

*For approval at the 2025 annual stockholders' meeting*

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING**

**24 April 2024 at 9:00 AM**

Conducted virtually via <http://ayalagroupshareholders.com>

Stockholders present and represented:<sup>1</sup> The complete list is attached as Annex A

<b>Total Outstanding Shares</b>	39,702,394,773
<b>Total Outstanding Voting Shares</b>	39,677,394,773
<b>Percentage of Shares Present vis-à-vis Total Outstanding Shares</b>	31,624,059,099 or 79.65%
<b>Percentage of Shares Present vis-à-vis Total Outstanding Voting Shares Represented</b>	31,624,059,099 or 79.70%

**Directors Present:**

Delfin L. Lazaro

*Chairman of the Board  
Chairman, Executive Committee*

Cezar P. Consing

*Vice Chairman of the Board  
Vice Chairman, Executive Committee  
Member, Personnel and Compensation Committee*

John Eric T. Francia

*Member, Executive Committee*

Jaime Alfonso Antonio E. Zobel de Ayala

*Member, Executive Committee*

Nicole Goh Phaik Khim

*Member, Audit Committee  
Member, Board Risk Management and Related Party Transactions Committee*

Dean L. Travers

Jesse O. Ang (lead independent director)

*Chairman, Corporate Governance and Nomination Committee  
Chairperson, Personnel and Compensation Committee  
Member, Executive Committee*

Maria Lourdes Heras-de Leon (independent director)

*Member, Personnel and Compensation Committee  
Member, Sustainability Committee*

Garry Kenneth Lester (independent director)

*Chairman, Audit Committee  
Member, Board Risk Management and Related Party Transactions Committee  
Member, Corporate Governance and Nomination Committee*

Melinda P. Ocampo (independent director)

*Chairperson, Board Risk Management and Related Party Transactions Committee  
Member, Audit Committee  
Member, Corporate Governance and Nomination Committee*

<sup>1</sup> As validated by SyCip Gorres Velayo & Co.

## 1. Call to Order

After the invocation and national anthem, the Chairman, Mr. Delfin L. Lazaro, called the meeting to order at 9:00 AM. He stated that pursuant to the Corporation's By-Laws and after giving the stockholders the opportunity to request for a physical meeting in the notice dated 11 March 2024, the annual stockholders' meeting would be held in a fully virtual format. Nevertheless, the Corporation strived to ensure the convenient and full participation by the stockholders in the meeting through the Ayala Group Voting System and through questions sent to the Office of the Corporate Secretary e-mail address. The Chairman introduced each of his co-presenters, namely: Mr. John Eric T. Francia (CEO and President), Ms. Maria Franchette M. Acosta (Corporate Secretary), and Mr. Dodjie D. Lagazo (Assistant Corporate Secretary). The Chairman also acknowledged the other members of, and nominees to, the Board, other officers of the Corporation, and representatives of the Corporation's external auditor, SyCip Gorres Velayo & Co. ("SGV"), who joined the meeting through the live webcast.

The Chairman noted that the meeting would have two parts:

- a. During the first part, the Secretary informed the stockholders about compliance with the requirements for the meeting, whether the meeting was duly convened, and the voting results on the six (6) matters on the agenda submitted for stockholders' approval, and
- b. During the second part, management reported on the performance in 2023 and information for 2024, the Corporation's continuing role in energy transition, followed by a question and answer with the stockholders, wherein the Assistant Corporate Secretary read the questions or comments received before 9:30 a.m.

## 2. Notice of Meeting

The Secretary, Ms. Acosta, certified that on 27 March 2024, the Notice of the Annual Stockholders' Meeting (the "Notice") was distributed to all stockholders by posting on the Corporation's website and by disclosure to the Philippine Stock Exchange. In addition, on 2 April 2024, the Notice, together with a link to the Information Statement, was emailed to all stockholders with email addresses on record. Finally, on 2 April 2024 and 3 April 2024, the Notice was published in the BusinessWorld and the Philippine Star. Accordingly, the Secretary certified that the stockholders have been duly notified pursuant to the Corporation's By-Laws and the rules of the Securities and Exchange Commission.

The Secretary added that adequate information was provided to the stockholders on matters submitted for their approval, the voting procedures, and other matters submitted for their approval, the voting procedures and other matters that the Corporation is required to provide information under the Securities Regulation Code and the Revised Corporation Code. The Secretary also reported that during the meeting, stockholders present through the live webcast could also send their questions or comments to [corpsec.acen@acenrenewables.com](mailto:corpsec.acen@acenrenewables.com).

## 3. Determination of Quorum

The Secretary certified that there was a quorum for the meeting with stockholders owning at least 31,624,059,099 shares representing 79.65% of the 39,702,394,773 total outstanding shares, being present through their appointment of the Chairman as proxy, or by participating by remote communication or in the live webcast of the meeting, or by electronic voting.<sup>2</sup>

The mode of attendance of the stockholders deemed present and the respective percentages of the outstanding shares are set forth below:<sup>3</sup>

Mode of Attendance	% of Total Outstanding Shares	Number of Shares
Appointment of the Chairman as proxy	79.62%	31,610,805,772
Voting <i>in absentia</i>	0.02%	6,727,154
Remote Communication	0.02%	6,526,173

<sup>2</sup> Based on preliminary tabulation.

<sup>3</sup> As validated by SGV.

Additionally, there were 248 viewers of the live webcast of the meeting.

#### 4. Approval of the Minutes of the Previous Meeting

The Secretary noted that there were six (6) matters on the agenda for voting by the stockholders. She explained that the stockholders voted on the proposed resolutions either by appointing the Chairman as proxy, pursuant to the voting instructions of stockholders, or by electronic ballot *via* the voting in absentia system (VIASH) or the Ayala Group Voting System. Stockholders could cast their votes beginning 15 April 2024 and could continue to do so until the end of the meeting through electronic voting *via* the Ayala Group Voting System.

The Corporation tabulated the votes cast as of 17 April 2024, after the end of the proxy validation process, and based on this partial tabulation, votes were cast by stockholders owning 31,617,532,926 shares representing 99.98% of the total voting shares represented in the meeting, and 79.62% of the total outstanding voting shares. All voting results reported at the meeting would refer to such preliminary tabulation, with the final tabulation of votes, with full details of the affirmative and negative votes and abstentions, to be reflected in the minutes of meeting.

The Secretary then proceeded with the approval of the minutes of the annual stockholders' meeting held on 24 April 2023.

The Secretary presented Resolution No. S-2024-01, as proposed, and based on the votes received, reported the approval by the stockholders of the following resolution:

##### **Resolution No. S-2024-01**

**RESOLVED**, to approve the minutes of the annual stockholders' meeting held on 24 April 2023.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the independent validator of the voting results, the final votes for the adoption of Resolution No. S-2024-01 providing for the approval of the minutes of the previous meetings were as follows:

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Number of voted shares	31,568,932,504	0	43,815,422
% of Total Outstanding Voting Shares Represented	99.83%	0.00%	0.11%

The Secretary noted that the stockholders may continue to access the minutes through the link provided to them with the meeting materials, or through the website of the Corporation.

#### 5. Ratification of the Acts of the Board of Directors and Officers

The Secretary explained that stockholders' ratification was being sought for all the acts and resolutions of the Board, the Executive Committee, and other Board Committees exercising powers delegated by the Board, which were adopted from 24 April 2023 until 23 April 2024, as well as for all the acts of the Corporation's officers performed to implement the resolutions of the Board or its Committees, or in connection with the Corporation's general conduct of its business. The acts and resolutions of the Board were reflected in the minutes of the meetings and included the following:

- (i) appointment of new officers and Chairman of the Board,
- (ii) appointment of signatories,
- (iii) treasury transactions,
- (iv) investments, and
- (v) matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange.

The Secretary presented Resolution No. S-2024-02 as proposed, and based on the votes received, reported the approval by the stockholders of the following resolution:

**Resolution No. S-2024-02**

**RESOLVED**, to ratify each and every act and resolution from 24 April 2023 to 23 April 2024 (the “Period”) of the Board of Directors (the “Board”), the Executive Committee and other Board committees exercising powers delegated by the Board, and each and every act, during the Period, of the officers of the Corporation performed in accordance with the resolutions of the Board, the Executive Committee, and other Board committees as well as with the By-laws of the Corporation.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the final votes for the ratification of the acts of the Board of Directors and officers of the Corporation, and for the adoption of Resolution No. S-2024-02 were as follows:

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Number of voted shares	31,472,859,816	93,995,900	45,892,210
% of Total Outstanding Voting Shares Represented	99.52%	0.30%	0.15%

**6. Amendment of Articles of Incorporation**

At the request of the Chairman, the President presented the proposed amendment of the Articles of Incorporation of the Corporation to remove “distribution” from the Primary Purpose of the Corporation.

The President explained that the proposed amendment was meant to: (a) underscore the Corporation’s focus on its core business of renewable energy generation, and (b) clarify the regulatory requirements applicable to the Corporation considering the actual business that it is engaged in.

The Secretary presented Resolution No. S-2024-03, as proposed, and based on the votes received, reported the approval by the stockholders of the following resolution:

**Resolution No. S-2024-03**

**RESOLVED**, as approved by the Board of Directors under Resolution No. B-2024-006, to approve the amendment of the Second Article of the Articles of Incorporation to remove “distribution” from the Primary Purpose, such that the amended portions of the Articles of Incorporation shall read as follows:

**AMENDED ARTICLES OF INCORPORATION  
OF  
ACEN CORPORATION  
(formerly AC Energy Corporation)**

xxx

SECOND: That the purposes for which said Corporation is formed are:

**PRIMARY PURPOSE**

To engage generally in the business of, and/or investing in, electric power development and generation, to engage in retail electricity supply, and to provide guarantees or similar security arrangements.

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As tabulated by the Office of the Corporate Secretary and validated by SGV, the final votes for the adoption of Resolution No. S-2024-03 providing for the amendment of the Second Article of the Articles of Incorporation of the Corporation were as follows:

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Number of voted shares	31,474,935,778	93,996,926	43,815,222
% of Total Outstanding Shares	79.28%	0.24%	0.11%

#### 7. Election of Directors (Including Independent Directors)

The Secretary explained that the Corporate Governance and Nomination Committee of the Board has determined that the eleven (11) duly nominated stockholders, including the nominees for Independent Directors, were qualified to serve as directors of the Corporation for the ensuring term, thus:

**Nominated as regular directors:**

Gerardo C. Ablaza, Jr.  
 Cezar P. Consing  
 Jaime Alfonso E. Zobel de Ayala  
 John Eric T. Francia  
 Jaime Z. Urquijo  
 Nicole Goh Phaik Khim  
 Dean L. Travers

**Nominated as independent directors:**

Jesse O. Ang  
 Maria Lourdes Heras-de Leon  
 Garry K. Lester  
 Melinda L. Ocampo

The Secretary noted that all nominees had given their consent to their respective nominations.

The Corporate Secretary reported that based on the tabulation of votes, each of the eleven (11) nominees had garnered at least 31,416,328,714 votes. She thus certified that each nominee had received enough votes for election to the Board and that the following Resolution No. S-2024-05 for the election of the eleven (11) nominees to the Board had been approved:

**Resolution No. S-2024-05**

**RESOLVED**, to elect the following as directors of the Corporation to serve as such effective upon the end of the annual stockholders' meeting held on 24 April 2024, until their successors are elected and qualified:

Gerardo C. Ablaza, Jr.  
 Cezar P. Consing  
 Jaime Alfonso E. Zobel de Ayala  
 John Eric T. Francia  
 Nicole Goh Phaik Khim  
 Dean L. Travers  
 Jaime Z. Urquijo  
 Jesse O. Ang (*Independent Director*)  
 Maria Lourdes Heras-de Leon (*Independent Director*)  
 Garry K. Lester (*Independent Director*)  
 Melinda L. Ocampo (*Independent Director*)

As tabulated by the Office of the Corporate Secretary and validated by SGV, the final votes received by the nominees based on the total cumulative votes received were as follows:

	For	% of Total Outstanding Voting Shares Represented	Against	% of Total Outstanding Voting Shares Represented	Abstain	% of Total Outstanding Voting Shares Represented
Gerardo C. Ablaza, Jr.	31,435,565,644	9.04%	14,934,405	0.00%	162,244,077	0.05%
Cezar P. Consing	31,493,202,943	9.05%	6,632,030	0.00%	112,912,153	0.03%
Jaime Alfonse E. Zobel de Ayala	31,418,277,768	9.03%	4,920,185	0.00%	189,556,873	0.05%
John Eric T. Francia	31,563,090,322	9.07%	2,826,670	0.00%	46,826,134	0.01%
Nicole Goh Phaik Khim	31,490,987,129	9.05%	14,933,290	0.00%	106,822,407	0.03%
Dean L. Travers	31,539,689,056	9.07%	4,919,070	0.01%	68,134,900	0.02%
Jaime Z. Urquijo	31,502,256,895	9.06%	14,933,290	0.00%	95,553,841	0.03%
Jesse O. Ang	31,551,873,091	9.07%	2,564,915	0.01%	58,309,020	0.02%
Maria Lourdes Heras-de Leon	31,558,931,804	9.07%	10,000,000	0.00%	43,815,222	0.01%
Garry K. Lester	31,457,887,191	9.04%	2,564,915	0.00%	152,304,920	0.04%
Melinda L. Ocampo	31,554,448,006	9.07%	0	0.00%	53,309,020	0.02%
<b>Total</b>		<b>99.63%</b>		<b>0.02%</b>		<b>0.31%</b>

#### 8. Election of External Auditor and Fixing of Its Remuneration

The Secretary informed the stockholders that the Audit Committee and the Board had endorsed the election of SGV as the Corporation's external auditor for the current fiscal year for an audit fee of Pesos: Two Million Seven Hundred Thousand (Php2,700,000.00), exclusive of value-added tax and out of pocket expenses.

The Secretary presented the following Resolution No. S-2024-05 for the election of the Corporation's external auditor and the fixing of its remuneration, and reported that there were enough votes received for the approval of said resolution:

##### Resolution No. S-2024-05

**RESOLVED**, as endorsed by the Board of Directors, to appoint SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the year ending 31 December 2024 for an audit fee of Two Million Seven Hundred Thousand Pesos (Php2,700,000.00), exclusive of value-added tax and out-of-pocket expenses.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the final votes on the election of SGV as external auditor of the Corporation, the approval of its audit fee and the adoption of Resolution No. S-2024-05 were as follows:

	For	Against	Abstain
Number of voted shares	31,369,729,411	189,203,293	53,815,222
% of Total Outstanding Voting Shares Represented	99.20%	0.60%	0.17%

#### 9. Approval of 2023 Audited Financial Statements, including the Noting of the Annual Report

The Secretary proceeded with the presentation of the sixth and final matter for voting by the stockholders, which is the approval of the: (1) consolidated audited financial statements of the Corporation and its subsidiaries, and (2) the parent company financial statements of the Corporation, as of 31 December 2023, as audited by its external auditor, SGV, and the noting of the Corporation's Annual Report.

The Secretary explained that the financial statements were part of the Definitive Information Statement and the

Annual Report can be accessed from the Corporation's website.

The Secretary presented Resolution No. S-2024-06, as proposed, and based on the votes received, reported the approval by the stockholders of the following resolution:

**Resolution No. S-2024-06**

**RESOLVED**, to approve the consolidated financial statements of the Corporation and its subsidiaries, and parent company financial statements of the Corporation, as of 31 December 2023, as audited by the Corporation's external auditor, SyCip Gorres Velayo & Co., and to note the Corporation's Annual Report consisting of the Chairman's Message, the President's Report, and the audio-visual presentation to the stockholders.

As tabulated by the Office of the Corporate Secretary and validated by SGV, the final votes for the approval of the 2023 consolidated audited financial statements of the Corporation and its subsidiaries and the noting of the annual report, together with the approval of Resolution No. S-2024-06, were as follows:

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Number of voted shares	31,566,855,716	0	45,892,210
% of Total Outstanding Voting Shares Represented	99.82%	0.00%	0.12%

**10. Other Matters**

After confirming with the Secretary that there were no other matters that required consideration by the stockholders, the Chairman proceeded to Part II of the meeting.

**11. Presentation of Management**

Message from the Chairman

The Chairman reported that 2023 turned out to be another strong year for the Corporation. There was significant growth in financial performance, with the addition of over 700 MW of attributable renewables capacity in 2023. With over 4.7 GW of attributable capacity, ACEN is poised to achieve its original 2025 goal of 5 GW of renewables capacity nearly two years ahead of schedule. Progress towards the new 2030 aspiration of 20 GW has continued at a steady pace.

The Chairman noted that the accelerating shift to a low-carbon future had nurtured several tailwinds for the growth of renewables. Within ACEN, the Corporation has a deep development pipeline to take on these opportunities. Equally important, the Corporation has a talented and motivated team to execute and deliver.

The Chairman expressed belief that the Corporation is in a strong position to continue its healthy trajectory, and that it was the right time for him to transition the Chairmanship of the Board and step down as Director.

The Chairman shared that it had been a privilege to serve on the Board. He further thanked his fellow directors and all ACEN employees for their active engagement, excellent work, and untiring commitment.

In closing, the Chairman expressed his appreciation for the Corporation's partners, customers, stockholders, and the rest of its stakeholder community for their trust in ACEN.

Report of the President

The President acknowledged his fellow stockholders and colleagues on the Board and management.

The President shared that 2023 saw some reprieve from the global energy crisis, with fuel prices coming off from historic highs. He reported that energy demand continued to grow, and the imperative to transition from fossil fuels to clean energy remained intact.

The Corporation continued to execute on its renewables expansion across its key markets in the Philippines, Australia, Vietnam, India, Indonesia, Laos and the U.S. ACEN currently has around 4.7 GW of renewables capacity in operations and under construction. In addition, the Corporation has signed agreements or won competitive tenders worth over 1 GW of capacity. The President emphasized that this effectively surpassed the Corporation's goal of reaching 5 GW of renewables by 2025, or almost two years ahead of schedule.

Attributable output from ACEN's renewable energy plants increased 32% in 2023 to 4,474 GWh. As a result, attributable EBITDA for the year grew 31% to ₱18.8 billion.

Reported net income for 2023 stood at ₱7.4 billion. This represented a decline versus 2022 reported net income of ₱13 billion, which included around ₱8.6 billion in net non-cash items. Taking out all non-cash items, ACEN's profitability increased 150% year over year, driven by nearly three-fold increase in core operating earnings.

The Philippines continued to be the Corporation's core market, accounting for about 40% of its generation portfolio. Philippine renewables output increased by 35% to 1,145 GWh with the commissioning of new solar and wind farms. The Corporation's retail electricity business, ACEN RES, also grew by 54% to 218 MW. The significant increase in capacity resulted in a stronger net seller position for the Philippine business, amidst elevated electricity prices, which resulted in a robust financial performance.

Overseas, Australia is the Corporation's largest market, comprising around 20% of its generation portfolio capacity. The Corporation successfully commenced operations of its first project in Australia, the 521 MW New England Solar farm, one of the largest solar farms in Australia. Construction progress was also underway for the 520 MW Stubbo solar farm, which was around halfway to completion.

Large construction projects in the Philippines, Australia and India faced execution challenges, mostly related to grid connection, extreme weather and right of way issues. However, many of these plants successfully commenced full operations by the end of 2023. In fact, six new projects worth 1.6 GW have recently started operations and were expected to deliver close to full year output in 2024.

The President reported that ACEN had over 3.3 GW of capacity in operations and under commissioning, and about 1.5 GW of capacity under construction. Management is expected to continue this rapid expansion through 2024 as the Corporation worked towards its aspiration to reach 20 GW of renewables capacity by 2030.

To support the strong growth trajectory, the Corporation successfully raised ₱25 billion of perpetual preferred shares in 2023. This included a fixed for life coupon with no step up, the first of its kind in the country. This additional equity further strengthened the Corporation's balance sheet and allowed it to leverage the growth momentum.

Meanwhile, ACEN continued to play a leading role in the energy transition in the region. In addition to scaling up renewables, the President reported that the Corporation was also pioneering efforts in early coal retirement.

At the COP28 in Dubai held in December 2023, ACEN, together with the Rockefeller Foundation's Coal to Clean Credit Initiative ("CCCI") and the Monetary Authority of Singapore (MAS), announced an exciting collaboration to implement the world's first coal-to-clean credit pilot project.

The President reported that the initiative would help road test the new methodology being developed by CCCI, and hopefully jumpstart the market for transition credits. The President explained that Transition Credits were high-integrity carbon credits that were granted to projects that enable the early retirement of coal plants and their replacement with clean energy, while ensuring a just transition.



This initiative complemented ACEN's Energy Transition Mechanism for the 246 MW SLTEC coal plant, which targeted a retirement date of 2040 or after 25 years of plant operations. The transition credit initiative would potentially accelerate the transition of coal to cleaner technology by 10 years or as early as 2030. If successful, the transition credit initiative could be scaled up and replicated by other coal fired power plants - not only in the Philippines but across the globe.

Before ending his report, the President acknowledged some key transitions in the board.

The President thanked the Chairman and Mr. Almendras, director, both of whom have served as former energy secretaries of the Republic. The President stressed that the Corporation was very fortunate to benefit from their wisdom and support. As leaders who understood the critical importance of energy security, both the Chairman and Mr. Almendras were strong advocates of ACEN's aggressive renewables expansion in the Philippines, including its investments in large scale infrastructure to enable giga scale renewable projects that move the needle for the Corporation and the country. The President further noted that the Chairman and Mr. Almendras have consistently provided guidance on balancing growth with strong risk management and a robust balance sheet.

On behalf of all his colleagues, the President thanked the Chairman and Mr. Almendras for having consistently championed and guided ACEN throughout the years.

The President also welcomed the Corporation's incoming directors, Mr. Gerardo C. Ablaza, Jr. and Mr. Jaime Z. Urquijo, both of whom have previously been with ACEN board and management, respectively.

The President further thanked Atty. Solomon M. Hermosura for the latter's exceptional contributions as Corporate Secretary, and welcomed his successor, Atty. Maria Franchette M. Acosta.

The President closed his report by thanking the Board for its guidance, the ACEN management team and all its employees for their engagement and rigor, and the Corporation's business partners, stockholders, and stakeholders for their continued trust and support.

The President then introduced a video presentation which underpinned the Corporation's journey towards effectively surpassing its 5GW target.

## 12. Question and Answer

The Assistant Corporate Secretary, Mr. Lagazo, read aloud the questions and comments received together with the names of the stockholders who sent them.

Lorraine Genevieve Montenegro (stockholder): *"Your growth path to 2030 is quite ambitious. How will you fund your capacity expansion moving forward?"*

President: "Currently, we are approximately at 5 GW of renewables which means that the gap between today and our aspiration of 20 GW is around 15 GW or 15,000 MW.

At current costs, approximately the capital cost for renewables is roughly \$1 million per MW; it's over \$1 million for wind, under \$1 million for solar, so roughly speaking, we would be needing around \$5 billion of capital to reach our 20 GW goal.

We do expect around 60% of the funding or \$9 billion to come from debt financing both from bilateral loans or the debt capital markets. There is quite strong liquidity within those sources.

40% roughly will come from equity funding, or about \$6 billion, and this will come in the form of: (1) reinvestment of operating cash flows from the operating plants, (2) proceeds from targeted value realization and capital recycling activities, and (3) potential equity issuances over time.

We do have quite a strong balance sheet; we ended the year in 2023 with a strong cash position of almost Php 40 billion in cash, as well as a robust debt-to-equity-ratio standing at about .23 net debt-to-equity ratio, so we have a lot of room to expand our balance sheet to support our aggressive growth.”

Aaron Jarveen O. Ho (stockholder): *“What accounts for ACEN’s recent share price performance?”*

President: “Obviously, we have seen a decline in the share price performance of ACEN over the last 12 or so months.

I think, there are really two (2) drivers for this: one is macro and the other one is micro in nature.

On the macro level, ACEN is a growth company and growth companies, globally, have been significantly affected by the rise in interest rates. If you look at global renewable energy companies that represent growth, these have declined in market values; we have seen market values decline by 50+% globally among renewable energy companies. There has also been renewed investor interest into fossil fuel-based companies with stronger profits, given the elevated fossil fuel prices.

That being said, we believe that our sector still goes through cycles in the sector. Once interest rates taper or become reduced, these are opportunities for the growth to accelerate and again, clearly, not a lot of fossil fuel-fired capacity is being built. Coal plants, for example, are already under moratorium in markets like Philippines and Indonesia, so the way to go moving forward is accelerating and scaling renewable energy so we will stay on the course.

Secondly, on the micro level, the Company has been challenged as I mentioned in my message earlier, with delays in the execution of these large-scale renewable projects in Australia, Philippines, and India. These are projects that can scale up to more than 1,000 MW and what we are experiencing really is the challenge of building and connecting these large projects into the transmission. There can be challenging right-of-way issues and the conservativeness of the grid operator to incorporate these large renewables into the system takes time.

But having said that, as we mentioned, we are over the hump on many of these large-scale projects; we continue to develop others but we are now in a strong position, having started the construction of several of these projects and as I mentioned, we have started six (6) projects worth 1.6 GW earlier this year or late last year and we expect additional contribution of over 3,000 GW hours of output from these newly-commissioned plants.

It has been a challenging and rocky execution and getting to commercial operations, but we are here for these large-scale projects, and the ability to expand on these large-scale, upfront transmission infrastructure is an opportunity for us to amortize all these upfront investments.”

John Fernand F. Magcanlas (stockholder): *“We heard about your new partnership to introduce Transition Credits. Why are you doing this and how will this impact your business?”*

Chairman: “I think you answered part of that in your talk, but maybe you [the President] can explain a little bit more.”

President: “Yes, Mr. Chair. I think the angle that I did not cover in my talk is as we are now focused on renewable energy, we see this opportunity to build on what we have done on the energy transition mechanism structure of SLTEC. We see an opportunity to further accelerate the timeline for coal retirement or transition date from 2040 to 2030.

The transition credits will actually be a mechanism to fund at least two (2) major things: one is there will be a replacement of the foregone cash flows from the coal plant. ACEN remains as an offtaker of SLTEC, as you recall, and the foregone cashflows of SLTEC’s operations as well as ACEN’s offtake arrangement will be replaced by the transition credits, so there will be compensation and the ability to pay down the debt and equity holders and any residual equity that goes to ACEN can be recycled to invest in renewable energy.

The second use of funds from the transition credits is actually to help ACEN replace the foregone energy output of SLTEC, and help ACEN to install new replacement capacity. A lot of this capacity will come in the form of solar farms and wind farms; we estimate that to replace 246 MW of baseload coal plant, we would need to put up around 1,000 MW of solar and 250 MW of wind.

Now, we are not going to stop there in terms of replacing the output with solar and wind on an intermittent or variable output basis, because that will have a lot of implications and make the grid even more challenging. It has some hidden cost to the grid so therefore, what transition credits allow us to do is we will have a de facto financial support or subsidy from these transition credits or carbon credits to allow ACEN to accelerate the build-out or scale-up of battery storage to be incorporated in various renewable energy power plants like solar plants.

Battery storage today is still quite expensive; it is going to increase the price of electricity and therefore, the transition credits will allow us to do battery storage in an affordable manner. It will really help accelerate our long-term strategy, and “hybridize” our renewable energy plants, whether it is solar or wind, by incorporating energy storage and effectively have a dispatchable or reliable power that we can provide to our customers as well as use the grid efficiently and effectively.

Chairman: “I think you will also be able to address the potential impact of displaced employees of coal plants?”

President: “That is correct, Mr. Chair. Those are the third and fourth uses of proceeds of the transition credits, which is to allow us to have a just transition, which is to ensure that the communities and the workers are taken care of and to ensure that no one gets left behind. That is an integral part of the transition credits design. Last but not the least is the ability to do proper decommissioning of the coal plant, to ensure that this does not get repowered at some future date.

So obviously, we are doing this as part of the fight against climate change. The backdrop of all this is that International Energy Agency (IEA) has a position that in order for the world to reach the goal of keeping global warming at or below 1.5°C, we need, globally, coal plants to reduce emissions by 55% between 2022 and 2030. Now, that is a very tall order, especially for countries in Southeast Asia where we have a very large coal fleet, and we have among the youngest coal fleet at less than fifteen (15) years of age in a growing economy and growing power demand.

Just the other day, to illustrate, Philippines, in Luzon alone, power demand reached about 13.9 GW in the system, which represented around 11% peak growth versus last year which stood at around 12.5 GW. There is definitely strong growth in markets like the Philippines and the rest in Southeast Asia, so it is quite challenging to accelerate the retirement of coal plants without mechanisms like transition credits to help ensure just transition.”

### 13. Adjournment

The Chairman thanked the stockholders for their questions and active participation in the meeting and announced that the link to the audio and video recording of the meeting will be posted on the Corporation’s website. Stockholders could raise any issue, clarification, and concern about the meeting by sending an e-mail to [corpsec.acen@acenrenewables.com](mailto:corpsec.acen@acenrenewables.com).

There having been no other comments or questions from the stockholders, the Chairman adjourned the meeting.

**MARIA FRANCHETTE M. ACOSTA**  
*Corporate Secretary*



**DODJE D. LAGAZO**  
*Assistant Corporate Secretary*



**RAISSA C. VILLANUEVA**  
*Assistant Corporate Secretary*

ATTESTED BY:

**DELFIN L. LAZARO**

Chairman of the Board of Directors and of the Meeting

**ANNEX "A"**  
**ATTENDANCE OF STOCKHOLDERS**

**Stockholder**

<i><b>By Proxy</b></i>	<b>No. of Shares</b>
AC Energy and Infrastructure Corporation	22,945,721,773
Ayala Corporation	115,313,437
HSBC OBO MLA ACCOUNT - MNL CNC NOM 24/0469 (HSCB10 account)	7,352,288,022
Sun Life Grepa Financial, Inc. - Standard Chartered Bank account no. SCBK1000058	18,362,575
Various non-resident foreign corporations - Standard Chartered Bank account no. SCBK1000000	912,403,199
CITIBANK, N.A., PHILIPPINE BRANCH - CITIFAOPHILAMCiti – CITIOMNIFOR	42,708,634
CITIBANK, N.A., PHILIPPINE BRANCH - CITIFAOGICCiti – CITIMNILOC	134,120,668
CITIBANK, N.A., PHILIPPINE BRANCH - CITIOMNIFORCiti – CITIFAOSUNLIFE	61,342,481
CITIBANK, N.A., PHILIPPINE BRANCH - CITIOMNILOC	28,544,983
<b>Sub-Total</b>	<b>31,610,805,772</b>

***By voting in absentia***

AP Securities, Incorporated, represented by [REDACTED]	1,264,099
[REDACTED]	1,026
[REDACTED]	2
[REDACTED]	5,000
[REDACTED]	94,000
Alan T. Ascalon	560,173
[REDACTED]	200
[REDACTED]	27
[REDACTED]	9,000
[REDACTED]	5,900
[REDACTED]	7,727
AP Securities, Incorporated, represented by [REDACTED]	4,050,000
[REDACTED]	730,000
<b>Sub-Total</b>	<b>6,727,154</b>

***Directors and Officers***

Delfin L. Lazaro	1
Cezar P. Consing	1
Jaime Alfonso Zobel de Ayala	1
Jesse O. Ang	1
Maria Lourdes Heras-de Leon	1
Garry K. Lester	1
Melinda L. Ocampo	1
Dodjie D. Lagazo	6,526,166
<b>Sub-Total</b>	<b>6,526,173</b>