

COVER SHEET

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A C E N E R G Y C O R P O R A T I O N

F o r m e r l y

A C E N E R G Y P H I L I P P I N E S , I N C .

(Company's Full Name)

4 T H F L O O R , 6 7 5 0 O F F I C E T O W E R

A Y A L A A V E N U E , M A K A T I C I T Y

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

ALAN T. ASCALON

Contact Person

7730-6300

Company Telephone Number

1	2
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Month

3	1
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Day

Fiscal Year

Integrated Annual Corporate Governance Report (I-ACGR)

FORM TYPE

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Month

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Day

Annual Meeting

Secondary License Type, if Applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number/Section

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Total No. Of Stockholders

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Domestic

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Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

30 June 2021

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City 1307

Attention: **ATTY. RACHEL ESTHER J. GUMTANG-REMALANTE**
Director, Corporate Governance and Finance Department

Dear Atty. Gumtang-Remalante:

Further to our letter request dated 25 June 2021, please see enclosed the duly notarized I-ACGR of the Corporation as signed by the President and Chief Executive Officer, Compliance Officer, Corporate Secretary, and all independent directors of the Corporation.

Considering that the Corporation's Chairman, Mr. Fernando Zobel de Ayala is currently overseas, we have provided a separate signature page for Mr. Zobel de Ayala, wherein he has affixed his e-signature.

We undertake to submit the Corporation's amended I-ACGR, with the duly signed and notarized page of Mr. Zobel de Ayala, once circumstances will favorably allow.

Thank you very much.

Very truly yours,


MARIA CORAZON G. DIZON
Compliance Officer



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 31 December 2020
2. SEC Identification Number 39274
3. BIR Tax Identification No. 000-506-020-000
4. Exact name of issuer as specified in its charter AC ENERGY CORPORATION
5. Makati City, Philippines
Province, Country or other jurisdiction
of incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. 4th Floor, 6750 Office Building, Makati City
Address of principal office
8. 1226
Postal Code
8. (632) 7730 6300
Issuer's telephone number, including area code
9. AC ENERGY PHILIPPINES, INC.
Former name, former address, and former fiscal year, if changed since last report.

**INTEGRATED ANNUAL CORPORATE GOVERNANCE
REPORT**

Below are the links to the documents referred to in this report:

- a. 2020 Integrated Report: <https://acenergy.ph/IR2020/>
- b. 2020 Definitive Information Statement ("DIS"): <https://acenergy.ph/2020-ac-energy-philippines-definitive-information-statement/>
- c. 2020 Definitive Information Statement Annexes A to F: <https://acenergy.ph/2020-ac-energy-philippines-dis-annexes/>
- d. Corporate Governance ("CG") Manual: <https://acenergy.ph/wp-content/uploads/2020/12/ACEN-Corporate-Governance-Manual-2020-Approved.pdf>
- e. Board of Directors Charter: <https://acenergy.ph/wp-content/uploads/2020/10/ACEN-Board-Charter-2020-06-11-final.pdf>
- f. Charter of the Personnel and Compensation Committee: <https://acenergy.ph/governance/board-committee/board-committees/compensation-committee/>
- g. Charter of the Corporate Governance and Nomination Committee: <https://acenergy.ph/wp-content/uploads/2020/10/ACEN-Charter-of-the-CGNC-final.pdf>
- h. Material Related Party Transactions Policy (the "RPT Policy"): <https://acenergy.ph/governance/board-committee/company-policies/policy-on-related-party-transactions/>
- i. Conflict of Interest Policy: <https://acenergy.ph/governance/board-committee/code-of-conduct/>
- j. Internal Audit Charter: <https://acenergy.ph/governance/board-committee/internal-audit-charter/>
- k. Charter of the Audit Committee: <https://acenergy.ph/governance/board-committee/board-committees/audit-committee/>
- l. Charter of the Executive Committee: <https://acenergy.ph/governance/board-committee/board-committees/executive-committee/>
- m. Charter of the Board Risk and Related Party Transactions Committee: <https://acenergy.ph/governance/board-committee/board-committees/board-risk-and-rpt-committee/>
- n. Code of Conduct: <https://acenergy.ph/governance/board-committee/code-of-conduct/>
- o. Articles of Incorporation: <https://acenergy.ph/wp-content/uploads/2021/05/AC-Energy-Corporation-Certificate-of-Filing-Amended-AOI-2021-01-05.pdf>
- p. By laws: <https://acenergy.ph/wp-content/uploads/2021/05/AC-Energy-Corporation-Certificate-of-Filing-Amended-AOI-2021-01-05.pdf>
- q. Whistleblowing and Non-Retaliation Policy: <https://acenergy.ph/wp-content/uploads/2020/12/ACEN-Whistleblower-Policy-2020-approved.pdf>
- r. Procurement Guidelines: <https://acenergy.ph/governance/board-committee/company-policies/procurement-guidelines/>

	COMPLIANT / NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: 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 profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following:	
2. Board has an appropriate mix of competence and expertise.	Compliant	1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	<p>a. The ACEN Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the energy sector. Ref: pg 65 to 72 > ACEN 2020 Integrated Report > Our Board of Directors</p> <p>b. Designation, years appointed and expertise of the Board of Directors Ref: pg 1 to 3 > ACEN 2020 DIS > Directors and Key Officers Annex "A"</p> <p>Ref: pg 49 > ACEN 2020 Integrated Report > Board Structure and Process</p> <p>c. Relevant Trainings of Directors Ref: pg 51 > ACEN 2020 Integrated Report > Training of Directors</p>	

		<p>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance</p> <p>a. Qualification standards for directors to facilitate the selection of potential nominees in the Board. Ref: pg 2 to 4 > ACEN CG Manual > Qualifications and Disqualifications</p> <p>b. Process and criteria for nominations to the Board Ref: pg 9 to 10 > ACEN 2020 DIS > Board of Directors</p>	
Recommendation 1.2			
<p>1. Board is composed of a majority of non-executive directors</p>	<p>Compliant</p>	<p>Identify or provide link/reference to a document identifying the directors and the type of their directorships</p> <p>ACEN's Board is composed of a majority of Non-Executive Directors. Ref: pg 49 > 2020 Integrated Report > Corporate Governance > Board Structure and Process > Board Composition</p>	
Recommendation 1.3			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>Compliant</p>	<p>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</p> <p>1. ACEN provides in its Board Charter and CG Manual a policy on training of directors</p>	

		<p><i>Ref: pg 13 > ACEN Charter of the Board of Directors > Section 13. Orientation and Continuing Education Programs for Directors</i></p> <p><i>Ref: pg 6 > ACEN CG Manual > Training</i></p> <p>2. Relevant Trainings of Directors <i>Ref: pg 51 > ACEN 2020 Integrated Report > Training of Directors</i></p> <p>3. Orientation for New Directors <i>In 2020, the orientation for the only new director, Mr. Mario Antonio V. Paner, was held on 6 May 2020.</i></p>	
2. Company has an orientation program for first time directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	
3. Company has relevant annual continuing training for all directors	Compliant	<p>1. Relevant Trainings of Directors <i>Ref: pg 51 > ACEN 2020 Integrated Report > Training of Directors</i></p> <p>2. Orientation for New Directors <i>In 2020, the orientation for the only new director, Mr. Mario Antonio V. Paner, was held on 6 May 2020.</i></p>	

Recommendation 1.4

1. Board has a policy on board diversity.

Compliant

Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.

Board Diversity

Ref: pg 2 > ACEN CG Manual > Diversity

Ref: pg 49 to 50 > 2020 Integrated Report > Board Composition

There are five (5) female Directors on the Board: Ms. Nicole Goh Phaik Khim, Sherisa P. Nuesa, Melinda L. Ocampo, Ma. Aurora D. Geotina-Garcia, and Consuelo D. Garcia.

Optional: Recommendation 1.4

1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.

Compliant

Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.

Provide link or reference to a progress report in achieving its objectives.

Board Diversity

Ref: pg 2 > ACEN CG Manual > Diversity

There are five (5) female Directors on the Board: Ms. Nicole Goh Phaik Khim, Sherisa P. Nuesa, Melinda L. Ocampo, Ma. Aurora D. Geotina-Garcia, and Consuelo D. Garcia.

Recommendation 1.5

1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions. <i>The Corporate Secretary, Atty. Solomon M. Hermosura, is not the Chief Compliance Officer and is not a member of the Board.</i> <i>Ref: pg 51 > ACEN 2020 Integrated Report > Board Structure and Process > Corporate Secretary</i> <i>Ref: pg 4 > ACEN 2020 DIS > Annex "A"</i>
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered <i>The Corporate Secretary attends training/s on corporate governance.</i> <i>Ref: pg 51 > ACEN 2020 Integrated Report > Board Structure and Process > Corporate Secretary; Training of Directors</i>

Optional: Recommendation 1.5

<p>1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.</p>	<p>Not Compliant</p>	<p>Provide proof that corporate secretary distributed board meeting materials at least five (5) business days before scheduled meeting</p> <p><i>Board materials are distributed to the Board of Directors at least three days prior to the meeting.</i></p> <p><i>Ref: pg 51 > ACEN 2020 Integrated Report > Corporate Governance > Board Structure and Process > Board Performance</i></p>	<p>Notwithstanding non-compliance with this recommendation, the Company is still able to ensure that Directors are properly appraised of the matters to be discussed and approved during the meeting. Adequate time is devoted during meetings so that Directors can ask questions and make clarifications in relation to the meeting materials.</p> <p>Nonetheless, the company continues to exert its best efforts to comply with the recommendation.</p>
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Recommendation 1.6

<p>1. Board is assisted by a Compliance Officer.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</p>	
<p>2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</p>	
<p>3. Compliance Officer is not a member of the board.</p>	<p>Compliant</p>	<p><i>The Chief Compliance Officer is Maria Corazon G. Dizon, with a rank higher than Senior Vice President and is not a member of the Board.</i></p> <p><i>Ref: pg 58 > ACEN 2020 Integrated Report > Chief Compliance Officer</i></p> <p><i>Duties and responsibilities of the Compliance Officer</i></p> <p><i>Ref: pg 13 to 14 > ACEN CG Manual > Compliance Officer</i></p>	

<p>4. Compliance Officer attends training/s on corporate governance.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p><i>On 10 November 2020, the Compliance Officer attended the virtual Integrated Corporate Governance, Risk Management and Sustainability Summit with the theme "The Board's Agenda: The Business of Building Back Better"</i></p> <p><i>Ref: pg 51 > ACEN 2019 Integrated Report > Corporate Governance > Training of Directors</i></p>	
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Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p> <p><i>Relevant Resolutions Approved by the Board of Directors from 20 April 2020 until 18 April 2021</i></p> <p><i>Ref: ACEN 2020 DIS, Annex "C"</i></p> <p><i>Reports of the Board Committees</i></p> <p><i>Ref: pg 52 to 56, ACEN 2020 Integrated Report</i></p>	
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Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting).	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>Indicate frequency of review of business objective and strategy</p> <p><i>The Board oversees the development, review and approval of the company's business objectives and strategy.</i> <i>Ref: pg 49 > ACEN 2020 Integrated Report > Board Structure and Process > Key Roles and Responsibilities</i></p> <p><i>Ref: pg 6 to 10 > ACEN CG Manual > Roles and Responsibilities > The Board, item 10</i></p> <p><i>The Board held six (6) meetings in 2020.</i> <i>Ref: pg 51 > ACEN 2020 Integrated Report</i></p>	

Supplement to Recommendation 2.2

<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>Compliant</p>	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values. Indicate frequency of review of the vision, mission and core values.</p> <p><i>ACEN's Vision, Mission and Core Values</i> <i>Ref: ACEN website > About Us</i> https://acenergy.ph/about/</p> <p><i>The Board consistently reviews the Vision and Mission.</i> <i>Ref: pg 49 > ACEN 2020 Integrated Report > Board Structure and Process > Key Roles and Responsibilities</i></p>	
<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the strategy execution process.</p> <p><i>The Board provides sound written policies and strategic guidelines on key capital expenditures, and periodically evaluates and monitors implementation of such strategies.</i> <i>Ref: pg 6 to 7 > ACEN CG Manual > Roles and Responsibilities > The Board, items 2 and 5.</i></p>	

Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.

Compliant

The Chairman of the Board is Fernando M. Zobel de Ayala.

Ref: pg 50 > ACEN 2020 Integrated Report > Chairman and Vice Chairman

Ref: pg 65 > ACEN 2020 Integrated Report > Our Board of Directors

Recommendation 2.4

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.

Compliant

Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation

2. Board adopts a policy on the retirement for directors and key officers.

Compliant

The Board ensures and adopts an effective succession planning program for directors and key officers.

Ref: pg 7 > ACEN CG Manual > Roles and Responsibilities > The Board, item 15.

80-year age limit for directors

Ref: pg 2 > ACEN CG Manual > Retirement Age

Recommendation 2.5

<p>1. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.</p>	
<p>2. Board adopts a policy specifying the relationship between remuneration and performance.</p>	<p>Compliant</p>	<p><i>The Personnel and Compensation Committee of the Board aligns the remuneration of key officers and board members with the long-term interests of the company.</i> <i>Ref: pg 56 > ACEN 2020 Integrated Report > Personnel and Compensation Committee</i></p> <p><i>Ref: pg 11 > ACEN CG Manual > Personnel and Compensation Committee</i></p> <p><i>Ref: pg 1 > ACEN Charter of the Personnel and Compensation Committee> Section 2.1</i></p> <p><i>ACEN adopts a policy specifying the relationship between remuneration and performance.</i> <i>Ref: pg 56 > ACEN 2020 Integrated Report > Personnel and Compensation Committee</i></p> <p><i>Ref: pg 1 > ACEN Charter of the Personnel and Compensation Committee> Section 2.6</i></p>	

3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>No Director is involved in deciding his or her own remuneration.</p> <p>Ref: pg 12 > ACEN CG Manual > Remuneration</p>	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	<p>Provide proof of board approval</p> <p>The Board of Directors through the Personnel and Compensation Committee established a formal and transparent procedure for developing and for fixing the remuneration packages of corporate officers and directors.</p> <p>Ref: pg 1 > ACEN Charter of the Personnel and Compensation Committee > Section 2.1</p> <p>Ref: Pg 11 > ACEN CG Manual, Section 1.5</p>	

<p>2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.</p> <p><i>The Personnel and Compensation Committee of the Board aligns the remuneration of key officers and board members with the long-term interests of the company.</i></p> <p><i>Ref: pg 56 > ACEN 2020 Integrated Report > Personnel and Compensation Committee</i></p> <p><i>Ref: pg 11 > ACEN CG Manual > Personnel and Compensation Committee</i></p> <p><i>Ref: pg 1 > ACEN Charter of the Personnel and Compensation Committee> Section 2.1</i></p> <p><i>ACEN adopts a policy specifying the relationship between remuneration and performance.</i></p> <p><i>Ref: pg 56 > ACEN 2020 Integrated Report > Personnel and Compensation Committee</i></p> <p><i>Ref: pg 1 > ACEN Charter of the Personnel and Compensation Committee> Section 2.6</i></p>	
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Recommendation 2.6

1. Board has a formal and transparent board nomination and election policy.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	<p>1. The Board has a formal and transparent nomination and election policy. Ref: pg 19 > ACEN CG Manual, Voting Rights</p> <p>2. The Board, through the Corporate Governance and Nomination Committee, determines the nomination and election process as disclosed in the company's CG Manual. Ref: pg 19 > ACEN CG Manual, Voting Rights</p>	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	<p>1. Minority stockholders have the right to nominate directors in accordance with the Corporation Code. Ref: pg 19 > ACEN CG Manual, Voting Rights</p>	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	Provide proof if minority shareholders have a right to nominate candidates to the board.	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	<p>1. Minority stockholders have the right to nominate directors in accordance with the Corporation Code. Ref: pg 19 > ACEN CG Manual, Voting Rights</p>	

2. The Board nomination and election policy includes how the company accepts nominations from minority shareholders.

Ref: pg 19 > ACEN CG Manual, Voting Rights

3. Nominations from minority shareholders is discussed in the CG Manual under Shareholders Rights – Voting Rights

Ref: pg 19 > ACEN CG Manual, Voting Rights

4. Stockholders were apprised of the 11 March 2021 deadline for the nomination of directors.

Ref: pg 1 > Notice of Annual Stockholders' Meeting

https://edge.pse.com.ph/openDiscView.r.do?edge_no=09f299ec323e40275d542af6f1e997b9

Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.

1. The Board, through the Corporate Governance and Nomination Committee, assesses the effectiveness of the Board's processes in the nomination, election or replacement of a director.

Ref: pg 2 > Charter of the Corporate

Governance and Nomination Committee > Item 9

2. The Corporate Governance and Nomination Committee determines the shortlisting of candidates

Ref: pg 19 > ACEN CG Manual, Voting Rights

Ref: pg 3 > Charter of the Corporate Governance and Nomination Committee > Item 3

3. The Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.

Ref: pg 1 to 6 > ACEN CG Manual > Part One: Governance Structure

Optional: Recommendation to 2.6

<p>1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.</p>	<p>Compliant</p>	<p>Identify the professional search firm used or other external sources of candidates</p> <p><i>Ref: pg 3 > ACEN CG Manual, Section 3. Process and Criteria for Nominations to the Board, item 2</i></p> <p><i>Company senior leadership consults with members of the Institute of Corporate Directors (ICD) for recommendations for candidates to the board of directors.</i></p>	
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Recommendation 2.7

<p>1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.</p>	<p>Compliant</p>	<p>Provide information on or reference to a document containing the company's policy on related party transactions, including policy on review and approval of significant RPTs</p>	
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>Compliant</p>	<p><i>The Board has an overall responsibility in ensuring that there is a group-wide policy system in governing RPTs and other unusual or infrequently occurring transactions through the Related-Party Transactions Review Committee.</i></p>	
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>Compliant</p>	<p><i>Ref: pg 8 > ACEN CG Manual > Roles and Responsibilities, The Board, item 23</i></p> <p><i>Ref: pg 18 > ACEN CG Manual > Part III. Related Party Transactions (RPT)</i></p> <p><i>ACEN's RPT Policy includes appropriate review and approval of material RPTs which guarantee fairness and</i></p>	

transparency of the transactions.

Ref: pg 3 to 4 > ACEN RPT Policy > Part E.
Identification, Review and Approval of the
Related Party Transactions

**ACEN's RPT policy encompasses all
entities within the group, taking into
account their size, structure, risk profile,
and complexity of operations.**

Ref: pg 1 to 3 > ACEN RPT Policy > Part B.
Definition of Terms

Identify transactions that were approved
pursuant to the policy.

**In 2020, the RPT Review Committee
reviewed, discussed, approved and
endorsed seven (7) transactions.**

Ref: pg 55 > ACEN 2020 Integrated Report
> Corporate Governance > Board Risk
Management and Related Party
Transactions Committee

Supplement to Recommendations 2.7

1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered *de minimis* or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.

Compliant

Provide information on a materiality threshold for RPT disclosure and approval, if any.

Provide information on RPT categories

The RPT Policy clearly defines pre-approved RPTs which are in the nature of normal transactions in the ordinary course of business and RPT transactions that require the review of the committee for endorsement to the Board for approval. The Policy has established thresholds of Php50 Million or 5% of the company's total consolidated assets, whichever is lower (Company Materiality Threshold) and 10% of the company's total consolidated assets, either individually or in aggregate over a 12-month period (SEC Materiality Threshold). Ref: pg 1 to 2 > ACEN RPT Policy > Part B. Definition of Terms

pg 5 > ACEN RPT Policy > Part I. RPTs Delegated to Management

2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.

Compliant

Provide information on voting system, if any.

All Material RPTs shall be reviewed by the Board Risk Management and RPT Committee and approved by at least two-thirds (2/3) vote of the Board of Directors, with at least a majority of the independent directors voting to approve

the same. In case that the majority of the independent directors' vote is not secured, the Material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

Ref: pg 4 > ACEN RPT Policy, Part E. Identification, Review and Approval of the Related Party Transactions

Recommendation 2.8

1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).

Compliant

Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.

The Board is primarily responsible for approving the selection of the President, CEO, COO, and other senior officers. Other senior officers include the heads of other control functions (Chief Finance Officer, Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive)

Ref: pg 7 > ACEN CG Manual > Roles and Responsibilities, item 14.

Identify the Management team appointed

For 2020, appointed members of the Management Team as approved by the Board is contained in the disclosure of the results of the Organizational Meeting of the Board on 20 April 2020.

https://edge.pse.com.ph/openDiscViewer.do?edge_no=fe1aeb74ba7c77f10de8473c

		<p>ebbd6407</p> <p><i>For 2021, appointed members of the Management Team as approved by the Board is contained in the disclosure of the results of the Organizational Meeting of the Board on 19 April 2021.</i></p> <p>https://edge.pse.com.ph/openDiscView.r.do?edge_no=6af13b47c2ae7a815d542af6f1e997b9</p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p><i>The Board conducts an annual performance assessment of its members, the President and CEO, and Management.</i> Ref: pg 12 > ACEN CG Manual, Performance Assessment</p> <p><i>The CEO, Compliance Officer, Chief Audit Executive, and Chief Risk Officer all report directly to the Board.</i> Ref: pg 48 > 2020 Integrated Report > Corporate Governance > Governance Structure > Chart on ACEN's CG Structure</p>	

Recommendation 2.9

<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p><i>The Board establishes Professional Development Program, effective performance management framework to align Management's performance with the standards and criteria set by the Board and Senior Management, formulate and adopt a policy for the Board's and key officers' compensation programs aligned with work required and performance against business plans</i> <i>Ref: pg 7 > ACEN CG Manual, Roles and Responsibilities, item 15</i></p> <p><i>ACEN has a performance-based rewards and recognition system to ensure that the performance of each business group is consistent with ACEN's commitment to its Board and stakeholders.</i> <i>Ref: pg 51 > ACEN 2020 Integrated Report, Performance Assessment</i></p>	

Recommendation 2.10

1. Board oversees that an appropriate internal control system is in place.	Compliant	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p><i>The Board maintains an internal control system</i> <i>Ref: pg 9 > ACEN CG Manual, Roles and Responsibilities, item 28.5</i></p> <p><i>ACEN has a Conflict of Interest Policy which covers all employees and is available on the company website.</i> <i>Ref: pg 4 > ACEN Code of Conduct, Part V. Conflict of Interest</i></p>	
3. Board approves the Internal Audit Charter.	Compliant	Provide reference or link to the company's Internal Audit Charter <i>Ref: ACEN Internal Audit Charter, https://acenergy.ph/wp-content/uploads/2021/05/ACEN-Internal-Audit-Charter May-2021-Final.pdf</i>	

Recommendation 2.11

<p>1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</p> <p>Provide proof of effectiveness of risk management strategies, if any.</p> <p><i>The Board oversees that ACEN has in place a sound ERM framework.</i> <i>Ref: pg 8 > ACEN CG Manual, Roles and Responsibilities, item 22.</i></p>	
<p>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.</p>	<p>Compliant</p>	<p><i>ACEN's ERM framework guides the Board in identifying risk exposures, as well as the effectiveness of risk management strategies.</i> <i>Ref: pg 64 > ACEN 2020 Integrated Report > Risk Management</i></p>	

Recommendation 2.12

<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.</p>	<p>Compliant</p>	<p>Provide link to the company's website where the Board Charter is disclosed.</p>	
<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	<p>Compliant</p>	<p><i>The Board has a charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role and serves as a guide to the directors in the performance of their functions. It is publicly available on ACEN's website.</i></p>	
<p>3. Board Charter is publicly available and posted on the company's website.</p>	<p>Compliant</p>	<p><i>The Board has a charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role and serves as a guide to the directors in the performance of their functions. It is publicly available on ACEN's website.</i></p>	

Ref: ACEN Board of Directors Charter, <https://acenergy.ph/wp-content/uploads/2020/10/ACEN-Board-Charter-2020-06-11-final.pdf>

Additional Recommendation to Principle 2

1. Board has a clear insider trading policy.

Compliant

Provide information on or link/reference to a document showing company's insider trading policy.

The Board has a clear insider trading policy which also covers key officers of ACEN.

Ref: pg 6 > ACEN Code of Conduct > Part VII. Insider Trading Policy

Optional: Principle 2

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.

Compliant

Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.

None of the directors in his or her personal capacity has been contracted by ACEN for services other than those provided as a director. ACEN has no other arrangement regarding the remuneration of its directors and officers aside from the compensation as stated in the CG Manual and the Charter of the Board of Directors.

Ref: pg 51-52 > ACEN 2020 Integrated Report > Corporate Governance > Director Compensation; Independent Directors' Remuneration

		<p><i>Ref: pg 12 to 13 > ACEN Board Charter > Section 12. Compensation of the Board</i></p>	
<p>2. Company discloses the types of decision requiring board of directors' approval.</p>	<p>Compliant</p>	<p>Indicate the types of decision requiring board of directors' approval and where there are disclosed.</p> <p><i>ACEN discloses the list of items that require Board approval under its powers, duties and responsibilities.</i></p> <p><i>Ref: pg 6 to 10 > ACEN CG Manual > Roles and Responsibilities</i></p> <p><i>Ref: pg 6 to 9 > ACEN Board of Directors Charter, Section 7, Responsibilities of the Board, Item 1. Duties, Powers and Attributes of the Board</i></p>	

Principle 3: 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, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p> <p><i>The ACEN Board established Board Committees to support it in the performance of its functions and in accordance with the By-Laws of the Corporation and to aid in good governance.</i></p> <p><i>Ref: pg 11-12 > ACEN CG Manual > Board Committees</i></p>	
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Recommendation 3.2

<p>1. 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.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee’s responsibility to recommend the appointment and removal of the company’s external auditor.</p> <p><i>The ACEN Board established the Audit Committee to assist fulfill its responsibility for oversight of the company’s corporate governance processes with duties as stated in its charter and the CG Manual.</i></p> <p><i>Ref: pg 11 > ACEN CG Manual > Board Committees > Section 1.1. Audit</i></p>	
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		<p>Committee</p> <p><i>Among the Audit Committee's responsibilities is recommending to the Board the external auditor and the audit fees that will be endorsed to the stockholders for selection and appointment.</i></p> <p><i>Ref: pg 6 > ACEN Audit Committee Charter > Section 5. Oversight on External Audit, item 5.1</i></p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p> <p><i>For 1 January 2020 until 31 December 2020, the Audit Committee was composed of Ma. Aurora D. Geotina-Garcia (Chair), Consuelo D. Garcia, and Mario Antonio V. Paner, all non-executive and independent directors. Their qualifications are available in the company's 2020 Integrated Report, as well as in the DIS (Annex "A").</i></p> <p><i>Ref: pg 53, 70 to 72 > ACEN 2020 Integrated Report</i></p> <p><i>Ref: ACEN 2020 DIS, Annex "A"</i></p> <p><i>As of 31 May 2021, ACEN's Audit Committee is composed of Ma. Aurora D. Geotina-Garcia (Chair), Consuelo D. Garcia (both independent directors), and</i></p>	

		<p>Nicole Goh Phaik Khim, a non-executive director. Ref: Results of 2021 Organizational Meeting of Board of Directors, https://edge.pse.com.ph/openDiscViewer.do?edge_no=6af13b47c2ae7a815d542af6f1e997b9</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>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p> <p>All the members of ACEN's Audit Committee have the background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. Ref: pg 70 to 72 > ACEN 2020 Integrated Report Ref: ACEN 2020 DIS, Annex "A"</p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p> <p>The Chairperson of the Audit Committee, Ms. Ma. Aurora D. Geotina-Garcia, is not the Chairperson of the Board or of any other committee. Ref: pg 53 > ACEN 2020 Integrated Report > Corporate Governance > Board Committees, Table on Committee Memberships</p>	

Supplement to Recommendation 3.2

<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</p> <p><i>ACEN's Audit Committee approved all non-audit services conducted by the external auditor.</i> <i>Ref: pg 89 > ACEN 2020 Integrated Report > Report of the Audit Committee to the Board of Directors for the Year Ended 31 December 2020</i></p>	
<p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p>	<p>Compliant</p>	<p>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</p> <p><i>The Audit Committee conducts regular meetings and dialogues with SGV & Co., without anyone from management present. The Committee also reviewed and approved all audit, audit-related, and permitted non-audit services provided by SGV & Co. to company and the related fees for such services. The company also assessed the compatibility of non-audit services with the auditor's roles and responsibilities to ensure that such services will not impair its independence.</i> <i>Ref: pg 88 to 89 > ACEN 2020 Integrated Report > Report of the Audit Committee to the Board of Directors for the Year Ended 31 December 2020</i></p>	

Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	<p>Indicate the number of Audit Committee meetings during the year and provide proof</p> <p><i>ACEN's Audit Committee held six (6) meetings in 2020: four (4) regular and two (2) special.</i> <i>Ref: pg 54 > ACEN 2020 Integrated Report > Audit Committee</i></p>	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	<p>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</p> <p><i>ACEN's Audit Committee approves the appointment and removal of the internal auditor.</i> <i>Ref: pg 4, ACEN Charter of the Audit Committee, Section 4. Oversight Management and Internal Audit, item 4.2</i></p>	
Recommendation 3.3			
1. 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>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the</p>	

		<p>company's strategic direction, if applicable.</p> <p>ACEN's Board established a Corporate Governance and Nomination Committee. <i>Ref: pg 11 > ACEN CG Manual > Board Committees > Section 1.2 Corporate Governance and Nomination Committee</i></p> <p>The past Committee pre-screened and approved all nominations for Director.</p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p> <p><i>For 1 January 2020 until 31 December 2020, the Corporate Governance and Nomination Committee was composed of Consuelo D. Garcia (Chair), Melinda L. Ocampo, and Mario Antonio V. Paner, all independent directors. Their qualifications are available in the company's 2020 Integrated Report, as well as in the DIS (Annex "A").</i> <i>Ref: pg 53, 70 to 72 > ACEN 2020 Integrated Report</i></p> <p><i>Ref: ACEN 2020 DIS, Annex "A"</i></p> <p><i>As of 31 May 2021, ACEN's Corporate Governance and Nomination Committee is composed of Consuelo D. Garcia</i></p>	

		<p>(Chair), Melinda L. Ocampo, and Sherisa P. Nuesa, all independent directors. Ref: pg 5 > Results of 2021 Organizational Meeting of Board of Directors https://edge.pse.com.ph/openDiscViewer.do?edqe_no=6af13b47c2ae7a815d542af6f1e997b9</p>	
3. Chairman of the Corporate Governance Committee is an independent director	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p> <p>The Chairperson of ACEN's Corporate Governance and Nomination Committee is Consuelo D. Garcia, an independent director. Ref: pg 70 > ACEN Integrated Report > Our Board of Directors</p>	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	<p>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</p> <p>The Corporate Governance and Nomination Committee held five (5) meetings in 2020. Ref: pg 53 > ACEN 2020 Integrated Report > Corporate Governance and Nomination Committee</p>	

Recommendation 3.4

<p>1. 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.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p> <p><i>ACEN's Board established a Board Risk Management and Related Party Transactions Committee.</i> <i>Ref: pg 11 > ACEN CG Manual, Board Committees, Section 1.3 Board Risk Management and Related Party Transactions Committee</i></p>	
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</p> <p><i>For 1 January 2020 until 31 December 2020, the Board Risk Management and Related Party Transactions Committee was composed of Sherisa P. Nuesa (Chair), Ma. Aurora D. Geotina-Garcia, and Melinda L. Ocampo, all independent directors. Their qualifications are available in the company's 2020 Integrated Report, as well as in the DIS (Annex "A").</i> <i>Ref: pg 53, 70 to 72 > ACEN 2020 Integrated Report</i></p> <p><i>Ref: ACEN 2020 DIS, Annex "A"</i></p>	

		<p>As of 31 May 2021, ACEN's Board Risk Management and Related Party Transactions Committee is composed of Sherisa P. Nuesa (Chair), Meinda L. Ocampo, both independent directors, and Nicole Goh Phaik Khim.</p> <p>Ref: pg 5 > Results of 2021 Organizational Meeting of Board of Directors, https://edge.pse.com.ph/openDiscViewer.do?edge_no=6af13b47c2ae7a815d542af6f1e997b9</p>	
<p>3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the BROCC</p> <p>The Chairperson of ACEN's Board Risk Management and Related Party Transactions Committee is Sherisa P. Nuesa, an Independent Director who is not the Chairperson of the Board or any other committee.</p> <p>Ref: pg 53 > ACEN Integrated Report > Board and Board Committee Membership Stockholders, Board, Board Committee Meetings, and Directors' Attendance for the year ended December 31, 2020</p>	

<p>4. At least one member of the BROOC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROOC.</p> <p><i>At least one (1) member of ACEN's BROOC has relevant thorough knowledge and experience on risk and risk management. Ref: pg 70 to 72 > ACEN 2020 Integrated Report > Board of Directors > Profiles</i></p>	
Recommendation 3.5			
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p> <p><i>ACEN's Board established a Board Risk Management and Related Party Transactions Committee. Ref: pg 11 > ACEN CG Manual, Board Committees, Section 1.3 Board Risk Management and Related Party Transactions Committee</i></p>	<p>The Committee serves a dual function, as the Risk Oversight Committee and as a Related Party Transactions Committee, which functions are clearly delineated in the Committee's Charter</p>
<p>2. RPT Committee is composed of at least three non- executive directors, two of whom should be independent, including the Chairman.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p> <p><i>For 1 January 2020 until 31 December 2020, the Board Risk Management and Related Party Transactions Committee was composed of Sherisa P. Nuesa</i></p>	

		<p><i>(Chair), Ma. Aurora D. Geotina-Garcia, and Melinda L. Ocampo, all independent directors. Their qualifications are available in the company's 2020 Integrated Report, as well as in the DIS (Annex "A").</i></p> <p><i>Ref: pg 53, 70 to 72 > ACEN 2020 Integrated Report</i></p> <p><i>Ref: ACEN 2020 DIS, Annex "A"</i></p> <p><i>The Committee is composed of Sherisa P. Nuesa (Chair), Melinda L. Ocampo, both independent directors, and Nicole Goh Phaik Khim, a non-executive director.</i></p> <p><i>Ref: pg 5 > Results of 2021 Organizational Meeting of Board of Directors, https://edqe.pse.com.ph/openDiscView.r.do?edqe_no=6af13b47c2ae7a815d542af6f1e997b9</i></p>	
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Recommendation 3.6

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	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<p><i>All of ACEN's established committees at the Board level have a charter. All the charters provide standards for evaluating the performance of the committees and are fully disclosed in the ACEN website.</i></p> <p><i>Ref: ACEN Website > Corporate Governance > Board Committees</i></p>	

		<p>https://acenergy.ph/governance/board-committee/board-committees/</p> <p><i>ACEN Board Charter</i></p> <p><i>ACEN Executive Committee Charter</i></p> <p><i>ACEN Audit Committee Charter</i></p> <p><i>ACEN Personnel and Compensation Committee Charter</i></p> <p><i>ACEN Corporate Governance and Nomination Committee Charter</i></p> <p><i>ACEN Board Risk Management and Related Party Transactions Committee Charter</i></p>	
<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>Compliant</p>	<p>Provide link to company's website where the Committee Charters are disclosed.</p> <p><i>The charters of the committees are fully disclosed on the company's website. See above response for Recommendation 3.6, items 1-2.</i></p>	

Principle 4: 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

<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p> <p><i>ACEN's Board of Directors attend and actively participate in all meetings, in person or through tele/videoconferencing conducted in accordance with the rules and regulations of the SEC.</i></p> <p><i>Ref: pg 54 > ACEN 2020 Integrated Report > Corporate Governance > Board and Board Committee Membership Stockholders, Board, Board Committee Meetings, and Directors' Attendance for the year ended December 31, 2020</i></p> <p><i>Ref: pg 10 to 11 > ACEN CG Manual > Conduct of Meetings</i></p>	
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<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>	<p>Board materials are distributed to ACEN's Board of Directors at least three (3) days before the scheduled meeting to give the directors ample time to review the meeting materials prior to the meeting date.</p> <p><i>Ref: pg 51 > ACEN 2020 Integrated Report > Board Performance</i></p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p> <p>The Board of Directors acts judiciously before deciding on any matter by evaluating the issues, asking relevant questions and seeking clarifications as appropriate.</p> <p><i>Ref: pg 10 > ACEN CG Manual > Roles and Responsibilities > Each Director</i></p>	

Recommendation 4.2			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	Compliant	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p> <p><i>ACEN has a policy on multiple board seats indicating that no independent director shall hold no more than five (5) board seats in any group of PLCs and executive directors shall hold no more than two (2) board seats in listed companies outside the ACEN group.</i> <i>Ref: pg 2 > ACEN CG Manual, Directorship Limits</i></p>	
Recommendation 4.3			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	Compliant	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <p><i>Pursuant to the ACEN CG Manual, all directors are required to notify the Board before accepting a directorship in another company.</i> <i>Ref: pg 10 > ACEN CG Manual > Roles and Responsibilities > Each Director, item 11</i></p>	

Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	<p>Mr. John Eric T. Francia is the only executive director and did not serve in more than two (2) boards of listed companies outside of the group</p> <p>Ref: pg 67 > ACEN 2020 Integrated Report > Our Board of Directors</p>	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	<p>ACEN schedules the Board of Directors' meetings before the start of the financial year and are held at least once every quarter.</p> <p>Ref: pg 51 > ACEN 2020 Integrated Report > Corporate Governance > Board Performance</p>	
3. Board of directors meet at least six times during the year.	Compliant	<p>Indicate the number of board meetings during the year and provide proof</p> <p>The Board held six (6) meetings in 2020: four (4) regular, one (1) special, and one (1) organizational.</p> <p>Ref: pg 51 > ACEN 2020 Integrated Report > Board Performance</p>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	<p>Indicate the required minimum quorum for board decisions</p> <p>Two-thirds (2/3) of the number of ACEN directors shall constitute a quorum.</p> <p>Ref: pg 11 > ACEN CG Manual, Conduct of Meetings</p>	

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.

Compliant

Provide information or link/reference to a document containing information on the number of independent directors in the board

As of 20 April 2020 and 31 December 2020, respectively, the Board had five (5) independent directors, constituting more than one-third (1/3) of its composition.

Ref: Results of the 2020 Annual Stockholders' Meeting, 20 April 2020

https://edge.pse.com.ph/openDiscViewer.do?edge_no=9aee4b218ad7eb480de8473cebbd6407

As of 31 May 2021, the Board has four (4) independent directors, constituting more than one-third (1/3) of its composition.

Ref: pg 4 > Results of the 2021 Annual Stockholders' Meeting, 19 April 2021

https://edge.pse.com.ph/openDiscViewer.do?edge_no=ef52805db89014f15d542af6f1e997b9

Recommendation 5.2			
<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p> <p><i>ACEN's independent directors possess all the qualifications and none of the disqualifications to hold the position.</i> <i>Ref: pg 70 to 72 > ACEN 2020 Integrated Report, Profiles</i></p> <p><i>Ref: 2020 DIS, Certification of Independent Directors</i></p>	
Supplement to Recommendation 5.2			
<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	Compliant	<p>Provide link/reference to a document containing information that directors are not constrained to vote independently.</p> <p><i>The company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</i></p> <p><i>ACEN has a governance policy on conflict of interest to ensure that the personal interest of directors and officers should never prevail over the interest of the company, so that they may not directly or indirectly derive any personal profit or advantage by reason of their position in the company and must promote the common interest of all shareholders and the company without regard to their own</i></p>	

		<p><i>personal and selfish interests.</i> Ref: pg 4 > ACEN Code of Conduct > Conflict of Interest</p>	
Recommendation 5.3			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p> <p><i>An independent director, after serving nine (9) years, shall be perpetually barred from being elected as such in the company, without prejudice to being elected as independent director in other companies outside of the business conglomerate, where applicable, under the same conditions provided for in the rules and regulations of the SEC.</i> Ref: pg 6 > ACEN CG Manual > Term Limit</p> <p>Ref: ACEN 2020 DIS > Annex "A"</p>	

<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</p> <p><i>Please see response to previous item.</i></p>	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>	<p>Compliant</p>	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <p><i>ACEN's CG Manual only allows for independent directors to serve a maximum term of nine (9) years. In the event that an independent director shall be retained beyond this, ACEN's Board will have to provide meritorious justification and seek shareholders' approval during the ASM.</i></p> <p><i>None of ACEN's independent directors have been retained beyond the foregoing nine (9)-year limit.</i></p> <p><i>Please see response to Recommendation 5.3, item 1.</i></p>	

Recommendation 5.4			
<p>1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.</p>	<p>Compliant</p>	<p>Identify the company's Chairman of the Board and Chief Executive Officer</p> <p><i>ACEN's Chairman of the Board is Fernando M. Zobel de Ayala and Chief Executive Officer is John Eric T. Francia.</i></p>	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Identify the relationship of Chairman and CEO.</p> <p><i>ACEN's Chairman of the Board and CEO have clearly defined responsibilities.</i> <i>Ref: pg 4 > ACEN CG Manual, Chairman of the Board</i> <i>pg 14 to 15, ACEN CG Manual, Chief Executive Officer (CEO)</i> <i>pg 15, ACEN CG Manual, The President</i></p> <p><i>Ref: pg 50 > ACEN 2020 Integrated Report > Role of the Chairman and Vice-Chairman</i></p>	
Recommendation 5.5			
<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p>	

		<p>Indicate if Chairman is independent.</p> <p><i>On 20 April 2020, Ms. Sherisa P. Nuesa was appointed as lead independent director.</i></p> <p><i>Roles and responsibilities of the Lead Independent Director</i> <i>Ref: pg 6 > ACEN CG Manual > Lead Independent Director</i></p>	
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Recommendation 5.6

<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>Compliant</p>	<p>Provide proof of abstention, if this was the case</p> <p><i>There have been no cases of directors with material interest in a transaction affecting the company and ACEN's directors and key management personnel are required to abstain and/or inhibit themselves from participating in discussions on a particular agenda item where they are conflicted.</i></p> <p><i>ACEN has a governance policy on conflict of interest to ensure that the personal interest of directors and officers should never prevail over the interest of the company, so that they may not directly or indirectly derive any personal profit or advantage by reason of their position in the company and must promote the common interest of all shareholders and the company without regard to their own personal and selfish interests.</i></p>	
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		Ref: pg 4 > ACEN Code of Conduct, Part V. Conflict of Interest	
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Recommendation 5.7

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 present.	Compliant	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	
2. The meetings are chaired by the lead independent director.	Compliant	<i>ACEN's independent directors met with the internal audit, external auditor, and head of operations last 27 October 2020 without any executive director.</i> <i>ACEN's independent directors met with the compliance unit and the external auditors on 17 December 2020 without any executive director.</i> <i>Ref: pg 6 > ACEN CG Manual , Lead Independent Director, item 2.</i>	

Optional: Principle 5

1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	Provide name/s of company CEO for the past 2 years <i>John Eric T. Francia has been the Company's CEO since 28 May 2019.</i> <i>Prior to that, the Company's CEO was Francisco L. Viray. Dr. Viray is no longer a director of the Company.</i>	
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Principle 6: 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. Board conducts an annual self-assessment of its performance as a whole.	Compliant	<p>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees</p> <p><i>The ACEN Board, the Chairman, individual members, and each committee undergoes an annual self-assessment of its performance.</i> <i>Ref: pg 12 > ACEN CG Manual, Performance Assessment</i></p> <p><i>In 2020, AON was appointed as the independent consultant to assist in the board assessment exercise. The results of the self-assessment survey were reported during the Board meeting immediately following the completion of the survey.</i> <i>Ref: pg 51 > ACEN Integrated Report > Performance Assessment</i></p>
2. The Chairman conducts a 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	
5. Every three years, the assessments are supported by an external facilitator.	Compliant	<i>Please see response to previous item.</i>

Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	<p>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders</p>
2. The system allows for a feedback mechanism from the shareholders.	Compliant	

ACEN's Board has a performance appraisal system that determines the performance of the Board, individual directors and committees. One of the tools used is the self-assessment exercise.

ACEN's Board allows for a feedback mechanism from shareholders during the Q&A session of the Annual Stockholders' Meeting.

Ref: pg 13-14 > Minutes of the 2020 Annual Stockholders' Meeting, Item 13, Other Matters

<https://acenergy.ph/wp-content/uploads/2020/04/ACEPH-2020-ASM-Minutes-signed.pdf>

ACEN has a Contact Us section and published the emails of the respective contact persons on the website for shareholders and the public.

Ref: <https://acenergy.ph/contact-us/>

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

<p>1. 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 the company.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics. ACEN's Board has a Code of Conduct <i>Ref: ACEN Code of Conduct</i></p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>Compliant</p>	<p>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees. <i>The Code is properly disseminated to the Board, senior management and employees, through the Company's on-boarding process and through Company briefings and townhall meetings.</i> <i>Ref: pg 44 > ACEN 2020 Integrated Report > How We Engage</i> <i>Ref: pg 62 > ACEN 2020 Integrated Report > Code of Conduct and Ethics</i></p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>Compliant</p>	<p>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed. <i>ACEN's Code of Conduct is available to the public through the company website.</i> <i>Ref:</i> https://acenergy.ph/governance/board-committee/code-of-conduct/</p>	

Supplement to Recommendation 7.1

<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery</p> <p><i>ACEN has an Anti-Corruption Program with policies on Gift and Gratuities and Anti-Fraud.</i> <i>Ref: pg 7 to 8 > ACEN Code of Conduct > Part VIII. Anti-Bribery and Anti-Corruption Policy</i></p>	
Recommendation 7.2			
<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	<p>Compliant</p>	<p>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</p>	
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p>Compliant</p>	<p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p> <p><i>ACEN has an established process on reported violations of company policies, rules, and regulations.</i> <i>Ref: ACEN Whistleblower Policy</i></p> <p><i>All directors, officers, and employees of ACEN are expected to observe and comply with the Code of Conduct.</i></p> <p><i>The Head of Human Resources is specifically tasked to implement and monitor compliance with the Code.</i> <i>Ref: pg 9> ACEN Code of Conduct > Part II. Implementation and Monitoring</i></p>	

Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</p> <p><i>Management, through the Investor Relations Division, shall be responsible for public and timely disclosure of all material information about the company.</i></p> <p><i>Ref: pg 21 > ACEN CG Manual > Part IV. Stakeholder Engagement</i></p>	
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Supplement to Recommendations 8.1

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>Compliant</p>	<p>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</p> <p><i>ACEN publicly discloses its consolidated financial statements within ninety (90) - days from the end of the fiscal year while interim quarterly reports are submitted within forty-five (45) days from the end of the reporting period.</i></p> <p><i>Ref: ACEN Audited Financial Statements as of year ended December 31, 2020 > PSE</i></p>	
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Edge Website > ACEN > Company Disclosures

https://edge.pse.com.ph/openDiscViewer.do?edge_no=d0b5cb3cd05c7ce90de8473cebbd6407

Ref: ACEN SEC 17Q Q1 2020 > PSE Edge Website > ACEN > Company Disclosures > Quarterly Report

https://edge.pse.com.ph/openDiscViewer.do?edge_no=2d7bc6d7389882d30de8473cebbd6407

Ref: ACEN SEC 17Q Q2 2020 > PSE Edge Website > ACEN > Company Disclosures > Quarterly Report

https://edge.pse.com.ph/openDiscViewer.do?edge_no=2e05275923f77bf60de8473cebbd6407

Ref: ACEN SEC 17Q Q3 2020 > PSE Edge Website > ACEN > Company Disclosures > Quarterly Report

https://edge.pse.com.ph/openDiscViewer.do?edge_no=5adf9ce4608c3c850de8473cebbd6407

<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. <p><i>ACEN discloses the shareholdings of controlling shareholders.</i> Ref: pg 62 > ACEN 2020 Annual Report (SEC Form 17-A) https://edge.pse.com.ph/openDiscViewer.do?edge_no=d0b5cb3cd05c7ce90de8473cebbd6407</p> <p><i>ACEN upholds and protects the rights of minority shareholders.</i> Ref: pg 18 to 20 > ACEN CG Manual > Part Three: Promotion of Shareholders' Rights and Engagement of Stakeholders</p>	
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Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p> <p><i>All ACEN directors and officers are required to disclose/report to the company any dealings in the company's shares within three (3) business days from transaction date.</i></p> <p><i>Ref: pg 21 > ACEN CG Manual > Part III. Disclosure and Transparency</i></p>	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p>Provide link or reference to the company's Conglomerate Map.</p> <p><i>Ref: Attachment III, > ACEN 2020 Annual Report (SEC Form 17-A)</i> https://edge.pse.com.ph/openDiscViewer.do?edge_no=d0b5cb3cd05c7ce90de8473cebbd6407</p> <p>ACEN discloses the trading of the</p>	

corporation's shares by directors, officers and controlling shareholders.

Ref: <https://acenergy.ph/investor-relations/disclosures>

ACEN discloses the shareholdings of its directors, management and top 100 shareholders.

Ref: ACEN Top 100 Shareholders as of March 31, 2020 > ACEN Website > Disclosures

<https://acenergy.ph/wp-content/uploads/2021/04/Public-Ownership-Report-as-of-30-March-2021.pdf>

Ref: ACEN Public Ownership Report as of March 14, 2021 > ACEN Website > Disclosures

<https://acenergy.ph/wp-content/uploads/2021/05/Public-Ownership-Report-as-of-14-May-2021.pdf>

Recommendation 8.3

<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	Compliant	<p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p><i>ACEN fully discloses the profiles of its directors.</i> <i>Ref: pg 65 to 72 > ACEN 2020 Integrated Report > Our Board of Directors</i></p> <p><i>Ref: pg 61 > ACEN 2020 Integrated Report > Changes in Shareholdings</i></p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	Compliant	<p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p><i>ACEN fully discloses the profiles of its key executives.</i> <i>Ref: pg 74 > ACEN 2020 Integrated Report > Our Management Team</i></p> <p><i>Ref: pg 55 to 58 > ACEN 2020 DIS > Annex "A"</i></p>	

Recommendation 8.4

<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	Compliant	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p>	
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		<p>ACEN provides a clear disclosure on Board remuneration.</p> <p><i>Ref: By laws > Article IV, Section 4. Compensation</i></p> <p><i>Ref: pg 12 > ACEN CG Manual > Remuneration</i></p> <p><i>Ref: pg 51 > ACEN 2020 Integrated Report > Director Compensation</i></p> <p><i>Ref: pg 52 > ACEN 2020 Integrated Report > Independent Directors' Remuneration</i></p>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</p> <p>ACEN has policies and procedures in place for setting executive remuneration.</p> <p><i>Ref: pg 56 > ACEN CG Manual > Personnel and Compensation Committee</i></p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p> <p>Board of Directors 2020 Gross Remuneration</p> <p><i>> Ref: pg 52 > ACEN 2020 Integrated Report > Independent Directors'</i></p>	

		<p>Remuneration</p> <p>ACEN discloses in its Definitive Information Statement the remuneration of its top five (5) most highly compensated executives, including the CEO.</p> <p>Ref: pg 17 > 2020 ACEN DIS > Item 6. Compensation of Director and Executive Officers</p> <p>https://acenergy.ph/2020-ac-energy-philippines-definitive-information-statement/</p>	
Recommendation 8.5			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	Compliant	<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p>ACEN discloses its RPT Policy on its website.</p> <p>Ref: https://acenergy.ph/wp-content/uploads/2019/11/SEC-received-RPT-Policy-ACEnergy.pdf</p>	
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	Compliant	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 	

		<ol style="list-style-type: none"> 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions <p><i>ACEN discloses the material and significant RPTs reviewed and approved during the year.</i> <i>Ref: pg 12-17 > ACEN 2020 Definitive Information Statement</i></p> <p><i>Enclosed as Annex "A" hereof is a summary of the Material RPTs entered into by the company which breached the SEC materiality threshold, as well as copies of the advisement reports submitted.</i></p>	
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Supplement to Recommendation 8.5

<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>Compliant</p>	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p><i>ACEN requires its directors to disclose personal or pecuniary interest on any enterprise with which the company has an existing or intended transaction.</i> <i>Ref: pg 5 > ACEN Code of Conduct > Part</i></p>	
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IV. Conflict of Interest, Item 3

Prior to entering into a Material RPT, directors are required to fully and timely disclose to the Board Risk Management and RPT Committee any and all material facts related to the Material RPT as well as any direct or indirect financial interest in any matter that may affect or is affecting the company. The director and the committee shall also make this disclosure at the board meeting where the Material RPT will be presented for approval and before the completion or execution of the Material RPT.

Ref: pg 4 > ACEN RPT Policy > Part F. Disclosure Requirement of Material RPTs

ACEN has a governance policy on conflict of interest to ensure that the personal interest of directors and officers should never prevail over the interest of the company, so that they may not directly or indirectly derive any personal profit or advantage by reason of their position in the company and must promote the common interest of all shareholders and the company without regard to their own personal and selfish interests.

Optional : Recommendation 8.5			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	Compliant	<p>Provide link or reference where this is disclosed, if any</p> <p><i>ACEN ensures that all RPTs are conducted on an arms' length basis, at normal prices, and will inure to the best interest of the company.</i> <i>Ref: pg 1 > ACEN RPT Policy > Part A. Introduction</i></p> <p>https://acenergy.ph/wp-content/uploads/2019/11/SEC-received-RPT-Policy-ACEnergy.pdf</p>	
Recommendation 8.6			
<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>	Compliant	<p>Provide link or reference where this is disclosed</p> <p><i>ACEN Disclosures</i> <i>Ref: ACEN Website > Disclosures</i> https://acenergy.ph/investor-relations/disclosures/</p>	
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	Compliant	<p>Identify independent party appointed to evaluate the fairness of the transaction price</p> <p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p> <p><i>The Board of Directors may appoint an independent party to evaluate the fairness of the terms of the transaction.</i> <i>Ref: pg 5 > ACEN RPT Policy > Part H.</i></p>	

Guidelines in Ensuring Arm's Length Terms

On 31 March 2020, FTI Consulting Philippines, Inc. submitted a Fairness Opinion Report covering the property-for-share swap transaction between the company and AC Energy International, Inc. (formerly, Presage Corporation). FTI Consulting is an independent firm accredited by the PSE and the SEC for purposes of issuing fairness opinions and valuation reports of listed companies.

Ref:

https://edge.pse.com.ph/openDiscViewer.do?edge_no=511d85d4526a20880de8473ceb6407

Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Provide link or reference where these are disclosed. <i>All material transactions/information are disclosed on the IR website.</i> Ref: ACEN Website > Disclosures https://acenergy.ph/investor-relations/disclosures/	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	<i>ACEN's corporate governance policies, programs and procedures are contained in its CG Manual. It is submitted to the SEC and PSE and is posted on the website.</i> Ref: https://acenergy.ph/wp-content/uploads/2020/12/ACEN-Corporate-Governance-Manual-2020-Approved.pdf	
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.		Provide proof of submission. <i>ACEN's proof of submission of the CG Manual to the PSE.</i> Ref: https://acenergy.ph/wp-content/uploads/2020/12/ACEN-Corporate-Governance-Manual-2020-Approved.pdf	

Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives	Compliant	<p>ACEN 2020 Integrated Report Ref: https://acenergy.ph/wp-content/uploads/2021/04/ACEN-2020-Integrated-Report-for-web.pdf</p> <p>Corporate Objectives Ref: pg 9, 18, 22, 25 to 40, 44</p> <p>Financial and non-financial performance indicators Ref: pg 41 to 42</p> <p>Dividend Policy Ref: pg 60</p> <p>Biographical Details Ref: pg 49, 65 to 72</p> <p>Attendance of each director Ref: pg 54</p> <p>Remuneration Ref: pg 51 to 52</p>	
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors' meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Compliant		
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	Provide link or reference to where this is contained in the Annual Report	
		<p>Statement confirming the company's full compliance with the Code of Corporate Governance Ref: pg 47 > ACEN 2020 Integrated Report > Corporate Governance</p>	

<p>3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</p>	<p>Compliant</p>	<p>Provide link or reference to where this is contained in the Annual Report</p> <p>Board of Directors Statement <i>Ref: pg 88 to 89 > ACEN 2020 Integrated Report > Report of the Audit Committee to the Board of Directors for The Year Ended 31 December 2020</i></p>	
<p>4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.</p>	<p>Compliant</p>	<p>Board of Directors Statement <i>Ref: pg 88 to 89 > ACEN 2020 Integrated Report > Report of the Audit Committee to the Board of Directors for The Year Ended 31 December 2020</i></p>	
<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p>	<p>Compliant</p>	<p>Provide link or reference to where these are contained in the Annual Report</p> <p>Materiality <i>Ref: pg 77 to 83 > ACEN 2020 Integrated Report</i></p>	

Principle 9: 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. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.

Compliant

Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.

The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal and fees of the external auditor.

Ref: pg 6 > ACEN Audit Committee Charter, Section 5. Oversight on External Audit

<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>Compliant</p>	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p> <p><i>The Board, through the Audit Committee, recommends to the stockholders a duly accredited external auditor who shall undertake an independent audit and shall provide an objective assurance on the preparation of ACEN's financial statements.</i></p> <p><i>Ref: pg 88 > ACEN CG Manual > Report of the Audit Committee to the Board of Directors for the Year Ended 31 December 2020</i></p> <p><i>During the company's 2020 annual stockholders meeting, stockholders owning 67.96% of the total outstanding shares voted in favor of the appointment of the external auditor, SyCip Gorres Velayo & Co.</i></p> <p><i>Ref: pg 12 > ACEN > Minutes of the 2020 Annual Stockholders Meeting</i> https://acenergy.ph/wp-content/uploads/2020/04/ACEPH-2020-ASM-Minutes-signed.pdf</p>	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</p> <p><i>Since its incorporation, ACEN has not</i></p>	

		<i>removed nor changed its external auditor.</i>	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<i>The Partner-in-charge is rotated every five (5) years or earlier.</i> <i>Ref: pg 18 > ACEN CG Manual > Part II. External Audit</i>	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	Provide link/reference to the company's Audit Committee Charter <i>ACEN's Audit Committee Charter</i> <i>Ref: https://acenergy.ph/wp-content/uploads/2020/07/ACE-Philippines-Audit-Committee-Charter_Final2.pdf</i>	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis	Compliant	Provide link/reference to the company's Audit Committee Charter <i>Please refer to response provided in Recommendation 9.2, item 1.</i>	

Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Provide link/reference to the company's Audit Committee Charter <i>Please refer to response provided in Recommendation 9.2, item 1.</i>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Provide link/reference to the company's Audit Committee Charter <i>Please refer to response provided in Recommendation 9.2, item 1.</i>	

Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Disclose the nature of non-audit services performed by the external auditor, if any. <i>ACEN discloses the nature of non-audit services performed by the external auditor in the Annual Report. Ref: pg 57 > ACEN 2020 Integratea Report > External Auditors</i>	
2. 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	Provide link or reference to guidelines or policies on non-audit services <i>Guidelines on Non-Audit Services Ref: pg 6 > Charter of the Audit Committee > Section 5. Oversight on External Audit, item 5.8</i>	

Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Provide information on audit and non-audit fees paid.	

		<p>ACEN discloses the nature of non-audit services performed by the external auditor in the Annual Report and fees paid for non-audit services do not outweigh the audit services.</p> <p>Ref: pg 57 > ACEN 2020 Integrated Report > External Auditors</p>	
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Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm. <p>Audit Engagement Partner: Benjamin N. Villacorte SEC Accreditation number: No. 1539-AR-1 (Group A), Date Accredited: 26 March 2019 Expiry: 25 March 2022 Name, address, contact number of audit firm: SyCip Gorres Velayo & Co. 6760 Ayala Avenue 1226 Makati City Philippines Tel (632) 8910307 Website https://www.ey.com/ph/en/home</p>	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the	Compliant	<p>Provide information on the following:</p> <ol style="list-style-type: none"> 1. Date it was subjected to 	

SEC's Office of the General Accountant (OGA).		SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC. <i>SGV & Co. agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program. The inspection was done from 12 to 28 November 2018.</i>	
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Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues. <i>The Management shall make proper disclosure of the company's management of the material economic, environmental, social and governance aspects of its businesses and activities using the GRI Standards by the Global Reporting Initiative.</i> <i>Ref: pg 9 > ACEN CG Manual > Roles and Responsibilities, The Board, item 33</i> <i>Ref: pg 77 to 83 > ACEN 2020 Integrated Report > Materiality</i>	
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<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Compliant</p>	<p>Provide link to Sustainability Report, if any. Disclose the standards used.</p> <p><i>GRI Standards by the Global Reporting Initiative.</i></p> <p><i>ACEN 2020 Integrated Report</i> <i>Ref: pg 77 to 87 > ACEN 2020 Integrated Report > Materiality</i></p>	
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Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>Compliant</p>	<p>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</p> <p><i>Through its Investors Relations Team, ACEN holds media and analyst briefings to ensure timely and accurate dissemination of public, material and relevant information to its shareholders</i> <i>Ref: pg 43 > ACEN 2020 Integrated Report > Investors and Shareholders</i></p>	
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Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	Provide link to company website	
a. Financial statements/reports (latest quarterly)	Compliant	ACEN Website https://acenergy.ph/	
b. Materials provided in briefings to analysts and media	Compliant	Financial Statements https://acenergy.ph/investor-relations/disclosures Corporate Governance > Disclosures > Annual and Quarterly Reports	
c. Downloadable annual report	Compliant	Analysts' Briefing https://acenergy.ph/wp-content/uploads/2020/11/12Nov20-ACEN-Analyst-Briefing.pdf	
d. Notice of ASM and/or SSM	Compliant	Downloadable Annual Report https://acenergy.ph/wp-content/uploads/2021/04/ACEN-2020-Integrated-Report-for-web.pdf Notice of ASM https://acenergy.ph/wp-content/uploads/2020/07/ACEPH-Amended-Notice-of-ASM-2020-26-March-2020.pdf	
e. Minutes of ASM and/or SSM	Compliant	Minutes of ASM https://acenergy.ph/wp-content/uploads/2020/04/ACEPH-2020-ASM-Minutes-signed.pdf	
f. Company's Articles of Incorporation and By-Laws	Compliant		

Articles of Incorporation and By-laws
<https://acenergy.ph/wp-content/uploads/2021/05/AC-Energy-Corporation-Certificate-of-Filing-Amended-AOI-2021-01-05.pdf>

<https://acenergy.ph/wp-content/uploads/2021/05/AC-Energy-Corporation-Certificate-of-Filing-Amended-AOI-2021-01-05.pdf>

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Additional Recommendation to Principle 11

1. Company complies with SEC-prescribed website template.

Compliant

ACEN Website
<https://acenergy.ph/>

Internal Control System and Risk Management Framework

Principle 12: 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 framework.

Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.

Compliant

List quality service programs for the internal audit functions.
 Indicate frequency of review of the internal control system

On an annual basis, ACEN management, together with Internal Audit, reviews the internal control frameworks implemented by management

Ref: pg 4 > Charter of the Audit Committee > Section 3. Oversight on Risk Management and Internal Controls

<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p> <p><i>ACEN has an adequate and effective risk management framework. The Board consistently reviews and ensures the adequacy of the company's internal control mechanisms and risk management process.</i> <i>Ref: pg 49 > ACEN 2020 Integrated Report > Key Roles and Responsibilities</i></p> <p><i>The Board Risk Management and Related Party Transactions Committee exercises oversight over the Company's enterprise risk management system.</i> <i>Ref: pg 55 > ACEN 2020 Integrated Report > Board Risk Management and Related Party Transactions Committee</i></p> <p><i>Ref: pg 1 > Charter of the Board Risk Management and Related Party Transactions Committee > Section 3. Authority, Roles and Responsibilities of</i></p>	
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		<i>the Committee</i>	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	<p>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p> <p><i>ACEN has a formal compliance system in place, reviewed annually by the Board.</i></p> <p><i>Ref: pg 51 > ACEN 2020 Integrated Report > Training of Directors</i></p>	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	<i>The IT department has policies and procedures in place to address issues on disruption, cyber-security and disaster recovery. These include putting in place hardware and software infrastructure to improve IT security, IT security awareness training for employees, periodic vulnerability testing, offsite backup data center, and reviews by IT security consultant. IT security and disruption issues are reported to senior management and critical issues and incidents, if any, will be reported to the Audit Committee.</i>	

Recommendation 12.2			
1. 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.	Compliant	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <p>Internal audit is in-house with specific responsibilities on Independent Audit. <i>Ref: pg 57 > ACEN 2020 Integrated Report > Internal Auditors</i></p>	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</p> <p>ACEN has a qualified Chief Audit Executive, Mr. Henry Gomez, Jr., appointed by the Board. <i>Ref:</i> https://edge.pse.com.ph/openDiscViewer.do?edge_no=fe1aeb74ba7c77f10de8473cebbd6407</p>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.	Compliant	<p><i>Ref: pg 57 > ACEN 2020 Integrated Report > Internal Auditors</i></p>	

<p>3. In case of a fully outsourced internal audit activity a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>	<p>Compliant</p>	<p>Identify qualified independent executive or senior management personnel, if applicable.</p> <p><i>ACEN's internal audit function is done 100% internally. However, in the event that the audit function should be outsourced, ACEN has a qualified senior management personnel who can oversee the activity. The CAE can assume this function if needed.</i></p>	
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Recommendation 12.4

<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Compliant</p>	<p>Provide information on company's risk management function.</p> <p><i>ACEN has a separate risk management function.</i></p> <p><i>Ref: pg 56 > ACEN 2020 Integrated Report > Management Roles and Responsibilities</i></p> <p><i>Ref: pg 17 to 18 > ACEN CG Manual > Internal Audit and Risk Management</i></p>	
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Supplement to Recommendation 12.4

<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	<p>Compliant</p>	<p>Identify source of external technical support, if any.</p> <p><i>ACEN seeks external technical support in risk management from various consultants and third parties.</i></p> <p><i>At the group-wide level, the AC Energy Group engaged Deloitte in 2019 for a Risk</i></p>	
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		<p><i>Identification and Assessment exercise using the Black Swan methodology.</i></p> <p><i>In the past, the group has undertaken a risk engineering survey (including catastrophe analysis) conducted by Aon, Marsh as part of the risk improvement activities.</i></p> <p><i>This type of engagement forms part of the bid process requirement of the renewal of the property insurance of the company's on shore assets.</i></p> <p><i>In 2018, Aon Singapore was engaged for the risk tolerance and maturity study.</i></p>	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</p> <p><i>Ms. Corazon G. Dizon is the Company's Chief Risk Officer.</i></p> <p><i>Profile of Ms. Dizon</i> https://edge.pse.com.ph/openDiscViewer.do?edge_no=1a036ad66d1e469fefdfc15ec263a54d</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	<p><i>The CRO has adequate authority, stature, resources and support to fulfill her responsibilities.</i></p>	

		<p>Profile of Ms. Dizon https://edqe.pse.com.ph/openDiscView.er.do?edqe_no=1a036ad66d1e469fefdfc15ec263a54d</p> <p>Ref: pg 64 > ACEN 2020 Integrated Report > Risk Management</p>	
Additional Recommendation to Principle 12			
<p>1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.</p>	Compliant	<p>ACEN CEO, CFO and CAE attestation Ref: pg 47 > ACEN 2020 Integrated Report > Corporate Governance</p> <p>https://acenergy.ph/wp-content/uploads/2021/05/2020-ACEN-Attestation-of-Internal-Audit-Control-and-Compliance-Systems_Final.pdf</p>	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p>	Compliant	<p>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</p> <p>Shareholders' rights are disclosed in the CG Manual. Ref: pg 18 to 20 > ACEN CG Manual > Part Three. Promotion of Shareholders' Rights and Engagement of Stakeholders</p>	

2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<p>Provide link to company's website</p> <p>Shareholders' rights are disclosed on the company Website.</p> <p>Ref: https://acenergy.ph/wp-content/uploads/2020/12/ACEN-Corporate-Governance-Manual-2020-Approved.pdf</p>	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	<p>Each share of ACEN entitles the person, in whose name the share is registered in the books of the Corporation, to one vote.</p> <p>Ref: ACEN By laws > Article II Section 7</p>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<p>Provide information on all classes of shares, including their voting rights if any.</p> <p>ACEN only has one class of shares. Each common share of ACEN entitles the person, in whose name the share is registered in the books of the Corporation, to one vote.</p> <p>Ref: pg 19 > ACEN CG Manual, Voting Rights</p>	
3. Board has an effective, secure, and efficient voting system.	Compliant	<p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p> <p>The Board has an effective, secure, and efficient voting system.</p> <p>Ref: pg 62 > ACEN 2020 Integrated Report > Shareholder Meeting and Voting Procedures</p>	

		<i>Ref: pg 28, ACEN 2020 DIS, Item 19. Voting Procedures</i>	
4. Board has an effective shareholder voting mechanism such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	<p>Provide information on shareholder voting mechanisms such as supermajority or “majority of minority”, if any.</p> <p><i>ACEN’s Board ensures the protection of minority shareholders.</i></p> <p><i>Votes for election of directors are cumulated.</i></p> <p><i>Ref: pg 19 > ACEN CG Manual > Voting Rights</i></p>	
5. Board allows shareholders to call a special shareholders’ meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	<p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p> <p><i>The minority shareholders shall have the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</i></p> <p><i>Ref: pg 19 to 20 > ACEN CG Manual > Right to Information</i></p>	

<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>Compliant</p>	<p>Provide information or link/reference to the policies on treatment of minority shareholders</p> <p><i>ACEN's Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</i> <i>Ref: pg 18 to 20 > ACEN CG Manual Part Three. Promotion of Shareholders' Rights and Engagement of Stakeholders</i></p>	
<p>7. Company has a transparent and specific dividend policy.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p><i>In 2020, the Board of Directors approved the company's dividend policy to declare and pay dividends on an annual basis using a payout ratio of 25% to 50% of the previous year's net income, excluding significant non-recurring gains or losses, to be effective on 1 January 2021</i> <i>Ref: pg 60 > ACEN 2020 Integrated Report</i></p> <p>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration</p> <p><i>On 18 August 2020, the Board of Directors of the approved the declaration of cash dividends of Php 0.04 per share on the 13,692,457,210 issued</i></p>	

		<p><i>and outstanding shares of the company, to be paid on 17 September 2020 to the stockholders of record as of 3 September 2020.</i></p> <p>Ref: pg 60 > ACEN 2020 Integrated Report</p> <p>Ref: https://edge.pse.com.ph/openDiscViewer.do?edge_no=a667b7726e424d710de8473cebbd6407</p>	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	<p>Identify the independent party that counted/validated the votes at the ASM, if any.</p> <p><i>SGV & Co. was appointed as the independent party to validate the votes.</i></p> <p>Ref: pg 57 > ACEN 2020 Integrated Report > Corporate Governance, External Auditor</p>	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p>	

		<p>ACEN sent the Notice of Annual Shareholders' Meeting to shareholders on 20 February 2020, sixty (60) days before the Annual Stockholders' Meeting on 20 April 2020.</p> <p>Ref: 2020 Notice of Annual Stockholders' Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=9d50a49c0f1a85b10de8473ceb6407</p> <p>The Notice was amended on 6 March 2020 to reflect the agenda of the meeting.</p> <p>Ref: Amended 2020 Notice of Annual Stockholders' Meeting https://edge.pse.com.ph/openDiscViewer.do?edge_no=110a76d6e7c60f1c0de8473ceb6407</p> <p>No approval of remuneration or any changes therein were included in the agenda.</p>	
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Supplemental to Recommendation 13.2

1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Provide link or reference to the company's notice of Annual Shareholders' Meeting	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<p>Link to the Notice of ASM</p> <p>Ref: 2020 Notice and Agenda of Annual Stockholders' Meeting and Definitive Information Statement https://edge.pse.com.ph/openDiscViewer.do?edge_no=e5494fc1e767e6780de8473ceb6407</p>	
b. Auditors seeking appointment/re-appointment	Compliant		
c. Proxy documents	Compliant		

Optional: Recommendation 13.2

1. Company provides rationale for the agenda	Compliant	Provide link or reference to the rationale	
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<p>items for the annual stockholders meeting</p>		<p>for the agenda items</p> <p>ACEN provides the explanation for the agenda items for the ASM. <i>Ref: Amended 2020 Notice of Annual Stockholders' Meeting</i> https://edge.pse.com.ph/openDiscViewer.do?edge_no=110a76d6e7c60f1d0de8473cebbd6407</p>	
Recommendation 13.3			
<p>1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p> <p>The results are posted on PSE Edge on the day of the ASM. <i>Ref: 2020 Results of the Annual Stockholders Meeting</i> https://edge.pse.com.ph/openDiscViewer.do?edge_no=9aee4b218ad7eb480de8473cebbd6407</p>	
<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>Compliant</p>	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity</p>	

		<p>to ask question and the answers given, if any</p> <p><i>Minutes of the 2020 ASM was posted on the ACEN website on 25 April 2020, within five (5) business days from the date of the ASM, 20 April 2020.</i></p> <p>Ref: https://acenergy.ph/investor-relations/disclosures</p> <p>Ref: https://acenergy.ph/wp-content/uploads/2020/04/ACEPH-2020-ASM-Minutes-signed.pdf</p>	
Supplement to Recommendation 13.3			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p>Compliant</p>	<p>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</p> <p><i>The Partner-in-charge, Benjamin Villacorte, and other relevant individuals were present during the ASM.</i></p>	

Recommendation 13.4

<p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	<p>Compliant</p>	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p> <p><i>The Corporation adopts the rules and procedures set forth under the Alternative Dispute Resolution Act of 2014, as an alternative means to settle disputes with a view towards preventing excessive litigation.</i></p> <p><i>Ref: pg 20 > ACEN CG Manual > Part Three. Promotion of Shareholders' Rights and Engagement of Stakeholders > item II. Alternative Dispute Resolution Mechanism</i></p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p> <p><i>ACEN has an alternative dispute mechanism in place to resolve intra-corporate disputes in an amicable and effective manner that is included in its CG Manual.</i></p> <p><i>Ref: pg 20 > ACEN CG Manual > Part Three. Promotion of Shareholders' Rights and Engagement of Stakeholders > item II. Alternative Dispute Resolution Mechanism</i></p>	

Recommendation 13.5

<p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders</p>	<p>Compliant</p>	<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address <p><i>Name: Joyce Dominique J. Cotaoco</i> <i>Tel: +(632) 7-730-6300</i> <i>Email: investorrelations@acenergy.com.ph</i></p>	
<p>2. IRO is present at every shareholder's meeting.</p>	<p>Compliant</p>	<p>Indicate if the IRO was present during the ASM.</p> <p><i>The IRO is present at every ASM, including the 2020 ASM meeting held on 20 April 2020.</i></p>	

Supplemental Recommendations to Principle 13

<p>1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group</p>	<p>Compliant</p>	<p>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</p> <p><i>ACEN's Board of Directors avoids anti-takeover measures or similar devices that may entrench ineffective management of the existing controlling shareholder group. An example is the observance of one (1)-year term for its directors. Stockholders are given the opportunity to nominate new candidates for directorship during the ASM. Materials provided to stockholders expressly state that ACEN does not solicit proxies.</i></p>	
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		Ref: pg 6 > ACEN 2020 DIS > Item 5 Directors and Executive Officers	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Not Compliant	Indicate the company's public float. ACEN's public float is 15.60% as of 31 December 2020. https://edge.pse.com.ph/openDiscViewer.do?edge_no=d16f5fe5935c2bb15d542af6f1e997b9	As part of its transformation journey, ACEN acquired the Philippine energy assets of AC Energy and Infrastructure Corporation ("ACEIC") in exchange for new ACEN shares (the "ACEIC Philippine Transaction"). This temporarily reduced ACEN's public float to 15.60% as of 31 December 2020. In continuation of its transformation journey, ACEN successfully did in 2021, a stock rights offer (SRO) whereby ACEIC waived its right to subscribe to its proportionate share and, thereafter, a follow on offering (FOO) which increased the public float to 27.70%.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM ACEN's CEO, CFO and IRO regularly engage shareholders and analysts through quarterly briefings, one-on-one meetings, conferences and roadshows, conference calls and electronic mail. In addition, contact details of the IRO are readily available on the IR website and the 2020 Integrated Report. Ref: pg 58 > ACEN 2020 Integrated Report > Disclosure and Transparency	

<p>2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.</p>	<p>Compliant</p>	<p>Disclose the process and procedure for secure electronic voting in absentia, if any.</p> <p><i>Stockholders who are unable to go to the venue of the ASM may vote electronically in absentia on matters in the agenda upon registration and validation online.</i></p> <p><i>Ref: pg 62 > ACEN 2020 Integrated Report > Shareholder Meeting and Voting Procedures</i></p> <p><i>Ref: ACEN 2020 DIS, Annex "F" Instructions for Electronic Voting In Absentia</i></p>	
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Duties to Stakeholders

Principle 14: 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

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</p> <p><i>ACEN's stakeholder engagement practices</i></p> <p><i>Ref: pg 43 to 44 > ACEN 2020 Integrated Report > Stakeholder Engagement</i></p>	
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Recommendation 14.2

<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p> <p><i>The Board has clear policies and programs to provide a mechanism on the</i></p>	
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		<p><i>fair treatment and protection of stakeholders. ACEN's stakeholder engagement practices</i></p> <p><i>Ref: pg 43 to 44 > ACEN 2020 Integrated Report > Stakeholder Engagement</i></p> <p><i>Ref: pg 21 > ACEN CG Manual > Stakeholder Engagement</i></p>	
Recommendation 14.3			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>Compliant</p>	<p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p> <p><i>The Whistleblower may send or communicate a report through the following:</i></p> <p><i>Ref: pg 2 > ACEN Whistleblowing and Non-Retaliation Policy > Part VII. Reporting Channels</i></p> <p>Company website: messages directed to the Whistleblower Officer, Head of Legal & Regulatory Department</p> <p>Email</p>	

		<p>Internal: whistleblower@acenergy.com.ph External: whistleblower@ayala.com.ph Mail: Office of the Compliance Officer 4th Floor 6750 Office Building, Ayala Avenue Makati City 1226 Philippines Mobile/Telephone Number: 73C – 6300 loc. 6373</p> <p>Whistleblowing and Non-Retaliation Policy: https://acenergy.ph/wp-content/uploads/2020/12/ACEN-Whistleblower-Policy-2020-approved.pdf</p>	
Supplement to Recommendation 14.3			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p>Compliant</p>	<p>Provide information on the alternative dispute resolution system established by the company.</p> <p><i>ACEN has an alternative dispute mechanism in place to resolve intra-corporate disputes in an amicable and effective manner.</i> Ref: pg 20 > ACEN CG Manual > Part Three. Promotion of Shareholders' Rights and Engagement of Stakeholders > item II. Alternative Dispute Resolution Mechanism</p>	

Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	<p>Disclose any requests for exemption by the company and the reason for the request.</p> <p><i>No such requests were made by ACEN.</i></p>	
2. Company respects intellectual property rights.	Compliant	<p>Provide specific instances, if any.</p> <p><i>ACEN applies for, obtains, registers, leases, licenses or otherwise acquires to hold, use, own, operate, sell, assign and dispose of any trademark, tradename, trade secrets, formulas, patents, inventions, copyrights and processes used in connection with or secured under letters, patents, copyrights, domestic or foreign.</i></p> <p><i>Ref: pg 2 > ACEN Articles of Incorporation > Secondary Purpose > Item k</i></p> <p><i>ACEN maintains all its registered intellectual property rights through the submission of declarations of actual use before the Intellectual Property Office.</i></p> <p><i>ACEN respects the intellectual property rights of other entities it deals with. For example, ACEN's management agreements with third parties contain provisions defining terms of ownership and usage of the relevant marks, customer data and system. The joint venture agreements of ACEN with</i></p>	

		<i>partners also contain standard clauses on respecting the intellectual property rights of each partner.</i>	
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Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same. <i>Social Engagement</i> Ref: pg 44 > ACEN 2020 Integrated Report > Stakeholder Engagement > Customers, Community	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same. <i>Procurement Guidelines</i> https://acenergy.ph/governance/board-committee/company-policies/procurement-guidelines/	

Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1			
1. 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	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	

		<p>Stakeholder Engagement (Employees) <i>Ref: pg 44 > ACEN 2020 Integrated Report > Employees</i></p>	
Supplement to Recommendation 15.1			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>Compliant</p>	<p>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</p> <p><i>The company continued to provide employee wages and allocation of emergency funds, especially in response to the COVID-19 pandemic.</i></p> <p><i>Ref: pg 40 > ACEN 2020 Integrated Report > Ensuring health and wellness of employees</i></p> <p>Stakeholder Engagement (Employees) <i>Ref: pg 44 > ACEN 2020 Integrated Report > Employees</i></p>	

<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p> <p><i>The Company has a policy on Employees Health, Safety and Wellness</i> <i>Ref: pg 41 to 42 > ACEN 2020 Integrated Report > Value Creation</i></p>	
<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</p> <p><i>The company invested Php 2.68 million in employee training and development for 2020</i> <i>Ref: pg 41 to 42 > ACEN 2020 Integrated Report > Value Creation</i></p>	
<p>Recommendation 15.2</p>			
<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>	<p>Compliant</p>	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p><i>ACEN's anti-corruption programs and procedures</i> <i>Ref: pg 7 to 8 > ACEN 2020 Code of Conduct > Part VIII. Anti-Bribery and Anti-Corruption Policy</i></p>	

<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>Compliant</p>	<p>Identify how the board disseminated the policy and program to employees across the organization</p> <p><i>The anti-corruption policies of the Company are discussed with the employees as part of the on-boarding program of new employees and in every level-based program as a refresher for tenured employees. In addition, each employee is mandated to submit a disclosure of possible conflicts of interest on an annual basis. The anti-corruption programs and procedures are likewise available on the ACEN website.</i></p> <p><i>Ref: pg 7 to 8 > ACEN 2020 Code of Conduct > Part VIII. Anti-Bribery and Anti-Corruption Policy</i></p>	
Supplement to Recommendation 15.2			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices. Include any finding of violations of the company policy.</p> <p>Code of Conduct</p> <p><i>Ref: pg 7 to 8 > ACEN 2020 Code of Conduct > Part VIII. Anti-Bribery and Anti-Corruption Policy</i></p>	

Recommendation 15.3

1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation

Compliant

Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.

Indicate if the framework includes procedures to protect the employees from retaliation.

Provide contact details to report any illegal or unethical behavior.

Whistleblowing and Non-Retaliation Policy:

Ref:

<https://acenergy.ph/governance/board-committee/company-policies/whistleblowing-and-non-retaliation-policy/>

Ref: ACEN Website > Contact Us
<https://acenergy.ph/contact-us/>

Whistleblowing Contact Person: Henry T. Gomez, Jr.

Position: Chief Audit Executive

Tel: (+632) 7-730-6300

Email: gomez.ht@acenergy.com.ph

The Whistleblower employee may also send or communicate a report through the following:

Ref: pg 2 > ACEN Whistleblowing and Non-Retaliation Policy > Part VII. Reporting Channels

		<p>Company website: messages directed to the Whistleblower Officer, Head of Legal & Regulatory Department</p> <p>Face-to-face meetings: with any member of the Whistleblower Committee composed of Human Resources and Corporate Services, Internal Audit Division, Legal & Regulatory Department, and Enterprise Risk Management</p> <p>Email Internal: whistleblower@acenergy.com.ph External: whistleblower@ayala.com.ph Mail: Office of the Compliance Officer 4th Floor 6750 Office Building, Ayala Avenue Makati City 1226 Philippines Mobile/Telephone Number: 730 – 6300 loc. 6373</p>	
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	<p>Compliant</p>	<p><i>Please see response to previous item.</i></p>	

<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p> <p>All reports are treated in confidence and discussed with the Audit Committee who monitors the resolution and closure of all reports.</p> <p><i>Ref: pg 64, ACEN 2020 Integrated Report, Whistleblower Policy</i></p>	
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Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p> <p>Sustainability in AC Energy Corporation <i>Ref: pg 25 to 40 > ACEN 2020 Integrated Report > Our Contribution to the Sustainable Development Goals</i></p> <p>Materiality <i>Ref: pg 77 to 87 > ACEN 2020 Integrated Report</i></p> <p>Communities <i>Ref: pg 44 > ACEN 2020 Integrated Report</i></p>	
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> *Community*

Our Response to the Pandemic

Ref: pg 37 to 40 > ACEN 2020 Integrated Report

Optional: Principle 16

1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development

Compliant

Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.

Sustainability in AC Energy Corporation

Ref: pg 25 to 40 > ACEN 2020 Integrated Report > Our Contribution to the Sustainable Development Goals

Environmental Performance Indices

Ref: pg 82 > ACEN 2020 Integrated Report

2. Company exerts effort to interact positively with the communities in which it operates

Compliant

Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.

Communities

*Ref: pg 44 > [ACEN 2020 Integrated Report](#) > *Community**

Our Response to the Pandemic

Ref: pg 37 to 40 > [ACEN 2020 Integrated Report](#)

SIGNATURES

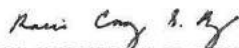
FERNANDO ZOBEL DE AYALA

Chairman of the Board



JOHN ERIC T. FRANCIA

President and Chief Executive Officer




MARIA CORAZON G. DIZON

Chief Finance Officer and Chief Compliance Officer



SOLOMON M. HERMOSURA

Corporate Secretary



SHERISA P. NUESA

Lead Independent Director

MA. AURORA D. GEOTINA-GARCIA

Independent Director



CONSUELO D. GARCIA

Independent Director



MELINDA L. OCAMPO

Independent Director

JUN 25 2021

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2021, affiant(s) exhibiting to me their identification cards, as follows:

NAME/ ID No.	DATE OF ISSUE	PLACE OF ISSUE
John Eric T. Francia -- Passport No. P3923362B	21 November 2019	DFA Manila
Maria Corazon G. Dizon -- Passport No. P6253635A	02 March 2018	DFA NCR East
Solomon M. Hermosura -- Passport No. P3081434B	14 October 2019	NCR East
Sherisa P. Nuesa -- Passport No. P8595622A	04 September 2018	Manila
Ma. Aurora D. Geotina-Garcia - SCC No. 40360-B	10 October 2012	Quezon City
Consuelo D. Garcia -- Passport No. P4867230A	28 October 2017	DFA NCR South
Melinda L. Ocampo -- Drivers License N20-78000518	11 December 2018	LTO

WITNESS MY HAND AND SEAL on the day and at the place first above written.

Doc. No. 465;
Page No. 94;
Book No. IV;
Series of 2021.



ATTY. MARK DEAN D.R. ITARALDE

Notary Public - Makati City

Appt. No. M-163 until December 31, 2021

Roll of Attorneys No. 71073

IBP OR No. 144650; January 7, 2021

PTR No. MKT-8534431; 01/05/2021; Makati City

MCLE Compliance No. VI-0028680; valid until 04/14/ 2022

7727 E. Jacinto cor. Medina St.

Barangay Pio Del Pilar, Makati City

SIGNATURES



FERNANDO ZOBEL DE AYALA

Chairman of the Board

SHERISA P. NUESA

Lead Independent Director

JOHN ERIC T. FRANCIA

President and Chief Executive Officer

MA. AURORA D. GEOTINA-GARCIA

Independent Director

MARIA CORAZON G. DIZON

Chief Finance Officer and Chief Compliance Officer

CONSUELO D. GARCIA

Independent Director

SOLOMON M. HERMOSURA

Corporate Secretary

MELINDA L. OCAMPO

Independent Director

ANNEX A
Summary of SEC-Defined Material RPTs

	Type/Nature of Transaction	Execution Date of Transaction	Date of SEC's Receipt of Advisement Report
1	Facility Agreement between AC Energy Corporation and AC Renewables International Pte. Ltd.	19 March 2020	14 August 2020
2	Amended and Restated Facility Agreement between AC Energy Corporation and AC Renewables International Pte. Ltd.	11 August 2020	14 August 2020

ANNEX B
2020 Attestation of Internal Audit, Control and Compliance Systems


2020 Attestation of Internal Audit, Control and Compliance Systems

AC Energy Corporation's corporate governance system takes into consideration the organizational structure as a whole; led by an effective board and board committees; supported by empowered and accountable management and management committees; and guided by strong core values across all levels with sound policies and effective controls.

- The Board of Directors is responsible in providing governance and overseeing the implementation of adequate internal control mechanisms and risk management process;
- Management has the primary responsibility to design and implement adequate and effective system of internal controls and risk management processes to ensure compliance with laws, rules, and regulations;
- Management is responsible to develop a system to monitor and manage risks;
- SGV & Co., the Corporation's external auditor, is responsible for assessing and expressing an opinion on the conformity of the audited financial statements with Philippine Financial Reporting Standards and the overall quality of the financial reporting process;
- Internal Audit adopts a risk-based audit approach in developing an annual work plan and conducts reviews to assess the adequacy of the Corporation's internal controls; and
- The Chief Audit Executive reports functionally to the Audit Committee to ensure independence and objectivity allowing Internal Audit to fulfill its responsibilities.

Based on the above and the assurance activities provided by the Corporation's internal auditors and its external auditors, we attest that AC Energy Corporation's system of internal controls, risk management, compliance, and governance processes are designed adequately and continue to operate effectively.


John Eric T. Francia
President & Chief Executive
Officer


Maria Corazon G. Dizon
Treasurer and CFO;
Compliance Officer; Chief
Risk Officer


Henry T. Gomez, Jr.
Chief Audit Executive