

GOVERNANCE AT ACEN



ACEN's Board of Directors and Leadership Team's collective guidance and vision have been instrumental in propelling the company's remarkable growth and regional success.

At ACEN, we recognize that strong corporate governance is integral to sustaining long-term growth and delivering value to our stakeholders.

As we expand our renewable energy footprint across the Asia Pacific, we continuously improve our governance framework to align with leading practices, address evolving regulatory and market expectations and proactively manage emerging risks.

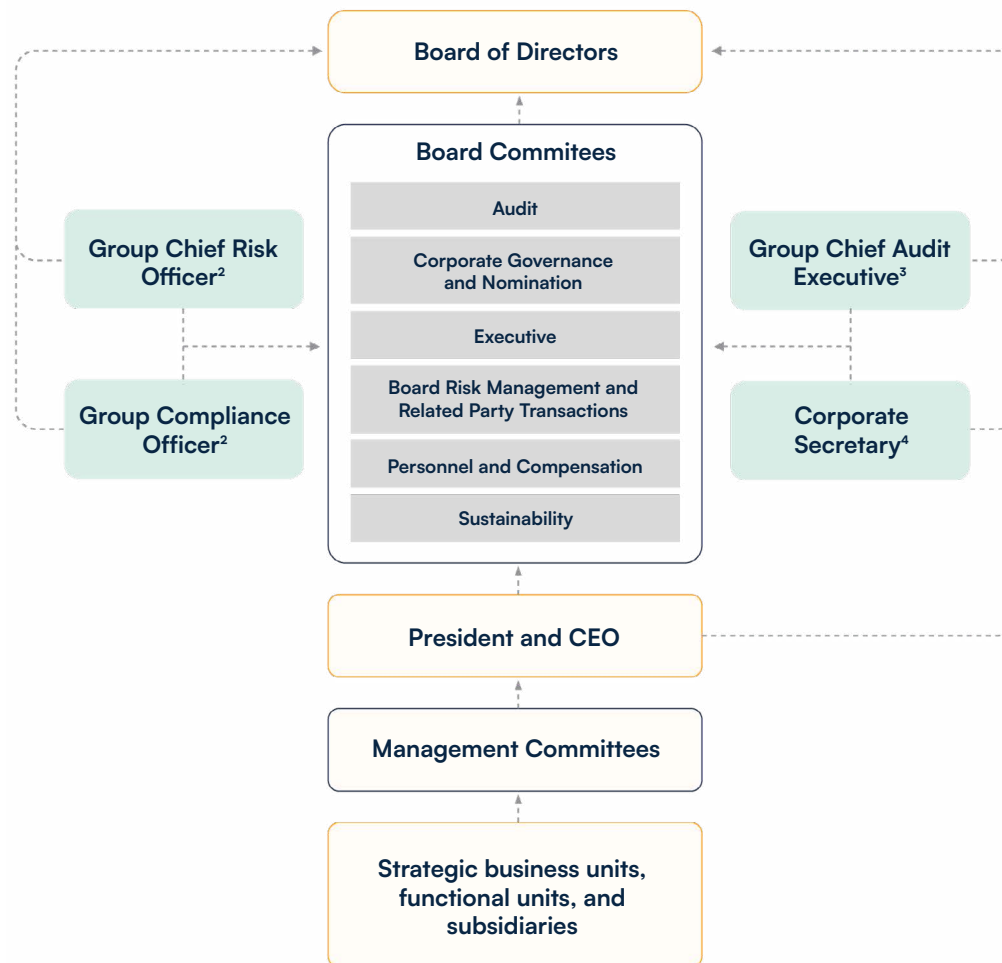
Governance at ACEN goes beyond compliance—it is embedded in our corporate oversight, strategy setting and risk management processes, ensuring that sustainability and financial discipline remain at the core of our decision-making. Our Corporate Governance System driven by a well-defined organizational

structure, guided and supported by an active board and its committees, forward-thinking management, strong core values effective adequate policies and controls.

By upholding the highest standards of transparency, accountability and ethical leadership, we reinforce investor confidence and drive resilient, high-quality growth.

As the listed energy platform of the Ayala group, we comply with the Code of Corporate Governance for Publicly Listed Companies set by the Securities and Exchange Commission (SEC), supported by the attestation of our Chief Executive Officer (CEO) and Group Chief Audit Executive (CAE) in 2024.

Corporate governance structure



1. Supported by the relevant functional units and Company officers
2. Reports functionally to the CEO; assists the Board and Board Committees on compliance, governance and risk management issues
3. Reports functionally to the Audit Committee
4. Assists the Board and Board Committees in the conduct of meetings; advises the Board of issues relating to relevant laws, all governance issues and industry development and operations of the Company as they arise

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Board structure and process key roles and responsibilities

The Board's roles and responsibilities as stated in its Charter include establishing the vision, strategies and policies of the Company, as well as a system to monitor, evaluate and improve management's performance. Also, in exercising its powers and duties, the Board always considers the best interests of the Company, its shareholders and other stakeholders.

The Board consistently reviews and ensures the adequacy of the Company's internal control mechanisms and risk management process for good governance, and the proper implementation of the Code of Conduct and Ethics. The Board reviews and affirms the true and fair representation of the annual financial statements, as it did for the financial statements for fiscal year 2024.

Board composition

The Board is comprised of qualified and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds to guide management in carrying out its responsibilities. The structure, size and composition of the Board are reviewed and monitored by the Corporate Governance and Nomination (CGN) Committee.

There is also an appropriate mix of non-executive, independent, and executive directors from a wide variety of backgrounds.

2024 Board of Directors	Designation	Year appointed (No. of years in the Board)	Expertise
Cezar P. Consing	Non-Executive, Chairman	2021 (4)	Banking and capital markets
Gerardo C. Ablaza, Jr.	Non-Executive, Vice Chairman	2024 (1)	General management, telecommunication, capital markets, M&As
John Eric T. Francia	Executive, President & CEO	2019 (6)	General management, strategy, energy, capital markets, M&As
Jaime Alfonso E. Zobel de Ayala	Non-Executive	2022 (2.5)	Strategy, innovation and business development
Jaime Z. Urquijo	Non-Executive	2024 (1)	Sustainability, risk and business development
Nicole Goh Phaik Khim	Non-Executive	2021 (4)	Finance, infrastructure and capital markets
Dean L. Travers	Non-Executive	2022 (3)	Energy, project development and corporate governance
Jesse O. Ang	Non-Executive, Lead Independent	2023 (2)	Banking, finance, capital markets, infrastructure
Maria Lourdes Heras de Leon	Non-Executive, Independent	2023 (2)	General management, policy, government and public affairs
Garry K. Lester	Non-Executive, Independent	2023 (2)	Finance, banking and capital markets
Melinda L. Ocampo	Non-Executive, Independent	2019 (5.5)	Energy systems and regulatory

- Each director is elected by the shareholders annually and serves a term of one year.
- More than 90 percent of the Board (10 out of 11) are non-executive and independent directors.
- None of the independent directors own more than 2 percent of the Company's outstanding capital stock.
- The profile of each director can be found in the Board of Directors section of this report on [pages 73 to 75](#).

We ensure independent minority representation in the Board and the exercise by minority shareholders of their rights, including the right to cumulative voting in the election of directors and appraisal right.



President & CEO Eric Francia with Group General Counsel, Group Compliance Officer & Assistant Corporate Secretary Dodjie Lagazo

Chairperson and Vice Chairperson

Cezar P. Consing, the Company's Chairperson, and Gerardo C. Ablaza, Jr., Vice Chairperson, assumed their respective positions on April 24, 2024. The positions of Chairperson of the Board and CEO are held by different persons. This enables the board to maintain independent reviews and quality discussions at meetings.

Role of the Chairperson and Vice Chairperson

The Chairperson leads the Board by promoting active engagement and open discussion among the directors. The Chairperson presides at all meetings of the Board and of the stockholders, exercises the powers given to them in the By-Laws and performs the duties enumerated under the Corporate Governance Code as well as such other responsibilities as the Board may impose upon them. The Chairperson also guides senior management on its strategic actions on the business. In the absence of the Chairperson, the Vice Chairperson succeeds the duties of the Chairperson.

Lead Independent Director

To promote good relationships and functions of the Board, the Company appointed Jesse O. Ang as its Lead Independent Director at its organizational meeting on April 24, 2024.

Role of the Lead Independent Director

When needed, the Lead Independent Director acts as an intermediary between the Chairperson of the Board and the other directors, convenes and leads the periodic meetings of the Non-Executive Directors with the external auditor

and heads of internal audit, compliance and risk management, and contributes to the performance evaluation of the Chairperson of the Board.

Non-Executive and Independent Directors

As of December 31, 2024, more than 90 percent of the board membership is composed of Non-Executive and Independent Directors, of which ten (10) are Non-Executive Directors and of those, four (4) are independent. The Independent Directors do not have any interest or relationship with the Company that may hinder their independence, or which could reasonably be perceived to interfere with the exercise of their independent judgment while carrying out their responsibilities as Directors.

A term limit of nine (9) years has been set by the Company for its Independent Directors (ID) in accordance with the rules laid out by the SEC. As of 2024, none of the Independent Directors have served the Company for more than nine (9) years, reckoning from 2012, in compliance with SEC Memorandum Circular No. 9, series of 2011. Furthermore, none of the directors have worked for ACEN's external auditing firm within the three (3) years immediately preceding the date of their election or appointment.

Role of the Non-Executive and Independent Directors ("NEID")

The role of the NEID is, through an unbiased view of the business, to provide oversight, exercise independent judgment, ensure the continuing soundness, effectiveness and

adequacy of the Company's control environment, and act in the best interest of the Company, the shareholders, and the stakeholders considering transparency, accountability, and fairness in all activities.

Board diversity policy

As mentioned in its Corporate Governance Manual, the Company is committed to having our board comprised of qualified and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds. Diversity includes business experience, age, gender and ethnicity. Nominees shall be selected based on merit. With respect to gender, the Board ensures appropriate representation of women in the board to the greatest extent possible. As of 31 December 2024, the Company has three (3) female directors, holding 27.3 percent of the board seats.

Board performance

The Board is devoted to carry out its duties and responsibilities and commits enough time for their meetings. The presence of at least two-thirds of the number of directors, as fixed in the Articles of Incorporation, constitutes a quorum for the transaction of business. The board held four (4) regular meetings, two (2) special meetings, and one (1) organizational meeting in 2024.

Performance assessment

The Board commits to a formal assessment process to review and evaluate the performance of the board committees, its individual members and the CEO. The purpose of the assessment is

to measure the effectiveness of the Company's governance practices and identify areas for improvement; and to adopt new methodologies towards further strengthening the Company's corporate governance standards.

Once every three (3) years, the annual board performance assessment is conducted under the auspices of an independent consultant.

In 2024, Aon was appointed as the independent consultant to assist in the Board assessment exercise for the year ending 31 December 2023. For the Board's performance in the year 2024, the assessment is being conducted internally.

Each of the directors was requested to complete a self-assessment form which includes board evaluation categories such as: (1) board composition, (2) roles and functions, (3) information management, (4) representation of shareholders and environment, social and governance (ESG) factors, (5) management of the Company's performance, (6) senior executive's performance management and succession planning, (7) director development and management, (8) risk management and internal control, and (9) overall perception.

The results of the self-assessment survey, including the comments of the directors, were compiled by the corporate secretary, and reported during the board meeting immediately following the completion of the survey.

Corporate Secretary

In the discharge of her duties as the Corporate Secretary, Atty. Maria Franchette M. Acosta played a significant role in supporting the Board to fulfill its responsibilities. Among her responsibilities included assisting the Chairperson in preparing the board meeting agenda, maintaining board minutes and records, facilitating director trainings, and updating directors with relevant statutory and regulatory changes. She is a well-regarded expert in the legal profession, as recognized in leading legal journals and publications, and is well-informed on relevant developments in the legal field through years of practicing corporate law, having been a Senior Partner, Co-Managing Partner and Head of the Corporate and Commercial Department of the Villaraza & Angangco Law Firm.

Training of directors

ACEN requires all its directors to attend at least a four (4)-hour annual continuing training program on corporate governance. All new directors must take at the minimum an eight (8)-hour orientation program on the Company strategy, business and structure, vision and mission, governance codes and policies, Articles, By-Laws, Corporate Governance Manual, Board and Committee Charters, SEC-mandated topics on governance and other subjects needed in the performance of their duties and responsibilities. To remain relevant in a global environment with increasing competitiveness, Ayala Corporation has been

facilitating an annual group-wide Corporate Governance and Risk Management Summit since 2014. Counted as an SEC-accredited training in coordination with the Institute of Corporate Directors, the summit serves as a continuing education program for the Board, CEOs and senior management, and at the same time promotes the importance of strengthening our corporate governance structures.

On November 5, 2024, the group held the Integrated Corporate Governance, Risk Management and Sustainability Summit with the theme, “Building Businesses that Enable People to Thrive,” wherein thought leaders and experts shared insights on how businesses can build meaningful value for all, among others.

The summit focused on sustainable and inclusive value creation, driving sustainability performance through board leadership and reporting, latest climate science, climate risk management and social impact.

On August 12, 2022, ACEN facilitated a Net Zero and ESG capability-building workshop for the Company’s senior management team and select board members. This workshop helped establish ACEN’s sustainability principles to be cascaded by ACEN’s leadership to the rest of the organization.

[Read more](#) about how we're practicing best-in-class corporate governance.

Director compensation

Total director remuneration and any changes thereto are recommended by the Personnel and Compensation Committee to the Board and are approved by the stockholders during the annual stockholders’ meeting to ensure these are consistent with the Company’s culture, strategy, and control environment, and are aligned with the long-term interests of the Company and its stakeholders.

Independent directors’ remuneration

The power to fix directors’ fees was delegated by the shareholders to the Board as provided for in the Amended By-Laws.

On April 25, 2022, in compliance with Section 29 of the Revised Corporation Code, the shareholders approved the proposed remuneration for non-executive and non-independent directors, as endorsed by the CGN Committee, at ₱200,000 per board meeting attended, and ₱100,000 per committee meeting attended, and an annual retainer fee of ₱1,000,000 for each director, ₱1,500,000 for the Chair of the Audit Committee, and ₱2,000,000 for the Chairperson of the Board. Executive directors do not receive attendance fees.

In 2024, the non-executive directors received gross remuneration as follows:

Director	Total net amount (in ₱)
Delfin L. Lazaro ¹	900,000
Cezar P. Consing	4,400,000
Gerardo C. Ablaza, Jr.	2,600,000
Jose Rene Gregory D. Almendras ¹	200,000
Jaime Alfonso E. Zobel de Ayala	2,900,000
Jaime Z. Urquijo	2,800,000
Nicole Goh Phaik Khim	3,600,000
Dean L. Travers	2,600,000
Jesse O. Ang	3,800,000
Maria Lourdes Heras-de Leon	2,900,000
Garry K. Lester	4,800,000
Melinda L. Ocampo	4,800,000

¹Served as director until April 24, 2024.

None of the independent directors received compensation from ACEN for services other than those provided as a director. They are not entitled to stock options and performance bonuses from the Company.

Executive directors do not receive attendance fees.

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Board Committees

The Board Committees assist the Board in the discharge of its functions, aid in good governance and are governed by their Charters as duly approved by the Board in terms of their rights and responsibilities.

Executive Committee

The Executive Committee acts on such specific matters within the competence of the Board as may from time to time be delegated to it in accordance with the By-Laws. The Committee is composed of not less than three (3) but not more than five (5) members and designates among the members of the Committee a Chairperson and a Vice Chairperson. The committee deliberated, reviewed and approved the following in 2024:

1. Additional funding for office space fit-out;
2. Additional funding for SanMar Solar Phases 1 and 2
3. Submission to the Energy Regulatory

Commission (ERC) of the Company's business separation and unbundling plan for 2023;

4. Constitution of: (a) ACEN Operations Services (ACEN OPS), Inc. as the Company's shared services company to provide O&M services to the company's Philippine operating projects, and (b) ACEN Technical Services, Inc. (ACEN TSI) as the Company's shared services company to provide development shared services to the ACEN Group;
5. Termination of power supply agreements with MERALCO;
6. Acceptance of the offer from Asian Energy Impact Trust (AEIT), the company's joint venture partner in Negros Island Solar Power ("IslaSol"), for the Company or a designated subsidiary to acquire AEIT's ownership stake in IslaSol; and
7. Extension of maturity period of the loan facility provided to Greencore Power Solutions 3, Inc.

The Executive Committee had seven (7) meetings in 2024, as follows:

Director	19 January 2024	7 February 2024	1 March 2024	27 June 2024	27 August 2024	30 August 2024	24 October 2024	26 December 2024
Cezar P. Consing (Chairperson)	✓	✓	✓	✓	✓	✓	✓	✓
Gerardo C. Ablaza, Jr. ¹				✓	✓	✓	✓	✓
John Eric T. Francia	✓	✓	✓	✓	✓	✓	✓	✓
Jesse O. Ang (Independent)	✓	✓	✓	✓	✓	✓	✓	✓
Jaime Z. Urquijo ¹				✓	✓	✓	✓	✓
Delfin L. Lazaro ²	✓	✓	✓					
Jaime Alfonso E. Zobel de Ayala ³	✓	✓	✓					

¹Elected as director on and effective 24 April 2024

²Served as Chairman of the committee until 24 April 2024

³Served as member of the committee until 24 April 2024

Corporate Governance and Nomination Committee

The Corporate Governance and Nomination (CGN) Committee has three (3) Independent Directors, including the Chairperson. The Committee ensures that good corporate governance principles and practices are complied with by the Company. This includes the adoption of a board process in the nomination, election or replacement of board members and the review of the succession plans for members of the board and senior executives. The board composition is reviewed regularly to allow the board to exercise effective decision-making powers and meet the needs of the Company.

The Committee's accomplishments in 2024 include:

1. Receipt of the nominees for Directors of the Company, evaluation of their qualifications and endorsement of qualified nominees for nomination to the Board for the year 2024;
2. Receipt of nominees for various officers of the Company, evaluation of their qualifications and endorsement of qualified nominees for appointment by the Board throughout the year 2024; and
3. Review of the Integrated Annual Corporate Governance Report for submission to the SEC.

The CGN Committee had four (4) meetings in 2024, during which the Chairperson and members were all present.

The attendance of the members at the meetings of the Committee held in 2024 is as follows:

Director	26 February 2024	5 March 2024	16 May 2024	26 September 2024
Jesse O. Ang (Chairperson)	✓	✓	✓	✓
Melinda L. Ocampo	✓	✓	✓	✓
Garry K. Lester	✓	✓	✓	✓



Jaime Urquijo (right) was appointed as Chairperson of ACEN's Sustainability Committee. Seated beside him are ACEN Director Jaime Alfonso Zobel de Ayala (center) and ACEN Chairperson Cezar Consing (left).

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As of December 31, 2024, the Board Committees and their members were as follows:

	Audit Committee	Board Risk Management and Related Party Transactions Committee	Corporate Governance and Nomination Committee	Executive Committee	Personnel and Compensation Committee	Sustainability Committee
Cezar P. Consing (Chairperson)				C	M	
Gerardo C. Ablaza, Jr.				M		
John Eric T. Francia				M		
Jaime Alfonso E. Zobel de Ayala						
Jaime Z. Urquijo				M		C
Nicole Goh Phaik Khim	M	M				
Jesse O. Ang (Independent)			C	M	C	
Maria Lourdes Heras-de Leon (Independent)					M	M
Garry K. Lester (Independent)	C	M	M			
Melinda L. Ocampo (Independent)	M	C	M			M

Legend:

C - Committee Chairperson

M - Committee Member

The attendance of the directors at the meetings of the Board and of stockholders held in 2024 is as follows:

	11 March 2024	24 April 2024	24 April 2024	8 May 2024	26 June 2024	10 July 2024	7 October 2024	25 November 2024	No. of Meetings Present	Percent Present
	Regular	ASM	Org	Regular	Special	Special	Regular	Regular		
Cezar P. Consing (Chairperson)	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
Gerardo C. Ablaza, Jr. ¹			✓	✓	✓	✓	✓	✓	6	100%
John Eric T. Francia	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
Jaime Alfonso E. Zobel de Ayala	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
Jaime Z. Urquijo ¹			✓	✓	✓	✓	✓	✓	6	100%
Nicole Goh Phaik Khim	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
Jesse O. Ang (Independent)	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
Maria Lourdes Heras-de Leon (Independent)	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
Garry K. Lester (Independent)	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
Melinda L. Ocampo (Independent)	✓	✓	✓	✓	✓	✓	✓	✓	8	100%
Delfin L. Lazaro ²	✓	✓								
Jose Rene Gregory D. Almendras ²	✓	✓								

Legend:

Org — Organizational meeting of the Board

¹ Elected as director on and effective 24 April 2024

² Term as director expired on 24 April 2024

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Audit Committee

The Audit Committee is composed of three (3) Directors, two (2) of whom are Independent, including the Chairperson. All of its members have extensive background and expertise in accounting, and one member is an expert in the power industry. The Committee assists the Board by overseeing matters relating to the financial statements and financial reporting process, external and internal auditors, internal control and compliance with applicable legal and regulatory requirements.

During the year, the Committee reviewed the Company’s parent and consolidated financial statements, and the work performed by both internal and external auditors through reports provided. Based on the assurance provided by the auditors from their reviews, the Committee assessed the Company’s systems of internal controls, compliance and governance processes as adequate. Please refer to the annual report of the Committee to the Board on [page 109](#).

The committee had four (4) regular meetings, three (3) special meetings and two (2) executive sessions in 2024, during which the Chairperson and members were all present.

The attendance of the members at the meetings of the committee held in 2024 is as follows:

	16 February 2024	1 March 2024	7 May 2024	21 May 2024	25 June 2024	7 August 2024	4 November 2024
Garry K. Lester (Chairperson)	✓	✓	✓	✓	✓	✓	✓
Nicole Goh Phaik Khim	✓	✓	✓	✓	✓	✓	✓
Melinda L. Ocampo	✓	✓	✓	✓	✓	✓	✓

Board Risk Management and Related Party Transactions Committee

The Board Risk Management and Related Party Transactions (BRMRPT) Committee is a board-level committee with two (2) of its three (3) members, including the Chairperson, being Independent Directors and the remaining member a Non-Executive Director nominated by a significant minority shareholder.

The Committee is responsible for the oversight of the Company’s enterprise risk management system and for the review of all material-related party transactions of the Company. The Committee’s accomplishments in 2024 include:

1. Review and approval of the terms of the conversion of the ACEN Group’s outstanding loans and receivables into additional equity of ENEX Energy Corp., for endorsement to the Board; and
2. Review and approval of the terms of the Service Agreements between ACEN Operations Services, Inc. (a wholly-owned subsidiary of the Company) and each of North Luzon Renewable Energy Corp., Amihan Renewable Energy Corp., and Natures Renewable Energy Devt. Corporation, subsidiaries of the Company

The Committee had two (2) meetings in 2024, during which the Chairperson and members were all present.

The attendance of the members at the meetings of the Committee held in 2024 is as follows:

	9 March 2024	15 November 2024
Melinda L. Ocampo (Chairperson)	✓	✓
Nicole Goh Phaik Khim	✓	✓
Garry K. Lester	✓	✓

Personnel and Compensation Committee

The Personnel and Compensation Committee has three (3) members, two (2) of whom, including the Committee Chairperson, are Independent Directors, and the remaining member, a Non-Executive Director. The Committee’s role is to establish a transparent policy and procedure for the fixing of the remuneration packages of corporate officers and directors. The Committee ascertains that compensation is aligned with the Company’s culture, strategy and control environment, aligned with the long-term interests of the Company and stockholders, competitive against the market, and reasonable for the work required and the Company’s size and scope.

The Committee had one (1) meeting in 2024, during which the Chairperson and all members were present. The Committee’s accomplishments in 2024 include the approval of employees’ performance bonuses for the year 2023 and salary adjustments for the year 2024.

The attendance of the members at the meeting of the Committee held in 2024 is as follows:

	29 February 2024
Jesse O. Ang (Chairperson)	✓
Cezar P. Consing	✓
Maria Lourdes Heras-de Leon	✓

Sustainability Committee

As a testament to its commitment to the environment and the communities it serves, ACEN established the Sustainability Committee in October 2021.

The Sustainability Committee has three (3) members, two (2) of whom, including the Chairperson, must be members of the Board and one (1) of whom must be an Independent Director. The Committee’s role is to ensure that the Company’s sustainability strategy and efforts are aligned with its core business objectives and contribute to sustainable development. The Committee is responsible for monitoring the Company’s progress towards meeting the Company’s sustainability objectives and determines strategic sustainability objectives and performance indicators as part of the Company’s overall corporate strategy.

The Committee’s accomplishments in 2024 include the review and approval of the engagement with SGV & Co. as the Company’s Sustainability Report Assurance Provider for its 2024 Integrated Report.

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The Sustainability Committee held two (2) meetings in 2024. The attendance of the members at the meetings of the Committee held in 2024 is as follows:

	25 July 2024	17 November 2024
Jaime Z.Urquijo (Chairperson)	✓	✓
Maria Lourdes Heras- de Leon	✓	✓
Melinda L. Ocampo	✓	✓

Management roles and responsibilities

Management is primarily responsible for the execution of the Board-approved strategies and monitoring of performance. Management also designs and implements adequate and effective systems of internal controls and risk management processes to ensure achievement of objectives while maintaining compliance with laws, rules and regulations.

To facilitate the flow of strategic and operational information among the internal decision-makers, the Company has created specific management committees for operations management, investments, finance, organizational development and compensation and benefits. These committees are composed of key executives who meet regularly to discuss significant matters relevant to the achievement of targets and the continuous growth of the Company. Initiatives that are reviewed and

endorsed by the Management Committees are discussed with the corresponding Board Committees for approval and endorsement to the Board of Directors for ratification.

Performance assessment and compensation

The performance management system drives the compensation and incentive plans of senior executives and is meant to align employees’ individual goals with the organization’s goals and strategies. Management compensation is typically broken down into three components: (1) Base compensation; (2) Variable compensation based on annual targets or key result areas (KRAs); and (3) a long-term incentive plan, which is typically vested over a three-year period and is linked to long-term objectives.

The performance of the Company’s senior executives, including the CEO, is rated based on their respective KRAs. These KRAs cover various aspects of the business, covering a wide array of performance areas, including Financial, Operations, Development and Pipeline, Organization and Risk Management, and ESG. Executives receive annual bonuses based on company results, business unit or team performance and individual achievements of performance goals/KRAs. Performance ratings are similarly taken into consideration, in determining any salary adjustments.

ACEN’s Employee Stock Ownership (ESOWN) program serves as a long-term incentive program for qualified executives and managerial employees. The award range is a percentage of the grantee’s annual gross compensation, by

the Personnel and Compensation Committee and the Board. Potential awards are based on employee performance, company performance and share price. Sustainability was incorporated as a key performance indicator within the plan’s committed KRA targets. Grants and availment from the ESOWN program were made in 2021 and 2022. While the 2021 and 2022 ESOWN plans remain active, there were no grants and availment from the ESOWN program during 2023 and 2024.

In 2022, the Company introduced a new long-term incentive plan (LTIP) to replace the previous ESOWN scheme. This new LTIP is an equity-based compensation program designed with a three-year performance cycle. Rewards under this plan are granted in the form of Performance Shares, which are awarded to executives and key employees in the year following the completion of the performance cycle. These shares are then subject to a three-year vesting period.

Sustainability is a key performance metric within the LTIP, reflecting the Company’s commitment to long-term responsible and sustainable growth. Awardees are nominated by the President and CEO and approved by the Chairperson of the Board. The first performance cycle for LTIP was completed end-2024.

Strategy planning and execution

ACEN utilizes an inclusive and iterative approach in crafting and executing a long-term strategic plan. It ensures that risks are managed appropriately using a risk management process as these plans are finalized. Strategy formulation generally involves establishing the purpose and

scope of the organization’s activities, defining its business model, setting long-term goals, considering the risks and opportunities it faces and the environment in which it operates.

Building a climate resilient strategy

ACEN aligns itself with the United Nations Framework Convention on Climate Change and the Paris Agreement on reducing global carbon emissions to limit the global temperature increase to 1.5°C. Consistent with the Ayala group’s commitment to the UN Sustainable Development Goals (SDGs), ACEN is additionally focused on protecting the wider environment and creating value for the communities it serves. In Q1 2021, ACEN signed up as a supporter of the Task Force for Climate-related Financial Disclosures (TCFD).

Read more about our TCFD Report, go to [page 69](#).

Risk management

Risk management is core to ACEN’s strategy-setting process. Key risks that could affect the achievement of the Company’s goals are considered in strategy setting, and mitigation plans for key risk areas are included in the key result areas for the relevant business units. Due to the economic volatility of the past few years and supply chain challenges, ACEN conducts semi-annual planning sessions to review company performance, revisit targets and recalibrate strategies as needed, depending on new and emerging risks and opportunities identified. The risk management process is driven by the group chief risk officer who leads the implementation of the enterprise risk

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management process. ACEN is also represented at the ERM council led by Ayala’s risk management unit. ACEN seeks to continuously improve its risk management process by adopting processes and strategies in line with Ayala’s best practices.

ACEN is strengthening its approach to risk management through research and by consulting with risk management experts, including on improved disclosures over management of material climate risks. The adoption of the TCFD framework also initiated management discussions on the identification of key climate risks and opportunities affecting ACEN’s projects and the organization as a whole.

Learn more about how we identify and manage risk on [page 66](#).

Internal governance mechanism

Accountability and audit

As part of the governance structure of the Company, the external and internal auditors ensure transparency, fairness, and accountability in its transactions and activities. The Audit Committee reviews and approves the reports of the auditors to ensure the integrity of the Company’s financial statements, adequacy and effectiveness of the internal controls, risk management, compliance and governance processes.

External Auditors

On April 24, 2024, the stockholders, upon recommendation of the Audit Committee and endorsement by the Board of Directors, approved the re-appointment of Sycip Gorres Velayo and Co. (SGV & Co.) as the independent

external auditor of ACEN. The lead engagement partner of SGV & Co. is Mr. Benjamin N. Villacorte, an SEC-accredited audit partner.

The responsibilities of SGV & Co. include providing an opinion on the conformity of the Company’s parent and consolidated financial statements with Philippine Financial Reporting Standards and assessing the quality of the Company’s financial reporting process.

The Audit Committee oversees the work of the external auditor and ensures unrestricted access to records, properties, and personnel to enable performance of the audit. SGV & Co.’s overall plan, which includes the objectives, scope and timing of the audit, was reviewed and approved by the Audit Committee during its August 7, 2024 meeting. To ensure that the external auditor maintains the highest level of independence from the Company, both in fact and appearance, the Audit Committee approved all audit, audit-related and permitted non-audit services rendered by the external auditor. The Audit Committee also reviewed the nature and corresponding fees of non-audit services rendered by SGV & Co. and concluded that these were not in conflict with their function as the Company’s external auditor.

Pursuant to the requirements of SEC Memorandum Circular No. 18 Series of 2024 for supplemental disclosure in the audited financial statements, the new circular mandates the reporting of fees related to both audit and non-audit services fees rendered by SGV & Co. and its network firms to the Company and its subsidiaries. Further, audit-related fees are now reclassified under “NAS — Other assurance services” from “Audit and audit-related”. The

consolidated audit and non-audit services rendered by SGV & Co. and network firms amounted to ₱20.2 million and ₱18.3 million, respectively, exclusive of Value-Added Tax (VAT) and out-of-pocket expenses (OPE). The breakdown of the fees for 2024 and 2023 is shown below:

	2024 in ₱ millions	2023 in ₱ millions
Total audit fees*	11.9	10.4
Non-audit services**	8.3	7.9
Other assurance services	5.5	7.5
Tax services	1.7	0.3
All other services	1.1	0.1
Total audit and non-audit fees	20.2	18.3

*Agreed audit fees
**Billed fees for the year ended December 2024 and 2023

Audit fees include ACEN Corporation and its subsidiaries’ agreed fees for the audit of the annual financial statements on which the external auditor/audit firm expresses an opinion for the years ended 2024 and 2023. Non-audit services fees include assurance services that are directly related to the review of quarterly financial statements and integrated reports, review of consolidated comparative financial statements for the issuance of preferred shares, tax compliance advisory services, transfer pricing documentation and study, and other tax activities. These also include all other services relating to hedge accounting and derivate instruments, annual stockholders’ meeting validation, agreed-upon procedures on the increase in authorized capital stocks, training, and other services. The audit results were presented to the Audit Committee during its March 6, 2025 meeting. There were no disagreements between the management

and SGV & Co. on any matters of accounting principles or practices, financial statement disclosures or auditing scope or procedures. The Audit Committee also had an executive session with the external auditor in 2024 without the presence of the management team to discuss any issues or concerns.

Internal Auditors

Internal Audit, headed by the Group Chief Audit Executive (CAE), Mae Christine Go, maintains organizational independence by functionally reporting to the Audit Committee and administratively to the Group Compliance Officer. The Audit Committee is responsible for advising the Board of Directors regarding the qualifications and recruitment, appointment and removal of the CAE, and evaluating Internal Audit’s performance at least annually.

The audit team is composed of professionals with the following certifications: certified public accountants, registered electrical engineers, certified lead auditor in ISO 9001 and ISO 27001, certified internal auditors, certified information systems auditors, certified internal controls auditor, certified in cybersecurity and with certification in control self-assessment. All the internal auditors are members of The Institute of Internal Auditors-Philippines and adopt the International Professional Practices Framework promulgated by The Institute of Internal Auditors, Inc.

In November 2024, the Audit Committee and Internal Audit Charters were reviewed and presented for approval of the Audit Committee for early adoption of the new Global Internal Audit Standards (GIAS). Per assessment, both Charters are compliant with the GIAS

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with revisions made in relation to terminology alignment, documentation of current practices, and emphasis of standard requirements.

Governed by its Internal Audit Charter, Internal Audit adopts a risk-based approach in developing its annual work plan which is regularly reevaluated to consider emerging and critical risks. The Audit Committee reviews and approves the annual work plan including all revisions to ensure sufficient coverage of the company's system of internal controls, risk management, compliance and governance processes. The Committee likewise ensures that audit resources are appropriate, sufficient and effectively allocated to accomplish the approved plan.

Quarterly, Internal Audit presents to the Audit Committee the results of its reviews as well as the status of management's corrective action plans to address control or compliance issues. The Committee also had regular meetings with the CAE without the presence of management to discuss any issues or concerns.

The internal audit activities conform with the International Standards for the Professional Practice of Internal Auditing and will be continuously evaluated through an independent Quality Assessment Review conducted every five years.

Group Compliance Officer

As ACEN's Group Compliance Officer, Mr. Dodjie D. Lagazo:

- › Ensured proper onboarding of new directors (i.e., orientation on the Company's business, charter, articles of incorporation and by-laws, among others);

- › Monitored, reviewed, evaluated and ensured the compliance by the Company as well as its officers and directors with the relevant laws, the corporate governance code for PLCs rules and regulations, and all governance issuances of regulatory agencies;
- › Ensured the integrity and accuracy of all documentary submissions to regulators, among others;
- › Identified and managed compliance risks;
- › Ensured that the Company adhered to sound corporate governance and best practices;
- › Issued an Integrated Annual Corporate Governance Report that is duly signed under oath by the Chairperson, Chief Executive Officer or President, all Independent Directors, the Group Compliance Officer, and the Corporate Secretary;
- › Conducted a yearly performance assessment of the Board, Board Committees, and individual members of the Board using a formal self-rating system; and performed such other duties and responsibilities as may be provided by the SEC.

Disclosure and transparency

In line with the Company's policies on disclosure and transparency and the disclosure requirements of the SEC and The Philippine Stock Exchange (PSE), all material and market-sensitive information about the Company as well as other relevant information were publicly and timely disclosed to the investing public, stakeholders, and other interested users through media and analysts' briefings or other means. Such information includes key results of operations, execution of contracts, declaration of dividends and investment, among others.

The Board of Directors has a responsibility to the shareholders to ensure the integrity of the Company's consolidated financial statements and non-financial information disclosed in the integrated report. The financial statements comply with the Philippine Financial Reporting Standards, with significant accounting judgments and estimates disclosed. In dealing with RPTs, the Board of Directors, with the assistance of the BRMRPT Committee composed of majority Independent Directors, reviews and approves the material RPTs of the Company in accordance with the RPT policy, ensuring that the transactions are at arm's length, fair and inure to the best interest of the Company and its subsidiaries or affiliates and the shareholders.

Based on the policy, the related party or any of its subsidiaries or affiliates, shall disclose any material RPT to the BRMRPT Committee for review and approval prior to entering the transaction, unless covered under any of the exceptions under the policy. Furthermore, there were no cases of non-compliance with the laws, rules and regulations pertaining to significant or material RPTs in the past three (3) years. A summary of the material RPTs of the Company is presented in the Notes to the Consolidated Financial Statements under Related Party Transactions.

Ownership structure

As of December 31, 2024, 58.2 percent of ACEN's outstanding common shares were held by AC Energy and Infrastructure Corporation (ACEIC).

2024 Disclosures

In 2024, the Company filed, among others, unstructured disclosures involving the following:

Unstructured disclosures

- › Appointment of Directors and Officers
- › Notice and agenda of the 2024 Annual Stockholders' Meeting
- › Results of 2024 Annual Stockholders' Meeting and Organizational Board of Directors' Meeting
- › Acquisition and sale of Company shares by the directors, officers, and 10 percent owners
- › Press releases
- › Notice of analyst and investor briefings
- › Matters taken up at board meetings
- › Signing of subscription agreements with subsidiaries that are special purpose vehicles for development projects used by the ACEN group

Financial and non-financial reports

The board ensures the integrity of the Company's consolidated financial statements and non-financial information as disclosed in the Company's Integrated Report. The financial statements including significant judgments and estimates disclosed thereto comply with the requirements of the Philippine Financial Reporting Standards.

Non-financial performance was prepared using the guiding principles and content elements of the Integrated Reporting framework.

To help stakeholders gain a better understanding of the Company's business and its process of value creation, a thorough discussion on both financial and non-financial performance indicators is provided in this report.

Please refer to [pages 18](#) for the financial and non-financial performance indicators, respectively.

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Changes in shareholdings

Reported trades of directors and officers of ACEN's voting securities in 2024:

	Balance as of 31 December 2023	Balance as of appointment/election	Acquired	Disposed of	Balance as of end of term/resignation	Balance as of 31 December 2024	
Directors							1. Term as director of the company expired on 24 April 2024
Delfin L. Lazaro ¹	69,940	N/A	128,568 ²	0	198,508	N/A	
Jose Rene Gregory D. Almendras ¹	950,451	N/A	887,384 ²	0	1,837,835	N/A	2. Received as property dividends declared by Ayala Corporation
Cezar P. Consing	28	N/A	551,815 ²	0	N/A	551,843	
Gerardo C. Ablaza, Jr. ³	N/A	3,878,513	0	0	N/A	3,878,513	
John Eric T. Francia	113,461,717	N/A	406,185 ²	0	N/A	113,867,902	3. Elected as director of the company on and effective 24 April 2024
Jaime Alfonso E. Zobel de Ayala	107,040	N/A	3,871 ²	0	N/A	110,911	
Jaime Z. Urquijo ³	N/A	173,198	0	0	N/A	173,198	
Nicole Goh Phaik Khim	1	N/A	0	0	N/A	1	4. Appointed as Corporate Secretary of the company on and effective 11 March 2024
Dean L. Travers	1	N/A	0	0	N/A	1	
Jesse O. Ang	1	N/A	0	0	N/A	1	
Garry K. Lester	1	N/A	0	0	N/A	1	
Maria Lourdes Heras-de Leon	1	N/A	0	0	N/A	1	5. Appointed as Assistant Corporate Secretary of the company on and effective 24 April 2024
Melinda L. Ocampo	24,001	N/A	0	0	N/A	24,001	
Officers							
John Philip S. Orbeta	13,380,339	N/A	677,089 ²	0	N/A	14,057,428	
Jose Maria Eduardo P. Zabaleta	5,175,177	N/A	0	0	N/A	5,175,177	6. Resigned as Corporate Secretary of the company on and effective 26 February 2024
Ma. Cecilia T. Cruzabra	280,000	N/A	141,474 ²	0	N/A	421,474	
Patrice R. Clausse	33,743,474	N/A	96,824 ²	0	N/A	33,840,298	
Jonathan P. Back	0	N/A	0	0	N/A	0	
Maria Franchette M. Acosta ⁴	N/A	0	0	0	N/A	0	
Dodjie D. Lagazo	8,880,948	N/A	0	0	N/A	8,880,948	
Raissa C. Villanueva ⁵	N/A	389,397	0	0	N/A	389,397	
Alan T. Ascalon	1,657,152	N/A	0	0	N/A	1,675,152	
Kyla Kamille U. Samson	199,800	101,000	0	0	N/A	199,800	
Mae Christine L. Go	0	N/A	2,799 ²	0	N/A	2,799	
Solomon M. Hermosura ⁶	600,848	N/A	614,179 ²	0	1,215,027	N/A	

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Stakeholder relations

As a stronger, bolder and faster energy company, ACEN's ultimate goal is to uplift the lives of its stakeholders and help build a more sustainable future. It aims to uphold the highest possible level of moral benchmarks and fairness in dealing with shareholders, customers, employees, and business partners to strengthen its foundation of long-term beneficial relationships.

Learn more about how we engage with our stakeholders on

Shareholder meeting and voting procedures

Notices of regular or special meetings are posted on PSE EDGE and the Company's website and sent to shareholders at least 28 days before the scheduled date. It details the agenda and sets the date, time, and place for validating proxies, which must be done at least five (5) business days prior to the annual stockholders' meeting. Each outstanding common share of stock entitles the registered holder to one (1) vote.

For transparency and improved shareholder involvement, the Company provides multiple voting options such as appointing a proxy, voting in-person, or through electronic voting *in absentia*. The Company established a secure electronic Voting in Absentia Shareholder System that is accessible to all stockholders, easy to use and allows stockholders to exercise their right if unable to attend the Annual Stockholders' Meeting. Equal effect is given to votes whether cast in person or in absentia. Non-controlling or minority shareholders are given the right to nominate, elect and remove candidates for the Board of Directors.

Shareholder and investor relations

The Company encourages active participation and regular dialogue with institutional and retail investors. Information requirements of the investing public and minority shareholders are fully disclosed to the securities' regulators on time and are accessible both through the Company's website and through PSE EDGE. The Investor Relations team, which directly reports to the Chief Strategy Officer, provides an avenue to receive feedback, complaints and queries from shareholders other than through the Annual Stockholder's Meeting.

Code of Conduct and Ethics

All Directors, officers and employees are required to always act in the best interest of the Company. They are directed to avoid any situation that could interfere or appear to interfere with his or her independent judgement in performing his or her duties. The Code also prohibits employees from using their official position to secure a contract of employment for a related party, soliciting gifts or any property for personal gain from any individual or organization that deals with the Company, engaging in direct or indirect bribery and using Company information for personal gain. No employee may engage in any business or undertaking that is indirectly or directly in competition with or prejudicial to the interests of the Company.

The Code of Conduct and Ethics provides guidance to directors, officers, and employees on the following:

- Fair Dealing
- Confidentiality of Information
- Proper Use of Company Assets and Resources

- Conflict of Interest
- Outside Employment
- Insider Trading
- Anti-Bribery and Anti-Graft Policy
- Safety in the Workplace

Directors, officers and employees are required to declare annually that they have complied with the Code of Conduct and any amendments thereto.

[Read more](#) about Code of Conduct and Ethics.

Policy on insider trading

A policy on insider trading has been defined by ACEN to ensure compliance with Corporate Disclosures Manual and prevent the unlawful practice of using to one's own advantage confidential information one has access to.

Reporting of transactions

ACEN has established and implemented guidelines for all directors, officers and employees on when to declare trades. All directors and officers from Managing Directors and above, the Controller, Chief Audit Executive, Group Chief Risk Officer, Treasurer, Group Compliance Officer, Corporate Secretary and Assistant Corporate Secretary must report all acquisitions or disposals, or any changes in their shareholdings in the Company within the period specified in the policy.

Trading blackouts

To ensure compliance with PSE Insider Trading Rules, the Company issues a blackout notice to all concerned whenever a price-sensitive information has been disclosed to the Exchange.

The Policy on insider trading provides that all directors, key officers, employees, consultants and advisers of the Company who may have knowledge of material information that has not been disclosed to the public, including their immediate families, are prohibited from trading in ACEN's shares during the trading blackout period lasting from the time the information is obtained until a minimum of two (2) trading days after the disclosure thereof with the PSE. In addition, they are also required to submit annually a certification of compliance with the prohibition against trading during the blackout periods.

On November 10, 2022, upon the endorsement of the CGN Committee, the Board approved revisions to the Insider Trading Policy in recognition of the volume of transactions entered into by the Company. Reporting obligations were further clarified among the different covered persons, and the short-swing profit rule was also explicitly incorporated in the policy.

Policy on related-party transactions

ACEN recognizes the fiduciary responsibility of its Board of Directors to ensure the fairness, transparency and integrity of the Company's RPTs for the protection of all shareholders' interest. To support the implementation of this duty, the Company has adopted a Related Party Transactions Policy that:

- Defines related party relationships and transactions;
- Provides guidance in the review, approval, maintenance of registry, and disclosure of material RPTs to ensure that the terms are

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fair, and inure to the best interest of the Company and all its shareholders;

- Mandates regular monitoring of the Company's business relationships;
- Promotes the objectives of the SEC Rules on Material Related Party Transactions for Publicly Listed Companies; and
- Prohibits, remedies and penalizes material RPTs deemed non-compliant with policy.

The BRMRPT Committee is tasked with overseeing the implementation of this policy.

Policy against sexual harassment

Increasing awareness of the value of respecting the dignity and rights of each employee is a commitment from ACEN. The Company is dedicated to keeping its work environment free from sexual harassment and all forms of sexual intimidation and exploitation. In keeping with this commitment, the Company will not tolerate harassment of its employees and will penalize any such actions with a permanent ban from the Company working environment.

Policy on anti-fraud

ACEN has adopted a zero-tolerance policy towards fraudulent reporting, misappropriation of assets, corruption, bribery in any form, and all unethical practices, and is committed to taking all appropriate measures in complying with relevant laws and standards.

The Policy on Anti-Fraud prohibits directors, officers, and employees, from doing business with malicious intent. It provides guidance to everyone on how to conduct business in a fair, ethical and legal manner. Seeking unwarranted monetary and substantial advantage from any transaction is strictly forbidden. The policy also

applies even if the business was made through another person.

Policy on gift and gratuities

The Company has established guidelines for managing gifts and gratuities to protect the integrity of its employees and its business interest. Any offers given to directors, officers and employees, or their immediate family, with an intent to influence business decisions and recommendations are strictly prohibited and must be disclosed immediately to the appropriate reporting level. Directors, officers and employees are likewise prohibited from accepting gifts or invitations of any form, except token gifts of small value that meet the criteria set by the Company or offering or promising gifts to facilitate business.

Conflict of interest policy

No officer or employee may be involved in any business or undertaking that influences or could influence the ability to exercise objectivity and perform responsibilities in the best interest of the Company. Any potential conflict of interest, actual or apparent, must be brought to the attention of the appropriate levels of authority and all relevant facts are required to be disclosed.

Whistleblower policy

ACEN conducts its business with the highest ethical standards. The Company and its directors, officers and employees strive to uphold a culture of good corporate governance by heeding integrity in all its transactions internally, with its customers, suppliers, contractors, business partners, government, regulators and the public. The whistleblower

policy provides a mechanism and an avenue to report any perceived wrongdoing, malpractice and any irregularities that are contrary to the Company's Core Values and protects whistleblowers against possible retaliation. The policy also provides an established investigation process on reported violation of Company policies, rules and regulations. All reports are treated in confidence and monitored until resolution and closure.

The whistleblower may submit a report through ACEN Speak Up Safely, an independent and confidential whistleblowing platform managed by a third-party service provider, Deloitte.

ACEN Speak Up Safely provides whistleblowers with the option to be completely anonymous or make their identity known. The channel also allows whistleblowers to receive updates on the reported issue through the platform.

ACEN Speak Up Safely was launched and cascaded to employees in December 2024. It is available in the Philippines, Vietnam, Indonesia, India and the United States. Reports received through the platform can be translated into English, Tagalog, Bahasa Indonesia and Vietnamese. It has also been made available on myHR, the Company's integrated platform for human resources services. Said platform has both web and mobile versions, enabling convenient access to the whistleblower platform. Two whistleblower reports were acted upon in 2024.

ACEN Australia has a separate independent whistleblowing service via [acenrenewables.stoplinereport.com](https://www.acenrenewables.com.au/stoplinereport.com).

Data privacy policy

As ACEN's Data Protection Officer, Atty. Alan T. Alascon helps the Company keep its utmost commitment to safeguard and respect the right to personal data privacy of stakeholders. With the support of the different business units, ACEN's data privacy team regularly reviews the security measures that the Company puts in place to maintain the integrity, confidentiality and availability of the personal data that it collects and processes. The Company also has a data privacy policy in place which aims to protect these data from accidental loss or destruction, unauthorized access, fraudulent misuse and unlawful alteration.

On December 15, 2023, the Board approved, upon the endorsement of the Corporate Governance and Nomination Committee, revisions to the data privacy policy and data privacy manual to align with industry and company practices as well as updates in applicable data privacy laws and regulations. The Office of the Data Protection Officer can be reached through writing or email dataprivacy@acenrenewables.com should there be any inquiries or concerns on data privacy or data subjects' rights.

Website

Information on the company's corporate governance initiatives, this Integrated Report, and all other relevant information, are available on the company's website at www.acenrenewables.com.

As part of our stakeholder engagement, ACEN also maintains social media accounts on



www.facebook.com/officialACEN/
ph.linkedin.com/company/officialacen
www.youtube.com/@OfficialACEN