meeting regularly. Independent views during the Board meetings shall be given due consideration and all such meetings shall be duly recorded;
- Keep Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulations;
- Provide sound strategic policies and guidelines to the corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance;

- Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board;
- Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities;
- Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities;
- Appoint a Compliance Officer who shall have a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation, and
- Establish a policy on the training of directors, including an orientation program for first-time directors and relevant annual continuing training for all directors.

#### 2.2.1.3 Specific Duties and Responsibilities of a Director

A director's office is one of trust and confidence. A director shall act in the best interest of the corporation in a manner characterized by transparency, accountability, and fairness. He shall also exercise leadership, prudence, and integrity in directing the corporation towards sustained progress.

A director shall have the following duties and responsibilities:

- To conduct fair business transactions with the Corporation and to ensure that personal interest does not bias Board decisions and does not conflict with the interests of the corporation;
- To devote time and attention necessary to properly discharge his duties and responsibilities;
- To act judiciously on matters brought before the Board, thoroughly evaluating the issues involved before making any decision;
- To exercise independent judgment;
- To have a working knowledge of the statutory and regulatory

requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission and, where applicable, the requirements of other regulatory agencies having jurisdiction over the corporation, and keep abreast with industry developments and business trends;

- o To observe and safeguard confidentiality of non-public information acquired by reason of his position as a director; and
- o To ensure the continuing soundness, effectiveness and adequacy of the Corporation's internal control environment.

#### 2.2.1.4 Composition of the Board

The Board shall be composed of such number of directors as indicated in the Articles of Incorporation. The Board should be composed of a majority of non-executive Directors. There should at least be three independent directors elected to the Board or such number as to constitute at least one-third of the members of the Board whichever is higher. The directors elected in the annual meeting of the stockholders shall serve a one-year term and until their successors are elected and qualified. Any vacancy in the Board occurring for any reason other than by removal of a Director by the stockholders or by expiration of term may be filled by vote of at least a majority of the remaining Directors if still constituting a quorum. A Director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.

#### 2.2.1.5 Qualifications for Directorship

- o Must own at least one (1) share of stock of the Corporation;
- o Must have a college education or equivalent academic degree;
- o Must have practical understanding of the business of the corporation or previous business experience;
- o Must be at least twenty one (21) years old;
- o Must possess integrity and probity; and
- o Must have attended a seminar on corporate governance conducted by a duly recognized private or government entity or must have issued an undertaking to attend such a seminar as soon as practicable.

#### 2.2.1.6 Grounds for Disqualification from Directorship

Any of the following shall be a ground for the permanent disqualification of a director:

- Any person finally convicted by final judgment or order of a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
- Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities;

The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking, or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or any rule or regulation issued by the Commission or the BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

- Any person convicted by final judgment or order by a court, or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
- Any person who has been adjudged by final judgment or order of the Commission, or a court, or competent administrative body to have willfully violated, willfully aided, abetted, counseled, induced or procured the violation of any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the

Commission or the BSP, or any rule, regulation or order of the Commission or the BSP;

- Any person earlier elected as independent director who becomes an officer employee or consultant of the same corporation;
- Any person judicially declared to be insolvent;
- Any person guilty of final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts violations or misconduct listed in the foregoing paragraphs; and
- Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.

Any of the following shall be a ground for the temporary disqualification of a director:

- Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists;
- Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election;
- Dismissal or termination from directorship in another listed corporation for cause. This disqualifications shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
- An independent director whose beneficial equity ownership in the corporation or its subsidiaries or affiliates exceeds two percent (2%) of the subscribed capital stock is temporarily disqualified until his beneficial equity ownership reverts to the two (2%) limit; and
- Conviction that has not yet become final referred to in the grounds for the permanent disqualification of directors.

A temporary disqualified director shall within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

#### 2.2.1.7 The Independent Director

2.2.1.7.1 An Independent Director is a critical component of the board to ensure full compliance to the principles of corporate governance in the Board. There should at least be 3 independent directors elected to the Board or such number as to constitute at least one-third of the members of its Board, whichever is higher.

The Board's independent directors should serve for a maximum cumulative term of nine years. In the instance the company wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

#### 2.2.1.7.2 Qualifications of an Independent Director

1. Is not a director or officer of the corporation or any of its related corporations or any of its substantial shareholders (other than as an independent Director of any of the foregoing);
2. Is not a stockholder with shares of stock sufficient to elect one seat in the board of directors of the corporation, or any of its related corporations or of its majority corporate shareholders;
3. Is not a relative of any director, officer or substantial shareholder of the corporation or any of its relevant corporations or any of its substantial shareholders. For this purpose, "relatives" includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
4. Is not acting as a nominee or representative of any director or substantial shareholder of the corporation or any of its related corporation or any of its substantial shareholders, pursuant to a deed of trust or under any contract or arrangement;
5. Has not been employed in any executive capacity by the corporation or any of its related corporations or any of its substantial shareholders within the last three (3) years;
6. Is not retained or, within the last three (3) years, has not been retained as a professional adviser by the corporation or by any of its related corporations or any of its substantial shareholders, either personally or through his firm;
7. Has not engaged and does not engage in any transaction with the corporation or any of its related corporations or any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a corporation which he is a director or

substantial shareholder, other than transactions which are conducted at arm's length and are immaterial;

To qualify for nomination as an Independent Director, a person must possess all of the qualifications and have none of the disqualifications for directorship in the Company as set forth in Section 2.2.1.5 and Section 2.2.1.6, respectively, and must meet the independence criteria enumerated above and such other criteria provided under applicable law or regulation or determined by the Board of Directors or the Nomination committee.

#### 2.2.1.8 Multiple Board Seats

The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number shall take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.

The Chief Executive Officer ("CEO") and other executive directors may be covered by lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.

#### 2.2.1.9 Internal Control Responsibilities of the Board

The control environment of the corporation consists of (a) the Board which ensures that the corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations, and contracts.

The minimum internal control mechanisms for the performance of the Board's oversight responsibility include:

- o Definition of the duties and responsibilities of the CEO who is ultimately accountable for the corporation's organizational and operational controls;
- o Selection of the person who possesses the ability, integrity, and expertise essential to the position of CEO;
- o Evaluation of proposed senior management appointments;

- o Selection and appointment of qualified and competent management officers; and
- o Review of the corporation's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.

#### 2.2.1.10 Board Meetings

The Board shall schedule and hold regular meetings in accordance with its By-laws and convene for special meetings when business exigencies so require. The notice and agenda of the meeting shall be furnished to the Directors at least five working days in advance prior to each meeting, every such meeting must be duly minuted.

The members of the Board shall attend its regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the Commission.

Independent directors shall always attend Board meetings. Unless otherwise provided in the By-Laws, their absence shall not affect the quorum requirement. However, to promote transparency, the Board may require the presence of at least one independent director in all its meetings.

To monitor the directors' compliance with the attendance requirements, the corporation shall submit to the Commission, on or before January 30 of the following year, a sworn certification about the director's record of attendance in Board meetings.

#### 2.2.1.11 Remuneration of Directors and Officers

The levels of remuneration of the corporation shall be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.

The corporation may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the corporation. No director shall participate in deciding on his remuneration. Directors shall not receive any compensation unless such compensation is granted by a vote of the stockholders representing at least a majority of the outstanding capital stock of the corporation.

The corporation's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation paid, directly or indirectly, to its directors and

management officers during the preceding fiscal year.

## **2.2.2 Board Committees**

To aid in complying with the principles of good corporate governance, the Board shall constitute the following committees:

### **2.2.2.1 Audit committee**

2.2.2.1.1 An audit committee shall be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, should be independent director. The Chairman of the audit committee should not be the Chairman of the Board or of any other committees. All members of the committee must have relevant background, knowledge, skills and/or experience in areas of accounting, auditing and finance..

#### **2.2.2.1.2 Duties and Responsibilities**

- Check all financial reports against its compliance with the pertinent accounting standards, including requirements, laws, rules and regulations.
- Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations.
- Perform oversight/overview financial management functions, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management. This function shall include regular receipt from Management of information on risk exposures and risk management activities.
- Pre-approve all audit plans.
- Perform direct interface functions with the internal and external auditors. Perform oversight functions over the Corporation's internal and external auditors. It shall ensure that the internal and external auditors act independent from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable to perform their respective audit functions.
- Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the Corporation.
- The Audit Committee shall meet with the External Auditor and the Internal Auditor without the presence of the Corporation's

management at least annually.

- The Audit Committee shall ensure that a review of the effectiveness of the Corporation's material internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually. Such review can be carried out by the internal and/or external auditors.
- Review the annual financial statements before their submission to the Board, with particular focus on the following matters:
  - a. Any change/s in accounting policies and practices
  - b. Major judgmental areas
  - c. Significant adjustments resulting from the audit
  - d. Going concern assumptions
  - e. Compliance with accounting standards
  - f. Compliance with tax, legal, and regulatory requirements
- Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it.
- Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit.
- Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal.
- Review the reports submitted by the internal and external auditors.
- Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the corporation's annual report.
- Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall report directly to the Audit Committee.
- Shall perform the functions of a Board Risk Oversight Committee and

Related Party Transactions Committee as defined in the Code of Corporate Governance for Publicly Listed companies.

The Audit Committee shall ensure that, in the performance of the work of Internal Auditor, he shall be free from interference by outside parties.

#### **2.2.2.2 Corporate Governance Committee**

2.2.2.2.1 A corporate governance committee shall be composed of at least three members, all of whom should be independent directors, including the Chairman.

The corporate governance committee should be tasked to assist the Board in the performance of its corporate governance responsibilities. It is tasked with ensuring compliance with and proper observance of corporate governance principles and practices.

##### **2.2.2.2.2 Duties and Responsibilities**

- Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;
- Oversees the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
- Ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- Recommends continuing education/training programs for directors, assignment of tasks/projects to board members and senior officers, and remuneration packages for corporate and individual performance;
- Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- Proposes and plans relevant trainings for the members of the Board;
- Perform the functions of a Nomination and Remuneration Committee.

### **2.2.2.3 Executive Committee**

2.2.2.3.1 An executive committee shall be composed of at least five (5) members of the Board who shall directly manage business operations in between meetings of the board of directors.

2.2.2.3.2 The executive committee may act by majority vote of all its members on such specific matters within the competence of the Board, as may be delegated to it in the By-laws or majority vote of the Board except with respect to:

- (1) Approval of any action for which shareholders' approval is also required;
- (2) The filling up of vacancies in the board;
- (3) The amendment or repeal of by-laws or the adoption of new by-laws;
- (4) The amendment or repeal of any resolution of the Board; and
- (5) Declaration / distribution of cash dividend to the shareholders.

### **2.2.2.4 Charters**

- (a) Each Board Committee shall have a Charter which shall define and govern, among other matters, its purposes, composition, membership qualifications and disqualifications, duties and responsibilities, conduct of meetings, and procedures for escalation to the Board decisions of such Board Committee.
- (b) The respective Charters of the Board Committees shall be approved by the Board and shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by the Board.

### **2.2.3 The Chairman and Chief Executive Officer**

The roles of Chairman and CEO shall, as much as practicable, be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. A clear delineation of functions shall be made between the Chairman and CEO upon their election.

If the position of Chairman and CEO are unified, the Board shall implement the proper checks and balances to ensure that the Board gets the benefit of independent view and perspectives.

2.2.3.1 The duties and responsibilities of the Chairman in relation to the

Board include:

- (a) Ensure that meetings of the Board are held in accordance with the By-Laws or as the Chairman may deem necessary;
- (b) Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management, and the directors;
- (c) Provide leadership for the Board and ensure that the board works effectively and performs its duties responsibly; and
- (d) Maintain qualitative and timely lines of communication and information between the Board and Management.

2.2.3.2 The duties and responsibilities of the chief executive officer:

- (a) Provide leadership for Management in developing and implementing business strategies, plans and budgets to the extent approved by the Board.
- (b) Ensure that operational, financial and internal controls are adequate and effective to ensure reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules, regulations and contracts.
- (c) Provide the Board with a balanced and understandable account of the Company's performance, financial condition, results of operations and prospects on a regular basis.

#### **2.2.4 The Corporate Secretary**

2.2.4.1 The Corporate Secretary should be a separate individual from the Compliance officer. He should not be a member of the Board of Directors and should annually attend training on corporate governance.

The Corporate Secretary is primarily responsible to the corporation and its shareholders, and not to the Chairman or President of the Company,

#### **2.2.4.2 QUALIFICATIONS**

- (a) The Corporate Secretary is an officer of the Corporation who shall possess high integrity.
- (b) The Corporate Secretary shall be loyal to the mission, vision and specific business objectives of the corporate entity.

- (c) The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines.
- (d) Considering his varied functions and duties, he must possess administrative and interpersonal skills.
- (e) If the Corporate Secretary is not the general counsel, he must be familiar with basic laws, rules and regulations governing corporations. He must also have some financial and accounting skills.

#### 2.2.4.3 Duties and Responsibilities

- (a) Gather and analyze all documents, records and other information essential to the conduct of his duties and responsibilities to the Corporation.
- (b) Assist the Board in making business judgment in good faith and in the performance of their responsibilities and obligations.
- (c) Attend all Board meetings and maintain records thereof. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the Corporation.
- (d) Submit to the Commission, at the end of every fiscal year, an annual certification as to the attendance of the directors during Board meetings.
- (e) Work fairly and objectively with the Board, Management and stockholders.
- (f) Have a working knowledge of the operations of the corporation.
- (g) Inform the members of the Board, in accordance with the By-Laws, of the agenda of their meetings at least five working days in advance and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.
- (h) Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so.
- (i) Ensure that all Board procedures, rules and regulations are strictly followed by the members.
- (j) Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and

- (k) Performs such other duties and responsibilities as may be provided by the SEC.

## **2.2.5 External Auditor**

### **2.2.5.1 Selection / Appointment / Resignation / Dismissal**

- (a) The Board, after consultation with the Audit committee, shall recommend to the stockholders an external auditor duly accredited by the Commission who shall undertake an independent audit of the corporation, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders.
- (b) If the external auditor believes that any statement made in an annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in said reports.
- (c) An external auditor shall enable the Corporation to attain an environment of good corporate governance as reflected in the financial records and reports of the Corporation. An external auditor shall be selected and appointed by the stockholders upon recommendation of the Audit Committee.
- (d) The reason/s for the resignation, dismissal or cessation from service, and the date thereof, of an external auditor shall be reported in the Corporation's annual and current reports. Such report shall include a discussion of any disagreement with the former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.
- (e) The external auditor of the Corporation shall not at the same time provide the services of an internal auditor. The Corporation shall ensure that other non-audit work shall be not in conflict with the functions of the external auditor.
- (f) The Corporation's external auditor shall be rotated or the handling partner shall be changed every five (5) years or earlier.

## **2.2.6 Internal Auditor**

### **2.2.6.1 Internal Audit Functions**

- (a) The Corporation shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and stockholders shall be provided with reasonable assurance that its

key organizational and procedural controls are effective, appropriate, and complied with.

- (b) The Internal Auditor shall report to the audit Committee.
- (c) The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.
- (d) The minimum internal control mechanisms for operational management shall center on the CEO, being ultimately accountable for the corporation's organizational and procedural controls.
- (e) The internal auditor shall be free from interference by outside parties.
- (f) The internal auditor shall submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities, and performance relative to the audit plans and strategies approved by the Audit committee. The annual report shall include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management.
- (g) On the basis of the approved audit plans, internal audit examination shall cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations.
- (h) The internal auditor shall certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

### **3. COMMUNICATION PROCESS**

- 3.1 This manual shall be available for inspection by any stockholder of the Corporation at reasonable hours on business days.
- 3.2 All directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance therewith in the process.

- 3.3 An adequate number of printed copies of this Manual must be reproduced under the supervision of HRD, with a minimum of at least one (1) hard copy of the Manual per department.

#### **4. TRAINING PROCESS**

- 4.1 If necessary, funds shall be allocated by the CFO or its equivalent officer for the purpose of conducting an orientation program or workshop to operationalize this Manual.
- 4.2 The Corporation shall implement the appropriate communication and training program for the Directors, Officers, Executives and Employees, including corporate governance education program for the Board to ensure the effective implementation of this Manual.

#### **5. REPORTORIAL OR DISCLOSURE SYSTEM OF THE CORPORATE GOVERNANCE POLICIES**

- 5.1 The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible committee or officer through the Corporation's Compliance Officer.
- 5.2 All material information, i.e., anything that can potentially affect share price, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes in ownership.
- 5.3 Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management, corporate strategy, and off balance sheet transactions.
- 5.4 All disclosed information shall be released via the approved stock exchange procedures for corporate (company) announcements as well as through the annual report.
- 5.5 The Board shall commit at all times to fully disclose material information dealings. It shall cause the filing of all required information for the interest of the stockholders.

#### **6. SHAREHOLDERS' BENEFIT**

The Corporation recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore, the following provisions are issued for the guidance of all internal and external parties concerned, as a governance covenant between the Corporation and all its investors:

- 6.1 Rights of Investors/Minority Interests

The Board shall be committed to respect the following rights of the stockholders:

#### 6.1.1 Voting Right

6.1.1.1. Stockholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.

6.1.1.2 Cumulative voting shall be used in the election of directors.

6.1.1.3 A director shall not be removed without cause if it will deny minority stockholders representation in the Board.

#### 6.1.2 Pre-emptive Right

All stockholders shall have pre-emptive rights, unless the same is denied in the Articles of Incorporation or an amendment thereto. They shall have the right to subscribe to the capital stock of the Corporation. The Articles of Incorporation shall lay down the specific rights and powers of stockholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Corporation Code.

#### 6.1.3 Power of Inspection

All stockholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation code and shall be furnished with the annual reports, including financial statements, without cost or restrictions.

#### 6.1.4 Right to Information

6.1.4.1 The Stockholders shall be provided, upon request, with periodic reports which will disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.

6.1.4.2 The minority stockholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

6.1.4.3 The minority stockholders shall have access to any and all information relating to matters for which the management is accountable, and to those relating to matters which the management is required to include in such information and, if not included, entitle the

minority stockholders to propose inclusion thereof in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

#### 6.1.5 Rights to Dividends

6.1.5.1 Stockholders shall have the right to receive dividends subject to the discretion of the Board.

6.1.5.2 The Corporation shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: a) when justified by definite corporate expansion projects or programs approved by the Board or b) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances prevailing in the Corporation, such as when there is a need for special reserve for probable contingencies.

#### 6.1.6 Appraisal Right

The stockholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

- o In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- o In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporate Code; and
- o In case of merger or consolidation.

6.1.7 The Board shall be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders shall be encouraged to personally attend such meetings. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the Corporation's By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the stockholder's favor.

6.1.8 It shall be the duty of the directors to promote stockholders' rights, remove impediments to the exercise of stockholders' rights and allow

possibilities to seek redress for violation of their rights. They shall encourage the exercise of stockholders' voting rights and the solution of collective action to problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to stockholders participating in meetings and /or voting in person. The directors shall pave the way for the electronic filing and distribution of stockholder information necessary to make informed decisions, subject to legal constraints.

## **7. MONITORING AND ASSESSMENT**

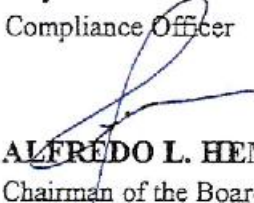
- 7.1 Each Committee shall report regularly to the Board of Directors.
- 7.2 The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under Part 8 of this Manual.
- 7.3 The establishment of such evaluation system, including the features thereof, shall be disclosed in the Corporation's annual report (SEC Form 17-A) or in such form of report that is applicable to the Corporation. The adoption of such performance evaluation system must be covered by a Board approval.
- 7.4 This manual shall be subject to quarterly review, unless the frequency of review is amended by the Board.
- 7.5 All business processes and practices being performed within any department or business unit of SPC Power Corporation that are not consistent with any portion of this Manual shall be revoked unless upgraded to the compliant extent.

## **8. PENALTIES FOR NON-COMPLIANCE WITH THE MANUAL**

- 8.1 To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Corporation's directors, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any of the provisions of this Manual:
  - o In case of first violation, the subject person shall be reprimanded.
  - o Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation.
  - o For a third violation, the maximum penalty for removal from office shall be imposed.

- 8.2 The commission of a third violation of this Manual by any member of the Board of the Corporation or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.
- 8.3 The Compliance Officer shall be responsible for determining violation/s, after notice and hearing, shall recommend to the Chairman of the Board the imposable penalty for such violation, subject to further review and approval of the Board.

**Reynante C. del Rosario**  
Compliance Officer



**ALFREDO L. HENARES**  
Chairman of the Board