

# COVER SHEET

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

<b>Julie Ann B. Domino-Pablo</b>
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Contact Person

<b>(02) 5317-1000</b>
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Company Telephone Number

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Month      Day  
Fiscal Year

<b>Annual Corporate Governance Report for 2023</b>
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FORM TYPE

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Month      Day  
Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings	
Domestic	Foreign

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## SEC FORM-ACGR (FOR PC/RI)

### ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

1. For the fiscal year ended 2023.

2. SEC Registration Number CS200801099.

3. BIR Tax Identification Number 006-960-000.

4. Exact Name of the Issuer as specified in its charter

**SAN MIGUEL GLOBAL POWER HOLDINGS CORP.**

5. Province, Country or other jurisdiction of incorporation or organization

**Philippines**

6. Address of Principal Office

**5th Floor, C5 Office Building Complex, #100 E. Rodriguez Jr. Ave., C5 Road, Bo. Ugong, Pasig City, Metro Manila**

7. Postal Code **1604**

8. Issuer's telephone number, including area code **(02) 5317-1000**

9. Former name, former address, and former fiscal year, if changed since last report

**N/A**

10. Industry Classification Code (For SEC's use only) .....

# ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

RECOMMENDATION	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>THE BOARD'S GOVERNANCE RESPONSIBILITIES</b>			
<b>Principle 1. ESTABLISHING A COMPETENT BOARD</b>			
The company should be headed by a competent, working Board to foster the long-term success of the corporation, and to sustain its competitiveness and growth in a manner consistent with its corporate objectives and the long-term best interests of its shareholders/members and other stakeholders.			
<b>Recommendation 1.1</b>			
1	COMPLIANT	Principle 1 and Recommendation 1.1 are embodied in the <a href="#">Amended Manual on Corporate Governance</a> of San Miguel Global Power Holdings Corp. (formerly, "SMC Global Power Holdings Corp." and hereinafter referred to as the "Corporation"), adopted on 19 August 2011, as amended on 11 April 2016, 05 May 2017, and 12 May 2020) (the " <a href="#">Manual</a> "), specifically Section 2.2.1 [ <i>Board of Directors</i> ] thereof and in the <a href="#">Board Charter</a> of the Corporation adopted on 30 October 2020 (the "Board Charter").	
2	COMPLIANT		
3	COMPLIANT	<p>The qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of their performance are specified in Section 2.2.1.e [<i>Qualification and Disqualification of Directors</i>] of the <a href="#">Manual</a> and in Section 3.2 [<i>Qualifications and Disqualifications</i>] of the <a href="#">Board Charter</a>.</p> <p>The qualifications, industry knowledge, professional experience, trainings, and expertise of the directors of the Corporation are set forth in the <a href="#">2023 Definitive Information Statement</a> of the Corporation filed on 16 May 2023 (the "2023 Definitive Information Statement"), specifically Pages 18-20 thereof, and the Annual Report (SEC Form 17-A) for the fiscal year 31 December 2023 ("<a href="#">SEC Form 17-A</a>") filed on 15 April 2024, specifically Part III [<i>Control and Compensation Information</i>], Pages 70-71.</p>	

Recommendation 1.2			
1	The Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>The duties and functions of the Chairman of the Board are set out in Section 2.2.3 [The Chairman of the Board, the Chief Executive Officer and the Lead Independent Director] of the <a href="#">Manual</a> and in Section 2.8 [The Chairman of the Board &amp; Chief Executive Officer, the President &amp; Chief Operating Officer, and the Lead Independent Director] of the <a href="#">Board Charter</a>.</p> <p>Mr. Ramon S. Ang is the Chairman of the Board as reported in Page 4 of the <a href="#">2023 General Information Sheet, as amended (the "2023 GIS")</a>, Page 16 of the <a href="#">2023 Definitive Information Statement</a>, and Page 68 of <a href="#">SEC Form 17-A</a>. His qualifications and professional experience are set out on Page 18 of the <a href="#">2023 Definitive Information Statement</a> and Pages 70 of <a href="#">SEC Form 17-A</a>.</p>
Recommendation 1.3			
1	The company provides a policy on training of directors.	COMPLIANT	Section 6 [Training and Assessment] of the <a href="#">Manual</a> and Section 7 of the <a href="#">Board Charter</a> set out the policy on training of directors.
2	The company has an orientation program for first-time directors.	COMPLIANT	Section 6.7 of the <a href="#">Manual</a> likewise states that first-time Directors shall attend an orientation program, to ensure that they are appropriately apprised of their duties and responsibilities, before beginning their directorships. The orientation program covers SEC-mandated topics on corporate governance and an introduction to the Corporation's business, Articles of Incorporation and Code of Conduct and Ethics.
3	The company has relevant annual continuing training for all directors.	COMPLIANT	<p>The requirement for the first-time Directors to attend an orientation program, as well as the holding of annual continuing trainings of the Board and key officers are provided in Section 7 of the <a href="#">Board Charter</a>.</p> <p>For 2023, the directors of the Corporation attended Corporate Governance seminars, as set out in Pages 70-71 of <a href="#">SEC Form 17-A</a>. The details of the various Corporate Governance ("CG") Seminars attended by the directors of the Corporation are summarized as follows:</p>

			<ul style="list-style-type: none"> <li>- 8 September 2023 Corporate Governance Training Seminar by SGV &amp; Co.</li> <li>- 20 September 2023 Corporate Governance Training Seminar by SGV &amp; Co.</li> <li>- 10 November 2023 Corporate Governance Training Seminar by Center for Global Best Practices</li> </ul> <p>Please refer to the <a href="#">Summary of the Corporate Governance Trainings</a> on the details of the trainings attended by the directors and officers of the Corporation in 2023.</p>	
<b>Recommendation 1.4</b>				
1	The Board has a policy on board diversity.	COMPLIANT	<p>The Corporation adopted the Board Diversity Policy which was unanimously approved by the Board of Directors on 13 November 2023 (the "<a href="#">Board Diversity Policy</a>"). The <a href="#">Board Diversity Policy</a> lays out the framework for inclusion of members of the Board of Directors of the Corporation which promotes diversity therein and all its subsidiaries and affiliates, as disclosed through <a href="#">SEC Form 17-C</a> filed on 13 November 2023.</p> <p>Section 2.2.1.e [<i>Qualifications and Disqualifications of Directors</i>] of the <a href="#">Manual</a> and Section 3.2 [<i>Qualifications and Disqualifications</i>] of the <a href="#">Board Charter</a> state that the Board of Directors shall be composed of members from diverse backgrounds to ensure that optimal decision-making is achieved.</p> <p>The Board is gender-diversified with four (4) male members, and three (3) female members. The gender composition of the Board is set out on Page 4 of the <a href="#">2023 GIS</a>.</p> <p>The age and competence of each member of the Board are set out in Pages 68, and 70-71 of <a href="#">SEC Form 17-A</a>.</p>	
<b>Recommendation 1.5</b>				
1	The Board is assisted by a Corporate Secretary.	COMPLIANT	Atty. Virgilio S. Jacinto is the incumbent Corporate Secretary of the Corporation, as reported in Page 4 of the <a href="#">2023 GIS</a> , Page 17 of the	

2	The Corporate Secretary is a separate individual from the Compliance Officer.	NON-COMPLIANT	<p><a href="#">2023 Definitive Information Statement</a>, and Page 69 of <a href="#">SEC Form 17-A</a>.</p> <p>The qualifications, duties and functions of the Corporate Secretary are set out in Article IV, Section 5 of the Amended By-laws of the Corporation ("<a href="#">Amended By-laws</a>") and Section 2.2.5 of the <a href="#">Manual</a>.</p> <p>Atty. Virgilio S. Jacinto is the Corporate Secretary and Compliance Officer. He is also the General Counsel of the San Miguel Corporation, the parent company of the Corporation. His academic qualifications and professional experience are set out on Page 19 of the <a href="#">2023 Definitive Information Statement</a> and Page 71 of <a href="#">SEC Form 17-A</a>.</p>	<p>The Board appointed the Corporate Secretary and Compliance Officer in the person of the General Counsel of San Miguel Corporation, which wholly-owns the Corporation. The Board deemed it fit that these positions be held by him as a person having adequate stature, authority, legal knowledge and experience, considering the nature of these functions. He heads a department with resources and legal staff who assist him in performing the separate functions of Corporate Secretary and Compliance Officer of the Corporation.</p> <p>The Board deems the foregoing arrangement as effective and efficient under the present circumstances.</p> <p>The functions of the Corporate Secretary do not impair or impede the performance of his responsibilities as a director. His independence remains despite holding such concurrent position.</p>
3	The Corporate Secretary is not a member of the Board of Directors.	NON-COMPLIANT		<p>The functions of the Corporate Secretary do not impair or impede the performance of the responsibilities of Atty. Jacinto as a director. His independence remains despite holding such concurrent positions.</p>
4	The Corporate Secretary attends annual training/s on corporate governance.	COMPLIANT	<p>Atty. Jacinto, the Corporation's Corporate Secretary, has attended a corporate governance seminar conducted by SGV &amp; Co. on 20 September 2023 for the required number of training hours, as disclosed in Page 71 of <a href="#">SEC Form 17-A</a>.</p>	

			The details of the corporate governance seminar attended by Atty. Jacinto are set out in the <a href="#">Summary of the Corporate Governance Trainings</a> .	
<b>Recommendation 1.6</b>				
1	The Board is assisted by a Compliance Officer.	COMPLIANT	Atty. Virgilio S. Jacinto is the incumbent Compliance Officer of the Corporation, as reported in Page 4 of the <a href="#">2023 GIS</a> , Page 17 of the <a href="#">2023 Definitive Information Statement</a> , and Page 69 of <a href="#">SEC Form 17-A</a> . He is also the Corporate Secretary of the Corporation and is one of the top-ranking officers of the Corporation.	The Board customarily appoints an officer with adequate stature and authority in the Corporation to the position of Compliance Officer.
2	The Compliance Officer has a rank of Senior Vice-President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3	The Compliance Officer is not a member of the board.	NON-COMPLIANT	The qualifications, duties and functions of the Compliance Officer are set out in Section 2.1 <i>Compliance Officer</i> of the <a href="#">Manual</a> .  Atty. Jacinto's qualifications and professional experience are set out on Page 19 of the <a href="#">2023 Definitive Information Statement</a> and Page 71 of <a href="#">SEC Form 17-A</a> .	The functions of the Compliance Officer do not impair or impede the performance of the responsibilities of Atty. Jacinto as a director. His independence remains despite holding such concurrent positions.
4	The Compliance Officer attends annual training/s on corporate governance.	COMPLIANT	Atty. Jacinto, the Corporation's Compliance Officer, has attended a corporate governance training seminar conducted by SGV & Co. on 20 September 2023 for the required number of training hours, as disclosed in Page 71 of <a href="#">SEC Form 17-A</a> .  The details of the corporate governance seminar attended by Atty. Jacinto are set out in the <a href="#">Summary of the Corporate Governance Trainings</a> .	
<b>Principle 2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD</b>				
The fiduciary roles, responsibilities, and accountabilities of the Board, as provided under the law, the company's articles of incorporation and bylaws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to shareholders/members and other stakeholders.				

Recommendation 2.1				
1	The Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company, shareholders and stakeholders.	COMPLIANT	In compliance with Section 2.2.1.a [ <i>General Responsibility</i> ] of the <a href="#">Manual</a> and Section 2.2 [ <i>General Responsibilities of the Board</i> ] of the <a href="#">Board Charter</a> , the undersigned Directors, together with the Corporate Secretary and Compliance Officer, hereby certify that the Board acts on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Corporation.	
Recommendation 2.2				
1	The Board oversees the development and approval of the company's business objectives and strategy.	COMPLIANT	In compliance with Section 2.2.1.a [ <i>General Responsibility</i> ] of the <a href="#">Manual</a> and Section 2.2 [ <i>General Responsibilities of the Board</i> ] of the <a href="#">Board Charter</a> , the report on the performance of the Corporation is presented for the review and approval by the Board.  The Corporate Secretary attests that:  (a) The Board of Directors approves the year-end significant transactions, financial position and financial condition in a comparative year-to-date basis;  (b) During the Board of Directors' approval of the Corporation's SEC Form 17-Q, the Chief Finance Officer, upon the direction of the Chairman reports to the Board of Directors on a quarterly basis the implementation of the Corporation's business objectives and strategies; and  (c) The Board of Directors approves the significant transactions, as disclosed through the Corporation's <a href="#">SEC Form 17-C</a> filings, and financial reports, as follows: i) <a href="#">SEC Form 17-Q (Q1 2023)</a> ; ii) <a href="#">SEC Form 17-Q (Q2 2023)</a> ; iii) <a href="#">SEC Form 17-Q (Q3 2023)</a> ; iv) <a href="#">SEC Form 17-A</a> .	
2	The Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT		
Recommendation 2.3				
1	The Board ensures and adopts an effective succession planning program	COMPLIANT	Under Section 2.2.1.b [ <i>Specific Duties and Functions</i> ] of the <a href="#">Manual</a> and Section 2.3 (c) of the <a href="#">Board Charter</a> , the Board shall "appoint competent, professional, honest and highly-motivated Management	Directors are elected by the stockholders and have a definite term. The Corporation does not have a



	for directors, key officers and management.		<p>officers and adopt an effective succession planning program for directors, Management and key officers to ensure the continuous and consistent growth of the Corporation, and a continued increase in the shareholders' value, including a retirement policy for directors and key officers, and to promote dynamism in the Corporation.”</p> <p>Also under Section 4 (d) of the <a href="#">Corporate Governance Committee Charter</a>, the Corporate Governance Committee shall recommend a succession plan for the Board members and senior officers.</p> <p>The Corporation has a Management and Development Program (MDP) aimed at ensuring timely availability of the required number of employees at middle manager level and up, to fulfill the short and long term needs of the Corporation. The 2022 Multi-Employer Retirement Plan Rules and Regulations of the Corporation was approved by the Board on 2 May 2022, as disclosed through <a href="#">SEC Form 17-C</a> on even date.</p>	<p>succession planning program for prospective directors who may replace current directors. The objective of ensuring the availability of suitable nominees for directors is performed by the Corporate Governance Committee who ensures a mix of competent directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.</p>
2	The Board adopts a policy for the retirement of directors and key officers.	COMPLIANT		
<b>Recommendation 2.4</b>				
1	The Board aligns the remuneration of key officers and board members with the long-term interests of the company.	COMPLIANT	<p>Under Section 2.2.1.b [<i>Specific Duties and Functions</i>] of the <a href="#">Manual</a> and Section 2.3 [<i>Specific Duties and Functions of the Board</i>] of the <a href="#">Board Charter</a>, the Board shall align the remuneration of key officers and Board members with the long-term interests of the Corporation and, in doing so, formulate and adopt a policy specifying the relationship between remuneration and performance.”</p> <p>Under Section 2.2.2.a (ii) (10), (11) and (12) the <a href="#">Manual</a>, the Corporate Governance Committee shall:</p> <ul style="list-style-type: none"> <li>○ Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully;</li> <li>○ Develop a form on Full Business Disclosure as part of the pre-employment requirements for all incoming officers, which among others, compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may</li> </ul>	
2	The Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		
3	The Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		

			<p>directly or indirectly conflict in their performance of duties once hired; and</p> <ul style="list-style-type: none"> <li>○ Disallow any director to decide his or her own remuneration.</li> </ul>	
<b>Recommendation 2.5</b>				
1	The Board has a formal and transparent board nomination and election policy.	COMPLIANT	<p>The qualifications and composition of the Board, as well as their nomination and election process are set out in Article III, Section 2 of the <a href="#">Amended By-laws</a>, Section 3.4 [<i>Nominations for Election of Directors</i>] of the <a href="#">Board Charter</a> and Section 9 [<i>Nomination and Election Policy</i>] of the <a href="#">Manual</a>.</p> <p>Under Section 2.2.2.a (ii) (7) and (8) of the <a href="#">Manual</a> and Section 4 (g) and (h) of the <a href="#">Corporate Governance Committee Charter</a>, the Corporate Governance Committee shall:</p> <ul style="list-style-type: none"> <li>○ determine the standards and criteria for nomination and election of, and the nomination and election process for, the Corporation's directors and define the general profile of Board members that the Corporation may need and ensure appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and</li> <li>○ pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and disqualifications as provided in the Manual.</li> </ul> <p>Section 5.1.2 [<i>Voting Right</i>] of the <a href="#">Manual</a> sets out the right of all shareholders to nominate, elect, remove and replace directors in accordance with the Revised Corporation Code, and states that a director shall not be removed without cause if it will deny minority shareholders representation in the Board.</p> <p>Section 6.1 [<i>Periodic Assessment</i>]of the <a href="#">Corporate Governance Committee Charter</a> states that the Committee shall assess its effectiveness periodically, with the end in view of ensuring that its performance accords with best practice. Such assessment must</p>	
2	The Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3	The Board nomination and election policy includes how the company accepted nominations from shareholders/members.	COMPLIANT		
4	The Board nomination and election policy includes how the board reviews the qualifications of nominated candidates.	COMPLIANT		
5	The Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement/removal of a director.	COMPLIANT		
6	The Board has a process for identifying the quality of directors/trustees that is aligned with the strategic direction of the company.	COMPLIANT		

			<p>compare its performance with the requirements of this Charter and the Manual.</p> <p>In compliance, thereto, the performance of the Board Committees, the Board of Directors, and Management for 2023 have been assessed through Self-Rating Forms as approved by the Board Committees and the Board of Directors on 11 March 2024. On 13 May 2024, the results of the performance assessments were validated by Compliance Officer and Corporate Governance Committee, reported to the Board of Directors, and disclosed the <a href="#">13 May 2024 SEC Form 17-C</a>. Said validated <a href="#">2023 Performance Assessments Results</a> was disclosed in Annex “I” of the <a href="#">2024 Definitive Information Statement</a> of the Corporation filed on 14 May 2024 (the “2024 Definitive Information Statement”).</p>	
<b>Recommendation 2.6</b>				
1	The Board has overall responsibility in ensuring that there is a policy and system governing related party	COMPLIANT	Under Section 2.2.1.b (xv) [ <i>Specific Duties and Functions</i> ] of the <a href="#">Manual</a> and Section 2.3 (o) [ <i>Specific Duties and Functions of the Board</i> ] of the <a href="#">Board Charter</a> , the Board shall formulate and implement policies and procedures that would ensure the integrity, fairness and transparency of related party transactions (“RPTs”) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality. Such policies shall include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions, and encompass all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	
2	The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	<p>Pursuant thereto, the Corporation adopted the Policy on Material Related Party Transactions (the “<a href="#">Material RPT Policy</a>”) and the Policy on Related Party Transactions (the “<a href="#">RPT Policy</a>”) both of which were unanimously approved by the Board of Directors on 30 October 2020.</p> <p>Under the <a href="#">Material RPT Policy and the RPT Policy</a>, all RPTs shall be entered into on an arms-length basis and thus, accounted for at market prices normally charge to unaffiliated customers or parties for equivalent or similar goods or services .</p>	

			<p>The <a href="#">Material RPT Policy</a> provides for the coverage ad materiality threshold of Material RPTS, review process of Material RPTs, and the approval process, among others.</p> <p>The duties and responsibilities of the Related Party Transaction Committee (the “RPT Committee”) are set forth in Section 2.2.2.c (ii) of the <a href="#">Manual</a> and Section 4 of the Related Party Transaction Committee Charter (“<a href="#">RPT Committee Charter</a>”).</p> <p>Note 19 [<i>Related Party Disclosures</i>] of the Notes to the Consolidated Financial Statements of the Corporation as of the year 31 December 2023 which forms part of <a href="#">SEC Form 17-A</a> sets out the related party transactions of the Corporation and outstanding balances as of the said date. The Corporate Secretary hereby attests that said related party transactions were reported to and approved by the RPT Committee during its meeting held on 11 March 2024.</p>	
<b>Recommendation 2.7</b>				
1	<p>The Board is primarily responsible for approving the selection of Management, led by the Chief Executive Officer (CEO) or his/her equivalent, and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).</p>	COMPLIANT	<p>The Board appointed all the officers of the Corporation for 2023 including the President (who shall be the Chief Executive Officer as stated in Section 2, Article IV of the <a href="#">Amended By-laws</a>), the Chief Finance Officer, Comptroller, Corporate Secretary and Compliance Officer, Assistant Corporate Secretary, among others, at its Organizational Board Meeting held on 6 June 2023, as disclosed in the <a href="#">6 June 2023 SEC Form 17-C</a> and Pages 4-4(a) of the <a href="#">2023 GIS</a>.</p> <p>Under Section 2.2.1.b (iii) of the <a href="#">Manual</a> and Section 2.3 (c) of the <a href="#">Board Charter</a>, the Board shall appoint competent, professional, honest and highly-motivated Management officers.</p> <p>As disclosed in Pages 4-4(a) of the <a href="#">2023 GIS</a>, Page 17 of the <a href="#">2023 Definitive Information Statement</a>, and Pages 69 of <a href="#">SEC Form 17-A</a>, the following are the incumbent officers of the Corporation:</p> <ol style="list-style-type: none"> <li>1. Ramon S. Ang - Chairman &amp; Chief Executive Officer and President &amp; Chief Operating Officer</li> </ol>	

			<ul style="list-style-type: none"> <li>2. John Paul L. Ang - Vice Chairman</li> <li>3. Elenita D. Go - General Manager</li> <li>4. Virgilio S. Jacinto - Corporate Secretary Compliance Officer</li> <li>5. Paul Bernard D. Causon - Vice President and Chief Finance Officer</li> <li>6. Ramon U. Agay - Assistant Vice President and Comptroller</li> <li>7. Jeciel B. Campos - Assistant Vice President and Sales &amp; Marketing Manager</li> <li>8. Gonzalo B. Julian, Jr. - Assistant Vice President, Sales and Marketing Manager - RES, and Head of the Battery Business</li> <li>9. Julie Ann B. Domino-Pablo - Assistant Vice President and General Counsel</li> <li>10. Jose Ferlino P. Raymundo - Assistant Vice President and Energy Sourcing &amp; Trading Manager</li> <li>11. Danilo T. Tolarba - Assistant Vice President and Human Resources Group Manager</li> <li>12. Irene M. Cipriano - Assistant Corporate Secretary</li> <li>13. Reynaldo S. Matillano - Internal Audit Manager</li> <li>14. Maria Floreselda S. Abalos-Sampaga - Data Protection Officer</li> </ul>	
2	The Board is primarily responsible for assessing the performance of Management, led by the CEO or his/her equivalent and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	COMPLIANT	<p>Under Section 2.2.1.a of the <a href="#">Manual</a> and Section 2.2 (b) of the <a href="#">Board Charter</a>, the Board is responsible for formulating means to effectively monitor Management’s performance.</p> <p>Consistent with the annual review and assessment by the Board and the Board Committees, the Board’s assessment of Management’s performance is done on an annual basis.</p>	

			The performance of the Management for 2023 was assessed through Self-Rating Forms approved by the Board on 11 March 2024. On 13 May 2024, the results were validated by the Compliance Officer and the Corporate Governance Committee Members, and reported to the Board of Directors. Said validated <a href="#">2023 Performance Assessments Results</a> is disclosed in Annex “I” of the <a href="#">2024 Definitive Information Statement</a> of the Corporation .	
<b>Recommendation 2.8</b>				
1	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that Management’s performance is on par with the standards set by the Board and Senior Management.	COMPLIANT	Under Section 2.2.1.c (i) (9) [ <i>Internal Control System</i> ] of the <a href="#">Manual</a> and Section 2.7(a)(ix) [ <i>Internal Controls System</i> ] of the <a href="#">Board Charter</a> , the Board shall have oversight responsibilities for ensuring the establishment of an effective performance management framework that will ensure that the Management, including the Chief Executive Officer, and personnel’s performance is at par with the standards set by the Board and Senior Management.	
2	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that personnel’s performance is on par with the standards set by the Board and Senior Management.	COMPLIANT	As mentioned above, the Board approved on 11 March 2024 the Self-rating Forms to measure the performance of Management for 2023.	
<b>Recommendation 2.9</b>				
1	The Board ensures that an appropriate internal control system is in place.	COMPLIANT	The oversight responsibilities of the Board for ensuring the presence of appropriate, adequate, strong and effective internal control mechanisms are set out in Section 2.2.1.c (i) of the <a href="#">Manual</a> and Section 2.7 (a) of the <a href="#">Board Charter</a> .  On 9 March 2023 and 11 March 2024, the Board confirmed and certified that a sound internal control and compliance system is in place and working effectively, as reported in the <a href="#">2023 Definitive</a>	
2	The internal control system includes a mechanism for monitoring and managing potential/actual conflicts of interest of the board members/trustees, management and shareholders/members.	COMPLIANT		

			<a href="#">Information Statement</a> and <a href="#">2024 Definitive Information Statement</a> , respectively.	
3	The Board adopts an Internal Audit Charter.	COMPLIANT	The <a href="#">Internal Audit Charter</a> of the Corporation was adopted by the Board on 8 August 2017.	
<b>Recommendation 2.10</b>				
1	The Board ensures that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	NON-COMPLIANT	Pursuant to Section 2.2.1.c (ii) [ <i>Enterprise Risk Management</i> ] of the <a href="#">Manual</a> and Section 2.7 (b) [ <i>Enterprise Risk Management</i> ] of the <a href="#">Board Charter</a> , the Board shall oversee that a sound enterprise risk management (“ERM”) framework is in place to effectively identify, monitor, assess and manage key business risks, which will guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.  The Major Business Risks for the Corporation have been identified in its <a href="#">SEC Form 17-A</a> , specifically Pages 34-52 thereof, together with the risk management strategies adopted by the Management to address the same.	The Board shall adopt an ERM framework to achieve the purpose for which it is intended.
2	The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	NON-COMPLIANT		
<b>Recommendation 2.11</b>				
1	The Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	The <a href="#">Board Charter</a> was adopted by the Board of Directors on 30 October 2020, and may be accessed by the public from the <a href="#">San Miguel Global Power website</a> .	
2	The Board Charter serves as a guide to the directors/trustees in the performance of their functions.	COMPLIANT		
3	The Board Charter is publicly available.	COMPLIANT		

**Principle 3. ESTABLISHING BOARD COMMITTEES**

The board committees should be set up to the extent possible to support the effective performance of the Board’s functions, particularly with respect to audit, risk management, compliance and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all the board committees should be contained in their respective board committee charters.

**Recommendation 3.1**

1	The Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	<p>Under Section 1 (o), Article III of the <a href="#">Amended By-laws</a>, the Board is granted the power to create special committees of directors, including, but not limited to, the Corporate Governance Committee, Audit and Risk Oversight Committee and the Related Party Transaction (RPT) Committee. Section 2.2.2 of the <a href="#">Manual</a> and Section 2.6 of the <a href="#">Board Charter</a>, specify the Committees established by the Board and the composition, duties and responsibilities of each of the Board Committees.</p> <p>The Board Committees and their respective members are posted on the <a href="#">San Miguel Global Power website</a>. The respective membership of the directors in the Board Committees is likewise shown in Page 4 of the <a href="#">2023 GIS</a>.</p>	
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**Recommendation 3.2**

1	The Board establishes an Audit Committee to enhance its oversight capability over the company’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	<p>Section 2.2.2.b. (i) of the <a href="#">Manual</a>, Section 2.6(a) of the <a href="#">Board Charter</a>, and Section 4 of the <a href="#">Audit and Risk Oversight Committee Charter</a> set out the composition, duties and responsibilities of the Audit and Risk Oversight Committee. Said duties and responsibilities are likewise reflected in Pages 91 to 92, Note 30 of the Notes [<i>Financial Risk and Capital Management Objectives and Policies</i>] to the Consolidated Financial Statements of the Corporation as of the year 31 December 2023 which forms part of <a href="#">SEC Form 17-A</a>.</p> <p>Pursuant to Section 2.2.2.b. (iii) (4) of the <a href="#">Manual</a> and Section 4.d. of the <a href="#">Audit and Risk Oversight Committee Charter</a>, the appointment, reappointment, and removal of the external auditor shall be recommended by the Committee and approved by the Board and ratified by the shareholders.</p>	
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2	The Audit Committee is composed of at least three (3) qualified non-executive directors, the majority of whom, including the Chairperson, are independent directors.	COMPLIANT	<p>Section 2.2.2.b (v) of the <a href="#">Manual</a>, Section 2.6 (a) of the <a href="#">Board Charter</a>, and Section 2.1 of the <a href="#">Audit and Risk Oversight Committee Charter</a> provide that the Audit and Risk Oversight Committee may be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom should be Independent Directors. The Chairperson shall be an independent Director and should not be the Chairman of the Board or of any other Committee.</p> <p>The respective qualifications of the members of the Audit and Risk Oversight Committee are set out in Section 2.1 and 2.2 of the <a href="#">Audit and Risk Oversight Committee Charter</a>.</p> <p>The composition of the Audit and Risk Oversight Committee is posted on the <a href="#">San Miguel Global Power website</a> of the Corporation, and is likewise disclosed in the <a href="#">6 June 2023 SEC Form 17-C</a>, and Page 4 of the <a href="#">2023 GIS</a>.</p>	
3	All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	<p>Section 2.2.2.b (v) of the <a href="#">Manual</a>, Section 2.6 (a) of the <a href="#">Board Charter</a>, and Section 2.2 of the <a href="#">Audit and Risk Oversight Committee Charter</a> require “the members of the Committee shall have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance and at least one member of the Committee must have relevant thorough knowledge and experience on risk and risk management.”</p> <p>The members of the Audit and Risk Oversight Committee, including their position and type of directorship are posted on the <a href="#">San Miguel Global Power website</a>, and are likewise disclosed in the <a href="#">6 June 2023 SEC Form 17-C</a> and Page 4 of the <a href="#">2023 GIS</a>. The respective qualifications of the members of the Audit and Risk Oversight Committee are shown in Pages 70-71 of <a href="#">SEC Form 17-A</a>.</p>	
4	The Chairperson of the Audit Committee is not the Chairperson of the Board or of any other committee.	COMPLIANT	The Chairperson of the Audit and Risk Oversight Committee is Mr. Jack G. Arroyo, Jr., and does not sit as Chairperson of the Board or of any other Committee, as disclosed in the <a href="#">6 June 2023 SEC Form 17-C</a> , Page 4 of the <a href="#">2023 GIS</a> , and Page 19 of the <a href="#">2023 Definitive Information Statement</a> and Page 71 of <a href="#">SEC Form 17-A</a> .	

Recommendation 3.3			
1	The Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	<p>Section 2.2.2.a. of the <a href="#">Manual</a>, Section 2.6 (c) of the <a href="#">Board Charter</a>, and Section 4 of the <a href="#">Corporate Governance Committee Charter</a> set out the composition, duties and responsibilities of the Corporate Governance Committee.</p> <p>Pursuant to Section 2.2.2.a. (ii) (7) of the <a href="#">Manual</a> and Section 4(g) of the <a href="#">Corporate Governance Committee Charter</a>, the Committee shall determine the nomination and election process for the Corporation's Directors and define the general profile of Board members that the Corporation may need and ensure appropriate knowledge, competencies and expertise that complement the existing skills of the Board.</p>
2	The Corporate Governance Committee is composed of at least three (3) members, majority of whom, including the Chairperson, should be independent directors.	COMPLIANT	The members of the Corporate Governance Committee, including their position and type of directorship, are posted on the <a href="#">San Miguel Global Power website</a> , and are likewise disclosed in the <a href="#">6 June 2023 SEC Form 17-C</a> and Page 4 of the <a href="#">2023 GIS</a> . The respective qualifications of the members of the Corporate Governance Committee are shown in Pages 70-71 of <a href="#">SEC Form 17-A</a> .
Recommendation 3.4			
1	The Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	Section 2.2.2.b. (i) of the <a href="#">Manual</a> , Section 2.6(a) of the <a href="#">Board Charter</a> , and Section 4 of the <a href="#">Audit and Risk Oversight Committee Charter</a> set out the composition, and the duties and responsibilities of the Audit and Risk Oversight Committee.
2	The BROC is composed of at least three (3) members, the majority of whom should be independent directors, including the Chairperson.	COMPLIANT	The members of the Audit and Risk Oversight Committee, including their position and type of directorship, are posted on the <a href="#">San Miguel Global Power website</a> , and are likewise reflected in the <a href="#">6 June 2023 SEC Form 17-C</a> and Page 4 of the <a href="#">2023 GIS</a> . The respective qualifications of the members of the Audit and Risk Oversight Committee are shown in Pages 70-71 of <a href="#">SEC Form 17-A</a> .

3	At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	<p>Section 2.2.2.b (v) of the <a href="#">Manual</a>, Section 2.6 (a) of the <a href="#">Board Charter</a>, and Section 2.2 of the <a href="#">Audit and Risk Oversight Committee Charter</a> require “[t]he members of the Committee shall have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance and at least one member of the Committee must have relevant thorough knowledge and experience on risk and risk management.”</p> <p>The respective qualifications of the members of the Audit and Risk Oversight Committee are shown in Pages 70-71 of <a href="#">SEC Form 17-A</a>.</p>	
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**Recommendation 3.5**

1	All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	<p>Each of the Board Committees have their respective Charters, namely: <a href="#">Corporate Governance Committee Charter</a>, <a href="#">Audit and Risk Oversight Committee Charter</a>, and the <a href="#">RPT Committee Charter</a> (collectively, the “Committee Charters”).</p> <p>Each of the Committee Charters set forth in Section 6 [<i>Performance Evaluation</i>] thereof the standards for the performance evaluation of the Committees and their respective members.</p>	
2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	COMPLIANT		

**Principle 4. FOSTERING COMMITMENT**

To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation’s business.

**Recommendation 4.1**

1	The Directors attend and actively participate in all meetings of the Board, Committees and shareholders/members in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	<p>Section 2.2.1 (g) [<i>Board Meetings and Quorum Requirements</i>] of the <a href="#">Manual</a> and Section 4.2 (a) [<i>Attendance and Participation in Meetings</i>] of the <a href="#">Board Charter</a> provide that “Directors should attend and actively participate in all meetings of the Board, Committees, and shareholders in person or through tele-/video-conferencing conducted in accordance with the rules and regulations of the SEC, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent them from doing so.”</p>	
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			<p>The manner of conduct of the Board meetings and stockholders' meetings are set out in Section 7, Article III and Section 6, Article II of the <a href="#">Amended By-laws</a>, respectively.</p> <p>The conduct of the meetings of the Board Committees are set out in Section 3 of the <a href="#">Audit and Risk Oversight Committee Charter</a>, <a href="#">Corporate Governance Committee Charter</a>, and the <a href="#">RPT Committee Charter</a>.</p> <p>The summary of the attendance of the directors in the meetings of the Board Committees, the Board of Directors, and stockholders in 2023, is disclosed in Annex "C" of the <a href="#">2023 Definitive Information Statement</a> and <a href="#">2024 Definitive Information Statement</a>.</p>	
2	The Directors review meeting materials for all Board and Committee meetings.	COMPLIANT	The Corporate Secretary certifies that the materials for the Board and Committee meetings are promptly prepared and provided to the directors to give them ample time and opportunity to review the same.	
3	The Directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	<p>Section 2.2.1. (g) [<i>Board Meetings and Quorum Requirements</i>] of the <a href="#">Manual</a> and Section 4.2 (a) [<i>Attendance and Participation in Meetings</i>] of the <a href="#">Board Charter</a> provide that in Board and Committee meetings, the director should review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.</p> <p>The Corporate Secretary hereby attests that the directors of the Corporation asked questions and sought clarifications and explanations in the course of the discussions during the Board and Committee meetings held in 2023.</p>	
<b>Recommendation 4.2</b>				
1	Non-executive directors concurrently serve in not more than ten (10) public companies and/or registered issuers. If concurrently sitting in at least three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.	COMPLIANT	Section 2.2.1. (i) [ <i>Policy on Multiple Board Seats</i> ] of the <a href="#">Manual</a> and Section 4.3 of the <a href="#">Board Charter</a> provide that in Board and Committee meetings, provide that the non-executive directors of the Board should not concurrently serve as directors more than ten (10) public companies and/or registered issuers to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Corporation. However, the maximum concurrent directorships shall be	

			<p>five (5) public companies and/or registered issuers if the director also sits in at least three (3) publicly-listed companies.</p> <p>The respective profiles of the directors in Pages 18-20 of the <a href="#">2023 Definitive Information Statement</a> and Pages 70-71 of <a href="#">SEC Form 17-A</a> provide information on the other directorship currently held by said directors.</p>	
<b>Recommendation 4.3</b>				
1	The Directors notify the company's board before accepting a directorship in another company.	COMPLIANT	<p>Under Section 2.2.1. (i) [<i>Policy on Multiple Board Seats</i>] of the <a href="#">Manual</a> and Section 4.3 [<i>Policy on Multiple Board Seats</i>] of the <a href="#">Board Charter</a>, a director of the Corporation should notify the Board where he is an incumbent director before accepting a directorship in another company.</p> <p>The Corporate Secretary hereby attests that the directors have, where applicable, notified the Board before accepting a directorship in other companies.</p>	
<b>Principle 5. REINFORCING BOARD INDEPENDENCE</b>				
The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.				
<b>Recommendation 5.1</b>				
1	The Board is composed of a majority of non-executive directors who possess the necessary qualifications.	COMPLIANT	<p>Section 2.2.1 [Board of Directors] of the <a href="#">Manual</a> and Section 3.1 [Composition] of the <a href="#">Board Charter</a> provides that the Board shall be composed of a majority of non-executive directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances.</p> <p>Out of the seven (7) directors, only two (2) directors are holding executive position in the Corporation, namely: Mr. Ramon S. Ang (being the Chairman &amp; CEO and President &amp; COO) and Atty. Virgilio S. Jacinto (being the Corporate Secretary and Compliance Officer), as reflected in the <a href="#">6 June 2023 SEC Form 17-C</a> and Page 4 of the <a href="#">2023 GIS</a>. The qualifications of the non-executive directors of the Board are shown in</p>	

			Pages 18-20 of the <a href="#">2023 Definitive Information Statement</a> and Pages 70-71 of <a href="#">SEC Form 17-A</a> .	
<b>Recommendation 5.2</b>				
1	The Board has at least two (2) independent directors or such number as to constitute one-third (1/3) of the board, whichever is higher.	COMPLIANT	<p>The Sixth Article of the <a href="#">Amended Articles of Incorporation</a> states that the number of directors of the corporation shall be seven (7) while Section 2, Article III of the <a href="#">Amended By-laws</a> further provides that at least three (3) of whom or such number as to constitute at least one-third of the members of the Board of Directors, whichever is higher, shall be independent directors.</p> <p>Three (3) out of the seven (7) directors of the Corporation are independent directors, namely: Jack G. Arroyo, Jr., Consuelo M. Ynares-Santiago, and Josefina Guevara-Salonga, as disclosed in Page 4 of the <a href="#">2023 GIS</a>, Page 16 of the <a href="#">2023 Definitive Information Statement</a>, the <a href="#">6 June 2023 SEC Form 17-C</a> , and Page 68 of <a href="#">SEC Form 17-A</a>.</p>	
<b>Recommendation 5.3</b>				
1	The independent directors possess all the qualifications and none of the disqualifications to hold the position.	COMPLIANT	<p>The qualifications of an independent director are set out in Section 2, Article III of the Corporation’s <a href="#">Amended By-laws</a>, and Section 2.2.1.f. [Independent Directors] of the <a href="#">Manual</a> and Section 3.3. (c) [Qualifications of Independent Directors] of the <a href="#">Board Charter</a>.</p> <p>The qualifications and professional experience of the independent directors of the Corporation are set forth on, Page 19-20 of the <a href="#">2023 Definitive Information Statement</a>, and Page 71 of <a href="#">SEC Form 17-A</a>.</p> <p>The independent directors of the Corporation have certified that they possess all the qualifications and none of the disqualifications provided for in the Securities and Regulation Code. Certifications to the said effect were submitted by the independent directors in accordance with SEC Memorandum Circular No. 5, Series of 2017, are attached as Annexes “A-1”, “A-2” and “A-3” to the <a href="#">2023 Definitive Information Statement</a>.</p>	

Recommendation 5.4				
1	The company perpetually bars an independent director from serving in such capacity after the term limit of nine (9) years.	COMPLIANT	Section 2.2.1.f. (ii) of the <a href="#">Manual</a> and Section 3.3 (e) of the <a href="#">Board Charter</a> provide that upon reaching this limit, an Independent Director should be perpetually barred from re-election as such in the Corporation, but may continue to qualify for nomination and election as a non-independent director. In the instance that the Corporation needs to retain an Independent Director who has served for nine (9) years, the Board shall provide meritorious justifications and seek shareholders' approval during the annual shareholders' meeting.	
2	In the instance that the company retains an independent director in the same capacity after nine (9) years, the Board provides meritorious justification and seeks shareholders'/members' approval during the annual regular meeting.	COMPLIANT	<p>In Page 24 of the <a href="#">2023 Definitive Information Statement</a>, it was disclosed that each of Jack G. Arroyo, Jr. and Consuelo M. Ynares-Santiago have been serving the Corporation as an independent director for more than nine (9) years, are both seeking re-election as independent directors of the Corporation in its 2023 Annual Stockholders' Meeting. The Corporation's Corporate Governance Committee has evaluated their independence and determined that they possess all the qualifications and none of the disqualifications to act as independent director of the Corporation, in accordance with the <a href="#">Manual</a>. On 2 May 2023, upon favorable endorsement by the Corporation's Corporate Governance Committee, the Board, upon finding meritorious reasons for such re-election (as stated in Page 24 of the <a href="#">2023 Definitive Information Statement</a>), approved and endorsed for the vote of the stockholders of the Corporation the re-election of Jack G. Arroyo, Jr. and Consuelo M. Ynares-Santiago in the 2023 Annual Stockholders' Meeting.</p> <p>The stockholders, as shown in Pages 4-5 of the <a href="#">Minutes of the 2023 Annual Stockholders' Meeting</a>, unanimously re-elected Jack G. Arroyo, Jr. and Consuelo M. Ynares-Santiago as independent directors beyond their cumulative term of nine (9) years, until their successors are elected and qualified, taking into consideration the meritorious justifications presented by the Board for their retention as independent directors of the Corporation.</p>	

**Recommendation 5.5**

1	The positions of Chairperson of the Board and Chief Executive Officer (or its equivalent) are held by separate individuals.	NON-COMPLIANT	As disclosed in Page 4 of the <a href="#">2023 GIS</a> , Mr. Ramon S. Ang is the Chairman & Chief Executive Officer and President & Chief Operating Officer of the Corporation.	<p>Sections 2 and 4, Article IV of the Corporation’s <a href="#">Amended By-laws</a> provide for the positions of Chairman and the Chief Executive Officer, and President and Chief Operating Officer, respectively. Section 2, Article IV of the Corporation’s <a href="#">Amended By-laws</a> provides that the Chairman shall be the Chief Executive Officer. The functions and responsibilities of the Chairman and Chief Executive Officer <i>vis-à-vis</i> the President and Chief Operating Officer are separate and distinct from each other, and clearly defined and set out in the Corporation’s <a href="#">Amended By-laws</a>, Section 2.2.3 of the <a href="#">Manual</a> and Section 2.8(a) [The Chairman of the Board &amp;, Chief Executive Officer, the President &amp; Chief Operating Officer, and the Lead Independent Director] of the <a href="#">Board Charter</a>.</p> <p>While the roles of Chairman of the Board and the Chief Executive Officer are unified in the case of the Corporation, proper checks and balances are laid down to ensure that the Board of Directors obtains the benefit of independent views and perspectives.</p>
2	The Chairperson of the Board and Chief Executive Officer (or its equivalent) have clearly defined responsibilities.	COMPLIANT	Section 2.2.3 (b) of the <a href="#">Manual</a> and Section 2.8 (a) (ii) and (iii) of the <a href="#">Board Charter</a> enumerate the responsibilities of the Chairman, while Section 2.2.3(c) of the <a href="#">Manual</a> and Section 2.8 (a)(iv) of the <a href="#">Board Charter</a> provide for the responsibilities of the Chief Executive Officer.	



<b>Recommendation 5.6</b>				
1	The Board designates a lead director among the independent directors if the Chairperson of the Board is not an independent director.	COMPLIANT	<p>The Board elected Consuelo M. Ynares-Santiago as its lead independent director during its 6 June 2023 Organizational Meeting, as disclosed in the <a href="#">6 June 2023 SEC Form 17-C</a> and in Page 4 of the <a href="#">2023 GIS</a>. The Chairman of the Corporation, Mr. Ramon S. Ang, is not an independent director.</p> <p>Section 2.2.3 (e) [The Chairman of the Board, the Chief Executive Officer and the Lead Independent Director] of the <a href="#">Manual</a> and Section 2.8 (c) [The Lead Independent Director] of the <a href="#">Board Charter</a> enumerate the powers and duties of the Lead Independent Director.</p>	
<b>Recommendation 5.7</b>				
1	The Directors/Trustees with material interest in a transaction affecting the corporation fully disclose his/her adverse interest, abstain from taking part in the deliberations for the same, and recuse from voting on the approval of transaction.	COMPLIANT	<p>There have been no transactions of the Corporation whereby any of its directors had a material interest therein.</p> <p>Should there be any in the future, the Corporate Secretary shall ensure that directors with a material interest in transactions affecting the Corporation will abstain from taking part in the deliberations for the same during the Board meetings.</p>	
<b>Recommendation 5.8</b>				
1	The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance, and risk functions, without any executive directors present.	NON-COMPLIANT		The Corporate Secretary hereby attests that the non-executive directors, being members of the Audit and Risk Oversight Committee, held meetings chaired by its Chairperson as part of his functions with the external auditor and head of the internal audit, compliance and risk functions, with the presence, however, of Atty. Jacinto S. Virgilio, an executive director, the latter being the Corporate Secretary of

				the Corporation who is tasked to record the minutes of the proceedings.
2	The meetings are chaired by the lead independent director, if applicable.	NON-COMPLIANT		The presence of the aforesaid executive director did not undermine nor affect the independence of the non-executive directors in performing their functions.

### Principle 6. ASSESSING BOARD PERFORMANCE

The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

#### Recommendation 6.1

1	The Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	In compliance with the provisions of the <a href="#">Manual</a> , the Corporate Secretary certifies that each Board Committees, the Board of Directors, Chairman & CEO, and the Management assesses their performance through self-rating forms done on an annual basis. For 2023, the Self-Rating Forms were approved by the Board of Directors in its 9 March 2023 meeting. The <a href="#">2023 Performance Assessments Results</a> , were then validated by the Compliance Officer and Corporate Governance Committee Members, and reported to the Board of Directors on 13 May 2024, as disclosed in the <a href="#">13 May 2024 SEC Form 17-C</a> and Annex "I" of the <a href="#">2024 Definitive Information Statement</a> .	
2	The Chairperson conducts an annual self-assessment of his performance.	COMPLIANT		
3	The individual members conduct a self-assessment of their performance.	COMPLIANT		
4	Each committee conducts a self-assessment of its performance.	COMPLIANT		

#### Recommendation 6.2

1	The Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors/trustees and committees.	COMPLIANT	As stated in Page 18 of the <a href="#">2024 Definitive Information Statement</a> , the Board of Directors, approved on 11 March 2024 the 2023 Self-Rating Forms to assess the performance of the Board Committees, the Board, and management for 2023.	
2	The system allows for a feedback mechanism from the shareholders/members.	COMPLIANT	Shareholders may send their feedback to the Corporation via its Investment Relations Contact at <a href="mailto:rdeguzman@sanmiguel.com.ph">rdeguzman@sanmiguel.com.ph</a> or thru the Corporation's <a href="#">Contact Us</a> page in its <a href="#">San Miguel Global Power website</a> .	

Principle 7. STRENGTHENING BOARD ETHICS			
The Board directors are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1	The Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of board members.	COMPLIANT	The Corporation has its <a href="#">Code of Conduct and Ethics</a> (adopted by the Board on 30 October 2020) and its <a href="#">SMGP Code of Conduct and Ethical Business Policy</a> (adopted by the Board on 13 November 2023).
2	The Code is properly disseminated to the members of Board.	COMPLIANT	In compliance with Section 2.2.1.b (x) [ <i>Specific Duties and Functions</i> ] of the <a href="#">Manual</a> , copies of the <a href="#">Code of Conduct and Ethics</a> and <a href="#">SMGP Code of Conduct and Ethical Business Policy</a> were furnished to the members of the Corporation’s Board and its senior management during the 30 October 2020 and 13 November 2023 Board Meetings, respectively, when the same were approved and adopted by the Board. Copies of the aforementioned Codes were likewise furnished to the Corporation officers and employees.
3	The Code is disclosed and made available to the public through the company website.	COMPLIANT	The <a href="#">Code of Conduct and Ethics</a> and <a href="#">SMGP Code of Conduct and Ethical Business Policy</a> are available at the <a href="#">San Miguel Global Power website</a> .
Recommendation 7.2			
1	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Under Section 2.2.1.b (xi) [ <i>Specific Duties and Functions</i> ] of the <a href="#">Manual</a> , the Board shall ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.  All of the Corporation’s directors, officers and employees are required to comply with the <a href="#">Code of Conduct and Ethics</a> and <a href="#">SMGP Code of Conduct and Ethical Business Policy</a> . To date, the directors of the Board, officers and employees of the Corporation remain compliant with the <a href="#">Code of Conduct and Ethics</a> and <a href="#">SMGP Code of Conduct and Ethical Business Policy</a> .

## DISCLOSURE AND TRANSPARENCY

### Principle 8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES

The Board should establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.

#### Recommendation 8.1

1	The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders/members and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	<p>Section 4 of the <a href="#">Manual</a> provides for the <i>Disclosure and Transparency of Corporation's Corporate Governance Policies</i>.</p> <p>All reports and material information disclosures of the Corporation made to the regulators and the public are available on the <a href="#">PDex website</a> and on the <a href="#">San Miguel Global Power website</a>.</p>	
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#### Recommendation 8.2

1	The company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within five (5) business days.	COMPLIANT	<p>Section 4.4 of the <a href="#">Manual</a> and Section 2.4 (d) of the <a href="#">Board Charter</a> provide that all directors and officers shall disclose to the Corporation any dealings in the Corporation's shares within five (5) business days.</p> <p>None of the directors have any dealings involving the Corporation's shares in 2023.</p>	
2	The company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within five (5) business days.	COMPLIANT		

#### Recommendation 8.3

1	The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	<p>The <a href="#">Manual</a> contains the corporate governance policies, programs and procedures of the Corporation, as filed with the SEC on 30 June 2020, which is likewise posted in the <a href="#">San Miguel Global Power website</a>.</p>	
2	The company's MCG is submitted to the SEC.	COMPLIANT		
3	The company's MCG is posted on the company website.	COMPLIANT		

Recommendation 8.4				
1	The company's corporate governance policies and practices and all relevant information are disclosed in its Annual Corporate Governance Report (ACGR).	COMPLIANT	In compliance with SEC Memorandum Circular No. 13, the Corporation's corporate governance policies and practices and all relevant information for fiscal year 2022 were disclosed in its <a href="#">2022 ACGR</a> . The same has been electronically filed with the SEC on 30 June 2023, a copy of which has been posted in the <a href="#">San Miguel Global Power website</a> .  This 2023 ACGR shall be duly filed with the SEC on or before the 30 June 2024 deadline, in compliance with the relevant SEC rules.	
2	The company's ACGR is submitted to the SEC.	COMPLIANT		
3	The company's ACGR is posted on the company website.	COMPLIANT		

**Principle 9. STRENGTHENING EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY**

The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

**Recommendation 9.1**

1	The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of external auditors.	COMPLIANT	<p>Section 2.2.2 (b) (iii) (4) of the <a href="#">Manual</a> and Section 4 (d) of the <a href="#">Audit and Risk Oversight Committee Charter</a> requires the Audit Committee to "have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the External Auditor duly accredited by the SEC, who undertakes an independent audit of the Corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders."</p> <p>The Audit and Risk Oversight Committee, during its 2 May 2023 meeting, approved its resolution recommending the approval and formal endorsement to the stockholders the appointment of R.G. Manabat &amp; Co. as external auditors of the Corporation for fiscal year 2023, after the Audit and Risk Oversight Committee's careful evaluation thereof in accordance with the criteria set under the <a href="#">Manual</a> and its <a href="#">Audit and Risk Oversight Committee Charter</a>. Such endorsement was likewise set out in the <a href="#">Minutes of the 2023 Annual Stockholders' Meeting</a>.</p>	
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2	The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and the shareholders/members.	COMPLIANT	<p>Section 2.2.2 (b) (iii) (4) of the <a href="#">Manual</a> and Section 4 (d) of the <a href="#">Audit and Risk Oversight Committee Charter</a> provides that “[t]he appointment, reappointment, and removal of the External Auditor shall be recommended by the Committee and approved by Board and ratified by the shareholders.”</p> <p>The Audit and Audit Related Fees of the Corporation’s external auditor for 2023, 2022, and 2021, as well as the extent of the services rendered, were disclosed on Pages 67-68 of <a href="#">SEC Form 17-A</a>, and Page 24 of the <a href="#">2024 Definitive Information Statement</a>.</p> <p>The Audit and Risk Oversight Committee and the Board, during their respective meetings held on 2 May 2023 approved and favorably endorsed to the stockholders the appointment of R.G. Manabat &amp; Co. as external auditor of the Corporation for fiscal year 2023.</p> <p>As reflected in the <a href="#">Minutes of the 2023 Annual Stockholders’ Meeting</a> held on 06 June 2023, 100% of the shareholders approved the reappointment of R.G. Manabat &amp; Co. as the external auditor of the Corporation for fiscal year 2023.</p>	
3	For the removal of external auditor, the reasons for such removal or change are disclosed to the SEC, the shareholders/members, and the public through the company website and required disclosures.	COMPLIANT	No such removal occurred in 2023.	
<b>Recommendation 9.2</b>				
1	The Audit Committee Charter includes the Audit Committee’s responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor’s independence and objectivity;</li> </ul>	COMPLIANT	Section 4 (e) the <a href="#">Audit and Risk Oversight Committee Charter</a> provides that the Committee will be responsible for assessing the integrity and independence of the External Auditor and exercising effective oversight to review and monitor the External Auditor’s independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements, as well as be responsible for reviewing and monitoring the External Auditor’s suitability and effectiveness on an annual basis.	

	iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.			
2	The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT		
<b>Recommendation 9.3</b>				
1	The company discloses the nature of non-audit services performed by its external auditor in the Annual Report to manage potential conflict of interest cases.	COMPLIANT	Pages 67-68 of <a href="#">SEC Form 17-A</a> provide for the disclosures on information on the Corporation's External Auditor, R.G. Manabat & Co.  For 2023, except for audit services, tax advisories, and other related services such as review and agreed-upon procedures, there were no fees paid to the External Auditor for accounting, compliance, and planning services.	
2	The Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	Section 2.2.2. (b)(iii)(7) of the <a href="#">Manual</a> and Section 4 (g) of the <a href="#">Audit and Risk Oversight Committee Charter</a> provide that the Audit and Risk Oversight Committee shall evaluate and determine any non-audit work performed by the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Corporation's overall consultancy expenses. The Audit and Risk Oversight 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 and Annual Corporate Governance Report. The Audit and Risk Oversight Committee shall be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the External Auditor's objectivity and independence.	

**Principle 10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING**

The Board should ensure that the company discloses material and reportable non-financial and sustainability issues.

**Recommendation 10.1**

1	The Board has a clear and focused strategy on the disclosure of non-financial information.	COMPLIANT	<p>Section 4.10 of the <a href="#">Manual</a> provides the policy that the Corporation “should ensure that the material and reportable non-financial and sustainability issues are disclosed. The Board should have a clear and focused strategy on the disclosure of non-financial information. It should disclose to all shareholders and other stakeholders the Corporation's strategic (long-term goals) and operational objectives (short-term goals) as well as impacts of a wide range of sustainability issues with emphasis on the management of economic, environmental, social and governance issues of its business, which underpin sustainability.”</p> <p>Non-financial information relating to the Corporation are adequately disclosed under its <a href="#">2023 Definitive Information Statement</a> and <a href="#">SEC Form 17-A</a>.</p>	
2	The company discloses to all shareholders/members and other stakeholders the company’s strategic and operational objectives with emphasis on the management of environmental, economic, social and governance (EESG) issues of its business which underpin sustainability.	COMPLIANT	<p>The Corporation’s <a href="#">Vision Mission and Core Values</a> provides that the Corporation aims to invest in and build a portfolio of sustainable investments, driven by established goals to build shareholder value, mindful of its social, economic and environmental responsibilities, as it remains to be committed to integrity, honesty and fairness in all dealings with its internal and external stakeholders.</p> <p>Further, social responsibility remains to be a Core Value of the Corporation, and key to the [its] social responsibility is its commitment to improve the lives of people in the communities where its facilities, stations and projects are present, with focus on environmental stewardship and activities to benefit the society in general, as well as its own employees.</p> <p>The Corporation also recognizes that it has a responsibility not just to employees but also to the communities where its businesses operate. As a socially responsible corporate citizen, the Corporation believes</p>	



			<p>that it must provide the employees' family and surrounding communities opportunities to develop values of self-reliance.</p> <p>SMCGP Philippines Power Foundation, Inc., the corporate social responsibility arm of the Corporation and its subsidiaries has undertaken various projects and programs for the stakeholders of the Corporation. The corporate social responsibility initiatives of the Corporation are disclosed on its <a href="#">San Miguel Global Power website</a>.</p> <p>The Corporation is determined to strengthen its sustainable practices by promoting a greener and more people-centered future, as shown in the <a href="#">Sustainability Report</a>. In addition to this, the Corporation's compliance with environmental laws and observance of international standards for its power projects are disclosed in Pages 31-34 of <a href="#">SEC Form 17-A</a>. Moreover, the Corporation adopted the following policies in promoting the wellbeing of its workforce: a) <a href="#">Policy on Health, Safety and Welfare, and Training of Employees</a>, b) <a href="#">Policy on Anti-Sexual Harassment</a>, c) <a href="#">Policy on Diversity</a>, d) <a href="#">Policy on Child and Forced Labor</a>, e) <a href="#">SMGP Anti-Corruption and Sanctions Policy</a>, and (f) <a href="#">Amended Whistleblowing Policy</a>.</p>	
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**Principle 11. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION**

The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

1	The company has a website to ensure a comprehensive, cost-efficient, transparent and timely manner of disseminating relevant information to the public.	COMPLIANT	The Corporation has its own <a href="#">San Miguel Global Power website</a> to ensure comprehensive, cost-efficient, transparent and timely manner of disseminating relevant information to the public.	
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**INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORKS**

**Principle 12. STRENGTHENING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS**

To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management system.

Recommendation 12.1				
1	The company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<p>The Internal Audit Department of the Corporation conducts the internal audit of Corporation and its subsidiaries. Pursuant to Section 2.2.2 (b) (i) of the <a href="#">Manual</a>, the Board of Directors of the Corporation constituted the Audit and Risk Oversight Committee to enhance the Board’s oversight capability over the Corporation’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. Section 2.2.1.c (i) of the <a href="#">Manual</a>, provides for the Board’s oversight responsibilities for ensuring the presence of appropriate, adequate, strong and effective internal control mechanisms.</p> <p>During its meeting held on 11 March 2024, the Board of Directors confirmed and certified that a sound internal control and compliance system is in place and working effectively for 2023, as reported in Page 28 of the <a href="#">2024 Definitive Information Statement</a>.</p>	
2	The company has an adequate and effective enterprise risk management framework in the conduct of its business.	NON-COMPLIANT	<p>The Major Business Risks for the Corporation have been identified in its <a href="#">SEC Form 17-A</a>, specifically Pages 34-52 thereof, together with the risk management strategies adopted by the Management to address the same.</p>	<p>Pursuant to Section 2.2.2 (b) (i) of the <a href="#">Manual</a>, the Audit and Risk Oversight Committee shall enhance the Board’s oversight capability over the Corporation’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations, as well as oversight over the Corporation’s enterprise risk management (“ERM”) system to ensure its functionality and effectiveness.</p> <p>Its duties and responsibilities includes, among others:</p> <ul style="list-style-type: none"> <li>- develop a formal ERM plan which contains the following</li> </ul>

				<p>elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures; and</p> <ul style="list-style-type: none"> <li>- oversee the implementation of the ERM plan through the Management Risk Oversight Committee, conduct regular discussions on the Corporation's prioritized and residual risk exposures based on regular risk management reports, and assess how the concerned units or offices are addressing and managing these risks.</li> </ul> <p>In view of the requirement for the establishment of an ERM framework, the Board endeavors to develop an ERM framework to achieve the purpose it was intended.</p>
<b>Recommendation 12.2</b>				
1	The company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.		Section 2.2.7. [Internal Audit Group] of the <a href="#">Manual</a> provides that the Corporation shall have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the Corporation's operations. This shall be performed by an Internal Audit Group, headed by a qualified Internal Audit Group Head, appointed by the Board. The Internal Audit Group shall provide the Board, Management and shareholders with reasonable assurance that the Corporation's key	

			<p>organizational and procedural controls are effective, appropriate, and complied with.</p> <p>The internal audit function is being performed by the Internal Audit Department of the Corporation. Reynaldo S. Matillano is the Internal Audit Manager of the Corporation (in-house), as reported in Page 4 of the <a href="#">2023 GIS</a>, Page 17 of the <a href="#">2023 Definitive Information Statement</a>, and Page 69 of <a href="#">SEC Form 17-A</a>.</p>	
<b>CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS/MEMBERS</b>				
<b>Principle 13. PROMOTING SHAREHOLDER/MEMBER RIGHTS</b>				
The company should treat all shareholders/members fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.				
<b>Recommendation 13.1</b>				
1	The Board ensures that basic shareholder/member rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Section 5.1 [ <i>Investors' Rights and Protection</i> ] of the <a href="#">Manual</a> sets forth the investor's/shareholders' rights.	
<b>Recommendation 13.2</b>				
1	The Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders'/Members' Meeting with sufficient and relevant information at least twenty-one (21) days before the meeting.	COMPLIANT	For the Annual Stockholders Meeting held on 06 June 2023, the Corporation issued and sent to the stockholders of record the <a href="#">Notice of the 2023 Annual Meeting of Stockholders</a> , including the agenda and the procedure therefor, on 16 May 2023 or twenty-one (21) days before the meeting. The Corporation likewise posted the <a href="#">2023 Definitive Information Statement</a> on its <a href="#">San Miguel Global Power website</a> on the same date.	
<b>Recommendation 13.3</b>				
1	The Board encourages active shareholder/member participation by making the result of the votes taken during the most recent Annual or Special Shareholders'/Members' Meeting publicly available the next working day.	COMPLIANT	<p>As set out in the <a href="#">Minutes of the 2023 Annual Stockholders' Meeting</a>, after the presentation of the 2023 Audited Financial Statements, the Chairman proceeded with the open forum; and after giving sufficient time and opportunity for any of the stockholders to ask questions, none of the stockholders asked any questions.</p> <p>The Corporation complied with this SEC requirement by posting the draft <a href="#">Minutes of the 2023 Annual Stockholders' Meeting</a> (which includes the results of the votes taken therein) on 7 June 2023 in the</p>	

			<p><a href="#">San Miguel Global Power website</a>, which is the working day following the date of the 2023 Annual Stockholders' Meeting.</p> <p>The Voting Results of each agenda item of the 2023 Annual Stockholders' meeting is provided in Annex "A" of the <a href="#">Minutes of the 2023 Annual Stockholders' Meeting</a>.</p>	
2	The minutes of the Annual and Special Shareholders'/Members' Meetings were made available on the company website within five (5) business days from the date of the meeting.	COMPLIANT	<p>The Corporation complied with this SEC requirement by posting the following:</p> <p>a). draft <a href="#">Minutes of the 2023 Annual Stockholders' Meeting</a> in the <a href="#">San Miguel Global Power website</a> on 7 June 2023 (which includes the results of the votes taken therein),</p> <p>b). draft <a href="#">Minutes of Special Stockholders Meeting 7 September 2023</a> in the <a href="#">San Miguel Global Power website</a> on 8 September 2023 (which includes the results of the votes taken therein),</p> <p>all of which are within 5 business days from the relevant date of the meeting.</p> <p>Annex "A" of each of the <a href="#">Minutes of the 2023 Annual Stockholders' Meeting</a> and <a href="#">Minutes of Special Stockholders Meeting 7 September 2023</a> shows the voting results for each agenda item for each of the said meetings.</p> <p>The stockholders were given the adequate opportunity to ask questions and be answered, as mentioned above.</p>	
<b>Recommendation 13.4</b>				
1	The Board makes available, at the option of a shareholder/member, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	Under Section 5.1.8 of the <a href="#">Manual</a> , the Office of the Corporate Secretary addresses the concerns of stockholders and potential disputes between the Corporation and stockholders.	
<b>Recommendation 13.5</b>				
1	The Board establishes an Investor Relations Office (IRO) or Customer Relations Office (CRO) or its equivalent to ensure constant engagement with its shareholders/members.	COMPLIANT	<p>The investment relations matters of the Corporation are handled by Reyna-Beth D. De Guzman, as disclosed in the <a href="#">San Miguel Global Power website</a>. Her contact details are as follows:</p> <p>Tel: (+632) 8702-4500 / (+632) 8632-3000</p> <p><a href="mailto:rdeguzman@sanmiguel.com.ph">rdeguzman@sanmiguel.com.ph</a></p>	

2	The IRO or CRO or its equivalent is present at every shareholders'/ members' meeting.	COMPLIANT	Jose Mari R. Valte, the officer tasked in the relationship handling of the Corporation with its shareholders, was present during the 2023 Annual Stockholders Meeting of the Corporation as reflected in the <a href="#">Minutes of the 2023 Annual Stockholders' Meeting</a> .	
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**DUTIES TO STAKEHOLDERS**

**Principle 14. RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDER'S RIGHTS**

The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

**Recommendation 14.1**

1	The Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	<p>Section 5.2.1. of the <a href="#">Manual</a> states that the stakeholders of the Corporation include, but are not limited to, customers, employees, suppliers, shareholders, investors, creditors, the community the Corporation operates in, society, the government, regulators, competitors, external auditors, among others. It likewise provides that the Board shall promote cooperation between them and the Corporation in creating wealth, growth and sustainability. Section 5.2 of the <a href="#">Manual</a> further provides the Corporation's duties to its stakeholders.</p> <p>The Corporation has existing policies on:</p> <ul style="list-style-type: none"> <li>• <a href="#">Code of Conduct and Ethics</a></li> <li>• <a href="#">SMGP Code of Conduct and Ethical Business Policy</a></li> <li>• <a href="#">Policy on Conflict of Interest</a></li> <li>• <a href="#">Amended Whistleblowing Policy</a></li> <li>• <a href="#">Policy on Health, Safety and Welfare, and Training of Employees</a></li> <li>• <a href="#">Policy on Related Party Transactions</a></li> <li>• <a href="#">Material RPT Policy</a></li> <li>• <a href="#">Policy on Dealing in Securities</a></li> <li>• <a href="#">Personal Data Privacy Policy</a></li> <li>• <a href="#">Policy on Anti-Corruption and Sanctions Compliance</a></li> <li>• <a href="#">Policy on Anti-Sexual Harassment</a></li> <li>• <a href="#">Policy on Board Diversity</a></li> <li>• <a href="#">Policy on Diversity</a></li> <li>• <a href="#">Policy on Child and Forced Labor</a></li> <li>• <a href="#">Supplier Code of Conduct</a></li> </ul>	
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Recommendation 14.2			
1	The Board establishes clear policies and programs to provide a mechanism on the fair treatment, protection and enforcement of the rights of stakeholders.	COMPLIANT	Please see response above.
Principle 15. ENCOURAGING EMPLOYEES' PARTICIPATION			
A mechanism for employee participation should be developed to create a symbiotic working environment consistent with the realization of the company's objectives and good corporate governance goals.			
Recommendation 15.1			
1	The Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	The Corporation has existing policies and programs for employees covering, among others, the following: (a) health, safety and welfare; (b) training and development; and (c) reward/compensation for employees, to encourage employees to perform better and motivate them to take a more dynamic role in the Corporation, as reflected in the <a href="#">Sustainability Report of the Corporation</a> .
Recommendation 15.2			
1	The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Conduct and Ethics.	COMPLIANT	<p>The Corporation adopted a <a href="#">Policy on Anti-Corruption and Sanctions Compliance</a> which sets forth its policy of zero-tolerance for bribery, corruption, money-laundering, and violations of all applicable related laws. The <a href="#">Policy on Anti-Corruption and Sanctions Compliance</a> applies to all employees, officers, and directors of the Corporation, its subsidiaries and affiliates.</p> <p>Further, the Corporation's <a href="#">Code of Conduct and Ethics</a> and <a href="#">SMGP Code of Conduct and Ethical Business Policy</a> establishes the fundamental standards of conduct and values consistent with the principles of good governance and business ethics.</p> <p>The Corporation believes that the objective of achieving superior business results is consistent with the commitment to conduct business in a lawful and responsible manner. All employees are expected and directed to comply with all laws and applicable regulations, and to conduct business in accordance with the highest standards of business ethics. This includes compliance with applicable laws, rules and</p>

			regulations on bribery and corruption. It is every employee's responsibility to know and to understand legal and policy requirement as they apply the same to their task, and to notify management when they believe a violation of law or a Corporation policy has been committed.	
2	The Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	The undersigned Compliance Officer hereby attests that the Code of Ethics was properly disseminated to all directors, senior management and employees. All employees of the Corporation are provided a copy of the Code of Conduct and Ethics and are required to acknowledge receipt of the same.	
<b>Recommendation 15.3</b>				
1	The Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	COMPLIANT	The Corporation has its <a href="#">Amended Whistleblowing Policy</a> , which aims to protect the whistle-blower from retribution or retaliation.  All concerns relating to accounting, internal accounting controls or auditing matters may be communicated and addressed to:  The Compliance Officer San Miguel Global Power Holdings Corp. 5 <sup>th</sup> Floor, C5 Office Building Complex #100 E. Rodriguez Jr. Ave., C5 Road, Bo. Ugong, Pasig City	
2	The Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	Should there be concerns relating to accounting, internal accounting or auditing matters involve the Compliance Officer, such may be communicated and addressed to:  The President San Miguel Global Power Holdings Corp. 5 <sup>th</sup> Floor, C5 Office Building Complex #100 E. Rodriguez Jr. Ave., C5 Road, Bo. Ugong, Pasig City	
3	The Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Under Section 5.2.7 of the <a href="#">Manual</a> and in Section 2.4 (i) [ <i>Whistle-blowing Policy</i> ] of the <a href="#">Board Charter</a> , the Corporation shall establish and maintain a whistleblowing policy that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to a unit tasked to handle whistleblowing concerns. The Board shall be conscientious in	



			establishing the framework, as well as in supervising and ensuring its enforcement.	
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**Principle 16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

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

**Recommendation 16.1**

1	The company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	<p>Pursuant to Section 5.2.9 of the <a href="#">Manual</a>, the Corporation shall recognize and place an importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Corporation to grow its business, while contributing to the advancement of the society where it operates.</p> <p>The Corporation recognizes that it has a responsibility not just to employees but also to the communities where its businesses operate. As a socially responsible corporate citizen, the Corporation believes that it must provide the employees’ family and surrounding communities opportunities to develop values of self-reliance.</p> <p>SMCGP Philippines Power Foundation, Inc., the corporate social responsibility arm of the Corporation and its subsidiaries has undertaken various projects and programs for the stakeholders of the Corporation. The corporate social responsibility initiatives of the Corporation are disclosed on its <a href="#">San Miguel Global Power website</a>.</p>	
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*[signature page follows]*

## SIGNATURES

The undersigned certify that the responses and explanations set forth in the above Annual Corporate Governance Report are true, complete and correct of our personal knowledge and/or based on authentic records available as of the date hereof.

Signed in the City of Mandaluyong on June <sup>JUN 14, 2024</sup>, 2024.



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**RAMON S. ANG**

Chairman of the Board and Chief Executive Officer and  
President and Chief Operating Officer



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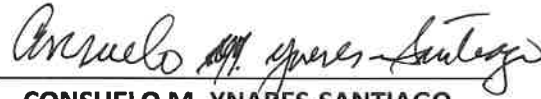
**VIRGILIO S. JACINTO**

Corporate Secretary and  
Compliance Officer



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**JACK G. ARROYO, JR.**  
Independent Director



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**CONSUELO M. YNARES-SANTIAGO**  
Independent Director



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**JOSEFINA GUEVARA-SALUNGA**  
Independent Director

JUN 14 2024

**SUBSCRIBED AND SWORN** to before me this June 14, 2024 at Mandaluyong City, affiants exhibiting to me their respective competent evidence of identity as follows:

Name	Passport Number	Date of Issue	Place of Issue
Ramon S. Ang	P2247867B	May 22, 2019	DFA Manila
Virgilio S. Jacinto	P3157226B	September 12, 2019	DFA NCR-East
Jack G. Arroyo, Jr.	P7252861A	May 22, 2018	DFA Manila
Consuelo M. Ynares-Santiago	P9683307A	November 23, 2018	DFA Manila
Josefina Guevara-Salonga	P8640089A	September 6, 2018	DFA Manila

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Page No.: 10 ;  
Book No.: VI ;  
Series of 2024.

**MA. KRISTINA S. ZAMORA**  
Commission No. 0513-23  
Notary Public for Mandaluyong City  
Until December 31, 2024  
SMC, 40 San Miguel Ave., Mandaluyong City  
Roll of Attorneys No. 61379  
PTR No. 5427159; 11/02/2024; Mandaluyong City  
IBP Lifetime Member No. 019307; 12/14/17; RSM  
MCLE Compliance No. VII-0023074; 07/07/22; Pasig City

