COVER SHEET

CS200909233

S.E.C. Registration Number

ALTERNERGY HOLDINGS CORPORATION

(Company's Full Name)

LEVEL 3B, 111 PASEO DE ROXAS BUILDING, PASEO DE ROXAS AVENUE CORNER LEGAZPI STREET, LEGASPI VILLAGE, MAKATI CITY

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

ATTY. JANINA C. ARRIOLA
(Compliance Officer

Contact Person

(+632) 8813 4678

Company's Telephone Number

0 6 | 3 0

Month *Day*

Fiscal Year

I-ACGR

FORM TYPE

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders.

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMP

Remarks=pls. use black ink for scanning purpose

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies' compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the "comply or explain" approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Contains CG Practices/ Policies, labelled as follows: (1) **"Recommendations"** – derived from the CG Code for PLCs; (2) **"Supplement to Recommendation"** – derived from the PSE CG Guidelines for Listed Companies; (3) **"Additional Recommendations"** – CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and (4) **"Optional Recommendation"** – practices taken from the ASEAN Corporate Governance Scorecard ***Items under (1) – (3) must be answered/disclosed by the PLCs following the "comply or explain" approach. Answering of items under (4) are left to the discretion of PLCs.**	The company shall **indicate compliance or non-compliance** with the recommended practice.	The company shall provide additional information to **support their compliance** with the recommended CG practice	The PLCs shall **provide the explanations for any non-compliance,** pursuant to the "comply or explain" approach. Please note that the explanation given should describe the non-compliance and include **how the overall Principle being recommended is still being achieved** by the company. ***"Not Applicable" or "None" shall not be considered as sufficient explanation**

C. Signature and Filing of the Report

a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **on or before May 30 of the following year for every year that the company remains listed in the PSE;**

b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **original and manual** signatures

c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.

d. The I-ACGR shall cover all relevant information from January to December of the given year.

e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 30 June 2023
2. SEC Identification Number CS200909233 3. BIR Tax Identification No. 007-315-916
4. Exact name of issuer as specified in its charter ALTERNERGY HOLDINGS CORPORATION
5. Metro Manila, Philippines
   Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)
   Industry Classification Code:
7. Level 3B, 111 Paseo de Roxas Building, Makati City
   Address of principal office
   1229
   Postal Code
8. (+632) 8813 4678
   Issuer's telephone number, including area code
9. N/A
   Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT of **ALTERNERGY HOLDINGS CORPORATION**			
	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**	The Board is composed of directors with diverse backgrounds, competence, and experience that are relevant to their functions and to the renewable energy industry. Each director's qualifications, industry knowledge, professional experience, and expertise are provided on the Company's website at https://www.alternergy.com/board-of-directors To ensure the continuing qualification of each director as well as to maintain the professional competence of the members of the Board, the Company's Manual on Corporate Governance (he "CG Manual") mandates that the Board shall be comprised of directors "with a collective working knowledge, experience or expertise that is relevant to the Company's renewable energy sector. The Board always ensures that it has an	
2. Board has an appropriate mix of competence and expertise.	**COMPLIANT**		
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**		

		appropriate mix of competence and expertise and that the directors remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction." The Company's CG Manual may be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf In addition, the Corporate Governance Committee (the "CGC"), under its charter[1] and as part of the Company's Nomination and Election Process under Part III(B) of the CGC charter, is tasked to implement guidelines and standards "that will facilitate the selection of potential nominees for Board seats, and to serve as a benchmark for the evaluation of the said nominee's performance. The CGC shall [also] oversee a consistent adoption of a formal and transparent Board nomination and election policy that shall include a process of accepting nominations from	

[1] The Corporate Governance Committee Charter was presented for the CGC's review at its inaugural meeting on 06 February 2024. At this meeting, the CGC resolved to give its members ample time and opportunity to provide meaningful input to the draft CGC charter and gave the members until March 2024 to provide any comments, with the view to securing the CGC's and the Board's approval of the final version of the CGC charter at the scheduled meetings of the CGC and the Board on 24 September 2024. Management is currently collating comments received to date with a view to providing a draft for the CGC's approval.

		minority shareholders and vetting nominated candidates." Further, the draft CGC Charter mandates that the policy "include an annual assessment of the effectiveness of its processes and procedures in the nomination, election, or replacement of a director. In addition, the manner by which it will identify the quality of directors shall be aligned with the strategic direction of the Company." For the detailed functions of the CGC relevant to the Nomination and Election Process, please see the CGC Charter on the Company's website at https://www.alternergy.com/_files/ugd/941b16_57889ff489494b9c8be1fcc87734f93b.pdf.	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	**NON-COMPLIANT**		While a majority of the members of the Board of Directors are executive directors (Messrs. Vicente Pérez, Jr. Gerry P. Magbanua, Knud Hedeager, Eduardo Martinez Miranda, Michael James Lichtenfeld, and Janina C. Arriola), or six (6) out of nine (9) directors, the diverse backgrounds and expertise and proven integrity of each such executive director ensures fealty to the interests of the Company and to the principles of good corporate governance. The current Board composition complies with the mandate of the Company's CG Manual

			which requires that "a majority of directors [must] possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances." See Part I(A)(3) of the CG Manual. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf. Each director's qualifications, industry knowledge, professional experience, and expertise are provided in the Company's website at https://www.alternergy.com/board-of-directors
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	**COMPLIANT**	Part I(B) of the CG Manual provides that the Company must "conduct an orientation program for first-time directors to ensure that they are appropriately apprised of their duties and responsibilities, before beginning their directorships; and relevant annual continuing training for all incumbent directors which will promote an effective board performance and continuing qualification of the directors in carrying-out their duties and responsibilities." In addition, Part III(A) [Director Training] of the CGC Charter mandates the adoption of a system "on the training of directors	

		which shall include an orientation program for first-time directors and relevant annual continuing training for all directors. The orientation program shall cover topics on corporate governance mandated by the Securities and Exchange Commission ("SEC") and an introduction to the Company's business, corporate/charter documents, and Company policies." The training referred to shall concern courses on corporate governance matters relevant to the Company, including audit, internal control, risk management, sustainability, and strategy. The Company's CG Manual can be viewed on the Company's website at on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the Company's CGC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_57889ff489494b9c8be1fcc87734f93b.pdf. Directors Pérez, Magbanua, Hedeager, Miranda, and Arriola attended the 10th Annual SEC-PSE Corporate Governance Forum, held at the SEC's Makati headquarters, on 24 November 2023.	

		Director Pérez also attended the 2023 Annual CORGOV Seminar - BDO Unibank/Gartner Inc./Boston, on August 2, 2023, the ICD Advanced Corporate Governance Training on Aug. 3, 2022, and the ICD Anti-Money Laundering Update seminar on Aug 3, 2022. Director Michael James Lichtenfeld attended the SGV Public Corporate Governance Seminar on 13 December 2023. Independent Director Marcial attended the following corporate governance trainings: 1. Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit, 2019 2. Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit, 2020 3. Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit, 2021 4. Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit, 2022 5. BPI AIA IC Mandated Training Part 2 (Code of Corporate Governance; ACGS and IC Annual Corporate Governance Report; Board Responsibilities; Illegal	

		Activities; Protection of Shareholders; Liabilities of Directors; Confidentialities; Conflict of Interest and RPT), 26 October 2023 Independent Director Españo attended the following corporate governance trainings: 1. GRI Sustainability Strategy and Reporting, February 9, 10, & 11, 2022 2. Chat GPT Navigating AI Ethics for a Responsible Future hybrid event, April 18, 2023 3. ASEAN Corporate Governance Scorecard Workshop for Publicly Listed Companies, April 25, 2023 4. Directors' Duties & Responsibilities on Climate Change Risks, April 27, 2023 5. Corporate Governance for Non-Profit Organizations, August 11, 25, & September 1, 2023 6. ASEAN Corporate Governance Scorecard 3.0 Briefing, November 23, 2023 7. 10th Annual SEC-PSE Corporate Governance Forum, November 24, 2023 Independent Director Domingo attended the following corporate governance trainings: 1. 2019 Corporate Governance Seminar of BDO Unibank, Inc. – July 24, 2019	

		2. Institute of Corporate Directors Advanced Corporate Governance Training – Oct. 23, 2020 3. 2021 Annual Corporate Governance Seminar Of BDO Unibank, Inc. – Sept 1, 2021 4. ICD Advanced Corporate Governance Training – Sept 30, 2021 5. 2022 Annual Corporate Governance Seminar of BDO Unibank, Inc. – July 20, 2022 6. 2023 Annual Corporate Governance Seminar of BDO Unibank, Inc. – Aug 8, 2023 7. ICD 2023 Corporate Governance Seminar – Oct. 16, 2023	
2. Company has an orientation program for first time directors.	**COMPLIANT**	Part I(B) of the CG Manual provides that the Company must "conduct an orientation program for first-time directors to ensure that they are appropriately apprised of their duties and responsibilities, before beginning their directorships; and relevant annual continuing training for all incumbent directors which will promote an effective board performance and continuing qualification of the directors in carrying-out their duties and responsibilities." In addition, Part III(A) [Director Training] of the CGC Charter mandates the adoption of a system "on the training of directors which shall include an orientation	
3. Company has relevant annual continuing training for all directors.	**COMPLIANT**		

		program for first-time directors and relevant annual continuing training for all directors. The orientation program shall cover topics on corporate governance mandated by the Securities and Exchange Commission ("SEC") and an introduction to the Company's business, corporate/charter documents, and Company policies." The training referred to shall concern courses on corporate governance matters relevant to the Company, including audit, internal control, risk management, sustainability, and strategy. The Company's CG Manual can be viewed on the Company's website at on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the Company's CGC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_57889ff489494b9c8be1fcc87734f93b.pdf. Directors Pérez, Magbanua, Hedeager, Miranda, and Arriola attended the 10th Annual SEC-PSE Corporate Governance Forum, held at the SEC's Makati headquarters, on 24 November 2023. Director Pérez also attended the 2023 Annual CORGOV Seminar - BDO	

		Unibank/Gartner Inc./Boston, on August 2, 2023, the ICD Advanced Corporate Governance Training on Aug. 3, 2022, and the ICD Anti-Money Laundering Update seminar on Aug 3, 2022. Director Michael James Lichtenfeld attended the SGV Public Corporate Governance Seminar on 13 December 2023. Independent Director Marcial attended the following corporate governance trainings: 1. Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit, 2019 2. Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit, 2020 3. Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit, 2021 4. Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit, 2022 5. BPI AIA IC Mandated Training Part 2 (Code of Corporate Governance; ACGS and IC Annual Corporate Governance Report; Board Responsibilities; Illegal Activities; Protection of Shareholders; Liabilities of Directors;	

		Confidentialities; Conflict of Interest and RPT), 26 October 2023 Independent Director Españo attended the following corporate governance trainings: 1. GRI Sustainability Strategy and Reporting, February 9, 10, & 11, 2022 2. Chat GPT Navigating AI Ethics for a Responsible Future hybrid event, April 18, 2023 3. ASEAN Corporate Governance Scorecard Workshop for Publicly Listed Companies, April 25, 2023 4. Directors' Duties & Responsibilities on Climate Change Risks, April 27, 2023 5. Corporate Governance for Non-Profit Organizations, August 11, 25, & September 1, 2023 6. ASEAN Corporate Governance Scorecard 3.0 Briefing, November 23, 2023 7. 10th Annual SEC-PSE Corporate Governance Forum, November 24, 2023 Independent Director Domingo attended the following corporate governance trainings: 1. 2019 Corporate Governance Seminar of BDO Unibank, Inc. – July 24, 2019 2. Institute of Corporate Directors Advanced Corporate Governance Training – Oct. 23, 2020	

		3. 2021 Annual Corporate Governance Seminar Of BDO Unibank, Inc. – Sept 1, 2021 4. ICD Advanced Corporate Governance Training – Sept 30, 2021 5. 2022 Annual Corporate Governance Seminar of BDO Unibank, Inc. – July 20, 2022 6. 2023 Annual Corporate Governance Seminar of BDO Unibank, Inc. – Aug 8, 2023 7. ICD 2023 Corporate Governance Seminar – Oct. 16, 2023	
		Recommendation 1.4	
1. Board has a policy on board diversity.	**COMPLIANT**	Part I(C) of the Company's CG Manual declares it a Company policy to "[encourage] diversity in its Board, which may refer to distinctions in age, ethnicity, culture, skills, competence, knowledge, gender, among other things. A diverse Board promotes different perspectives and ideas and mitigates groupthink to achieve optimal decision-making." In addition, the CGC is mandated under its charter (Part III(B)) to develop criteria to identify, select, and evaluate candidates for the Board. These criteria include "diversity of talents, background, [and] perspectives", among others. The Company's CG Manual can be viewed on the Company's website at	

		https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the Company's CGC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_57889ff489494b9c8be1fcc87734f93b.pdf. Out of a total of nine (9) seats in the Board, three (3) are occupied by women; namely, Independent Directors Ms. Ma. Theresa Marcial and Ms. Marivic Españo, and Atty. Janina Arriola.	
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.			
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	**COMPLIANT**	Atty. Melissa R. Lichaytoo was (re)elected as Corporate Secretary of the Company at the Organizational Meeting of the Board on 13 December 2024. She is a separate individual from the Company's Compliance Officer (who is currently Atty. Janina C. Arriola) and is not a member of the Board. The Corporate Secretary's qualifications, duties and functions can be found in the Company's Amended By-Laws, Article V, Section 5, and in Part I(D) of the CG Manual.	
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**		

		The By-Laws can be viewed at https://www.alternergy.com/_files/ugd/941b16_1f4894f07f444f618d05223e68b34156.pdf while the CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf. Atty. Lichaytoo's professional expertise and experience can be viewed at https://www.alternergy.com/board-of-directors.	
4. Corporate Secretary attends training/s on corporate governance.	**COMPLIANT**	Atty. Lichaytoo attended the SEC-PSE Corporate Governance Forum at the Intercontinental Manila on 15 October 2015.	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	**COMPLIANT**	The CG Manual prescribes the appointment of a Compliance Officer who must have those qualifications set out in Part I(E), *to wit:* the Compliance Officer must have "adequate stature and authority in the Company, who shall report directly to the Chairman. The Compliance Officer should not be a member of the Board of Directors and	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	**COMPLIANT**		
3. Compliance Officer is not a member of the board.	**NON-COMPLIANT**		Atty. Arriola currently sits as a member of the Board of Directors of the Company, while functioning as the Compliance Officer. This circumstance was brought about by the absence of any other qualified senior officer within the

		should annually attend a training on corporate governance." The Compliance Officer's duties and responsibilities are set out in Part I(E)(2) of the CG Manual. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf. Atty. Janina C. Arriola, Vice President and General Counsel, was appointed as Compliance Officer by the Board at its organizational meeting on 13 December 2024. Her professional experience can be viewed on the Company's website at A https://www.alternergy.com/board-of-directors. Atty. Arriola is not technically a "Senior" Vice President, as the title of Senior Vice President does not exist within the Company's organizational structure. She is, however, Vice President and General Counsel, is a member of senior management and of the Company's Executive Committee, and is generally highly regarded within the organization owing to her years of experience in the energy industry and her unique expertise in power project development, financing,	Company who can perform the functions of a Compliance Officer (Please note that the Company was listed in the exchange only on 24 March 2023). However, the Company intends to engage or employ a senior officer who will subsequently be appointed as Compliance Officer in place of Atty. Arriola. The process for such engagement or employment is ongoing.

		and contracts management, among others.	
4. Compliance Officer attends training/s on corporate governance.	**COMPLIANT**	The CG Manual, Part I(E)(1), requires the Compliance Officer to attend a training on corporate governance "annually." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf. Atty. Arriola participated in the 10th Annual SEC-PSE Corporate Governance Forum, held at the SEC's Makati Headquarters, on 24 November 2023 and periodically attends lectures relevant to corporate governance as part of her Mandatory Continuing Legal Education trainings.	
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			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	**COMPLIANT**	Part II of the Company's CG Manual expressly provides that "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 shareholders and other stakeholders." Part II(1) goes further to declare that "The Board	

		members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and all shareholders." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf. The following excerpts (taken from approved Minutes of Meetings of the Board) show the directors asking questions, clarifications, and explanations to certain Management reports: 1. At the 10 May 2023 Audit Committee meeting: With respect to the Corporation's Equity, [redacted] Upon inquiry of Ms. Maria Theresa Marcial, Mr. Maghanua informed the Board that the Corporation has a pending application with the Securities and Exchange Commission for a quasi-reorganization to wipe out the Corporation's deficit. 2. At the 10 May 2023 Board meeting: [redacted] Upon inquiry of Mr. Miranda, Mr. Maghanua clarified that while partners for the projects will still be secured as done so in the past, the Corporation and/or its subsidiaries will now have majority stake in the projects. Upon inquiry of Ms. Marcial, Mr. Maghanua confirmed that the Corporation needs to raise new funds for the project. x x x	

		8. [redacted] Magbanua confirmed that no tax relief for income tax has been granted. 3. At the 05 October 2023 Board meeting: Upon inquiry of Mr. Domingo, Atty. Arriola confirmed that the minimum share of the RPG is the rent of [redacted]. Upon inquiry of Ms. Marcial, Atty. Arriola clarified that the RPG can mortgage and sell the property but such mortgage and sale shall be subject to the prior rights of the Corporation. The mortgagee or buyer is obligated to respect the rights of the Corporation over the property. In response to the further inquiry of Ms. Marcial, it was disclosed that the tariff rate of [redacted] x x x [redacted] The inauguration of the Palau Solar Project was held last 3 June 2023. It was recalled that this is the project financed by the Australian government. Upon inquiry of Ms. Marcial, Mr. Lichtenfeld replied that unfortunately, there is no provision for tariff escalation. 4. At the 04 August 2023 Special Board meeting: Upon inquiry of Ms. Theresa Marcial, Mr. Magbanua clarified that only [redacted] will need to be reclassified to Perpetual Preferred Shares 2 for the capital raising activity. The remaining [redacted] Shares shall thereupon be reclassified as Perpetual Preferred Shares 1 and shall have the same terms as the existing Preferred Shares of the Corporation	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	**COMPLIANT**	Part II(2) of the Company's CG Manual provides that "The Board should oversee the development of and approve the company's business objectives and strategy, and monitor their implementation, in order to sustain the company's long-term viability and strength."	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	**COMPLIANT**		

		The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf. The Company's business objectives and strategy are discussed quarterly at every regular meeting of the Board. In addition, the Executive Committee (the "Execom"), as a delegate of the Board exercises the duty to "provide management sound guidance and advice, policies, and strategic guidelines on key capital expenditures, and periodically evaluate and monitor implementation of the strategies that the Board has approved." The Execom also provides guidance to management in formulating the basic strategies for achieving targets set by the Board". The Execom Charter[2] may be viewed at https://www.alternergy.com/_files/ugd/941b16_bfc44776c09944768085fb3f00d9b989.pdf.	

[2] The Execom Charter was presented for the CGC's review at its inaugural meeting on 06 February 2024. At this meeting, the CGC resolved to give its members ample time and opportunity to provide meaningful input to the draft Execom Charter and gave the members until March 2024 to provide any comments, with the view to securing the CGC's and the Board's approval of the final version of the Execom charter at the scheduled meetings of the CGC and the Board on 24 September 2024. Management is currently collating comments received to date with a view to providing a draft for the CGC's approval.

Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	**COMPLIANT**	The Company's vision, mission, and core values can be viewed at https://www.alternergy.com/mission-vision-values and are reviewed annually by members of senior management with a view to making recommendations, if any, to the Board to align the Company's vision, mission, and core values to updated business objectives and strategies of the Company.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	**COMPLIANT**	Part II(E), *Duties and Functions [of the Board]*, paragraph 2, provides that the Board shall "[p]rovide sound strategic policies and guidelines on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	**COMPLIANT**	The Company's Founder and Chairman of the Board, Mr. Vicente S. Pérez, Jr., is a	

		well-respected figure in the energy industry. He was Philippine Energy Secretary from June 2001 to March 2005. He promoted clean indigenous energy and crafted a ten-year renewable energy policy framework. Vince played a key role in President Arroyo's economic diplomacy, by forging strategic energy partnerships with several Asian countries, the UK and USA. He served briefly in early 2001 as Undersecretary at the Department of Trade and Industry. Prior to his government service, Vince had 17 years' experience in debt restructuring, capital markets, and private equity in emerging markets. He joined Mellon Bank in Pittsburgh in 1983 as Latin American credit analyst and Mexico desk officer. In 1987, Vince joined Lazard Brothers' debt trading team in London. The following year he moved to Lazard Frères in New York and formed its emerging markets team. At 35, he became the first Asian General Partner at Lazard Frères. He was Managing Director of Lazard Asia from 1995 to 1997. Vince founded Next Century Partners in 1997, a private equity firm, and launched the Philippine Discovery Fund and the Asian Conservation Company. He assisted several investee companies with their Singapore Stock Exchange listings. He was also Chairman of	

		Merritt Partners, an energy advisory firm focused on Asia. He has served as independent director of Energy Development Corporation and SM Investments and is currently an independent director of Banco de Oro Universal Bank and Double Dragon Properties. He is on the advisory boards of Pictet Clean Energy Fund and Yale Center for Business in the Environment. He was Chairman of WWF-Philippines and trustee of WWF-International and was Vice Chairman of National Renewable Energy Board from 2009 to 2010. Vince obtained an MBA from the Wharton Business School of the University of Pennsylvania and a Bachelor's Degree in Business Economics from the University of the Philippines. He was a World Fellow at Yale University, where he lectured an MBA class on renewable energy in emerging countries. Mr. Pérez's more detailed qualifications and experience can be viewed on the Company's website at https://www.alternergy.com/board-of-directors.	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	**COMPLIANT**	Part II, subpar. (4), of the CG Manual provides that the "The Board [is] responsible for ensuring and adopting an effective succession planning program for directors, key officers and management to	

2. Board adopts a policy on the retirement for directors and key officers.	**COMPLIANT**	ensure growth and a continued increase in the shareholders' value. This should include adopting a policy on the retirement age for directors and key officers as part of management succession and to promote dynamism in the Company." In addition, Part II(E), *Duties and Functions [of the Board]*, paragraph (1), provides, in part, that the Board is mandated with the duty to "[a]dopt an effective succession planning program for Management." Part II(H)(1)(e), which discusses the "Internal Control Responsibilities of the Board", mandates the Board, pursuant to its oversigh responsibility, to "[r]eview [the] Company's x x x management succession plan." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	**COMPLIANT**	Part II, subpar. (5), of the CG Manual provides as follows: "The Board should align the remuneration of key officers and board members with the long-term	

2. Board adopts a policy specifying the relationship between remuneration and performance.	**COMPLIANT**	interests of the Company. In doing so, it should formulate and adopt a policy specifying the relationship between remuneration and performance. Further, no director should participate in discussions or deliberations involving his own remuneration." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	**COMPLIANT**		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.			
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.			
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	**COMPLIANT**	Part II(B) of the CG Manual provides the following: "The Board should have a formal and transparent board nomination and election policy that should include how it accepts nominations from minority	
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**	shareholders and reviews nominated candidates. The policy should also include an assessment of the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director. In addition, its process of identifying the quality of directors should be aligned with the strategic direction of the Company." The election of all Directors is held during each regular stockholders' meeting, unless a vacancy occurred which shall be filled in immediately during a meeting called for the purpose and the person so elected shall serve only the unexpired portion of his predecessor in office. The Directors shall meet the qualifications provided for in the Revised Corporation Code, Securities Regulation Code, and other applicable laws, as well as other qualifications the Board may impose, including the following: 1. College education or equivalent academic degree; 2. Practical understanding of the business of the Company; 3. Membership in good standing in relevant industry, business, or professional organizations; and 4. Previous business experience.	
4. Board nomination and election policy includes how the board shortlists candidates.	**COMPLIANT**		
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**		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	**COMPLIANT**		

		(The CG Manual also provides for grounds for disqualifying persons from performing duties as director.) For Independent Directors, the selection process is as follows: 1. The nomination of the independent director shall be conducted by the Nomination Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees. 2. After the nomination, the Nomination Committee shall prepare a final list of candidates which shall contain all the information about all the nominees for the independent directors. The list shall be made available to the SEC and to all the stockholders through the filing and distribution of the Information Statement or Proxy Statement, or in such other reports the Company is required to submit to the Commission. 3. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as an Independent Director. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further	

		nomination shall be entertained or allowed on the floor during the actual stockholders' meeting. 4. The specific slot for independent directors shall not be filled-up by unqualified nominees. 5. In case of failure of election for the independent director, the Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
Optional: Recommendation to 2.6			
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.			
Recommendation 2.7			
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.	**COMPLIANT**	The Board is specifically empowered and entrusted under Part II(E), paragraph 8, with the duty to "Formulate and implement policies and procedures that would ensure the integrity and transparency of Related Party Transactions between and among the corporation and its parent company, joint	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	**COMPLIANT**		

3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	**COMPLIANT**	ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board. " The CG Manual (Part II(D)) also mandates the creation of a "Related Party Transactions Committee" tasked primarily with reviewing all material related party transactions of the Company. Among its specific duties are: 1. Formulate and implement policies and procedures that would guarantee the integrity and transparency of related-party transactions ; 2. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g. price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with nonrelated parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions ; and	

		3. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf. In addition to the CG Manual, the Company has formulated and implements a "Policy on Material Related Party Transactions (the "RPT Policy")[3]. The RPT Policy prescribes, among others, the procedure for identifying material RPTs, the measures to ensure arms' length terms for RPTs, the approval process of RPTs, and mandatory disclosures. The RPT Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_f2a8b17c70994c84bff70ea12da8161d.pdf. The RPT Policy covers in the definition of the term "Related Parties" the following: the Company's directors, officers,	

[3]The RPTC Charter was presented for the CGC's review at its inaugural meeting on 06 February 2024. At this meeting, the CGC resolved to give its members ample time and opportunity to provide meaningful input to the draft RPTC Charter and gave the members until March 2024 to provide any comments, with the view to securing the CGC's and the Board's approval of the final version of the RPTC charter at the scheduled meetings of the CGC and the Board on 24 September 2024. Management is currently collating comments received to date with a view to providing a draft for the CGC's approval.

		substantial shareholders and their spouses and relatives within the fourth civil degree of affinity or consanguinity, legitimate or common law, if these persons have control, joint control or significant influence over the Company. It also covers the Company's parent, subsidiary, fellow subsidiary, associate, affiliate, joint venture or an entity that is controlled or significantly influenced or managed by a person who is a related party. Still in addition to the foregoing, the charter of the RPT Committee (the "RPTC Charter"), which was convened at its maiden meeting on May 7, 2024, mandates it to "ensure that terms and conditions of all Related Party Transactions must be equivalent to those that prevail in arm's length transactions and shall be subject to appropriate corporate approvals and actions of the Company and of Related Parties, with the best interest of the investing public and the Company in mind." The RPTC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_967db431434c41ceb8a8f836ba83ac45.pdf. To date, no RPTs have been identified or approved by the Board and/or the RPT 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**	The Company's RPT Policy defines both "Related Party Transactions" and "Material Related Party Transactions". The latter term Is defined as "[a]ny related party transaction either individually, or in aggregate over a twelve (12) month period with the same related party, amounting to ten percent (10%) or higher of the Company's total assets based on its latest audited financial statement. The twelve-month period for the purpose of this policy shall start on the first day of January and shall end on the last day of December of each year." The materiality threshold is separately also defined as "[t]en percent (10%) of the Company's total assets based on its latest audited financial statements. The RPT Policy goes on to mandate directors, substantial shareholders, and officers, to disclose to the Board any and all material facts relating to Material RPTs as well as their interests therein. The RPT Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_f2a8b17c70994c84bff70ea12da8161d.pdf. The RPTC Charter also provides that the RPT Committee shall "[e]nsure that appropriate disclosure is made, and/or	

		information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest." The RPTC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_967db431434c41ceb8a8f836ba83ac45.pdf.	
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**	Under the Company's RPT Policy, all individual Material RPTs shall be approved by at least two thirds (2/3) vote of the Board, with at least majority of the Independent Directors voting to approve the Material RPT. In case a 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) the Company's outstanding common capital stock in a Special or Regular Stockholders' Meeting. For aggregate RPT transactions within a twelve (12)-month period that breaches the materiality threshold of ten percent (10%) of the total assets based on its latest Audited Financial Statements, the same Board approval and Stockholders' confirmation/ratification above shall be required for the transaction that meets	

		and exceeds the materiality threshold covering the same related party. In addition to the foregoing, to prevent and/or manage potential or actual conflict of interest situations which may arise out of or in connection with Material RPTs, directors and officers with personal interest in the transaction shall abstain from the discussion, approval and management of such transaction. No director or officer shall participate in the Board discussion of a Material RPT for which he/she or any member of his/her close family or related interest is involved, including transactions of subordinates, except in order to provide material information on the Material RPT to the Board. In case they refuse to abstain, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining if the required approval is secured. The RPT Policy can be viewed at The RPT Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_f2a8b17c70994c84bff70ea12da8161d.pdf.	

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**	The CG Manual, Part II(E)1, requires that the Board appoint "competent, professional, honest and highly motivated management officers," and to periodically evaluate Management's overall performance (Part II(E)2). The CG Manual (Part II(H)) also prescribes the establishment of minimum control mechanisms which may include: 1. Selection of the person who possesses the ability, integrity and expertise essential for the position of President and CEO; 2. Evaluation of proposed senior management appointments; and 3. Selection and appointment of qualified and competent management officers. The CRO is required to possess "adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations." (See Part XII, Chief Risk Officer (CRO)) The Company is currently in the process of engaging / hiring a CRO that meets the stated qualifications. The Board is to be assisted by the Compliance Officer, who must have	

		"adequate stature and authority in the Company, who shall report directly to the Chairman" and should not be a member of the Board of Directors and should annually attend a training on corporate governance. (Part I(E) of the CG Manual) Atty. Janina C. Arriola, Vice President and General Counsel, has been appointed as the Company's Compliance Officer. The CG Manual provides the duties and functions of the Audit Head (or Chief Audit Executive). The Company is currently in the process of engaging / hiring an Audit Head. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
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).	**COMPLIANT**	Part II(E) of the CG Manual mandates the Board to "periodically' and "effectively" "evaluate and monitor Management's performance." In practice, the Board elects the Company's management personnel at every organizational meeting of the Board based on their own evaluation of each such officer's performance. The CG Manual can be viewed on the Company's website at	

		https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
Recommendation 2.9			
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.	**COMPLIANT**	Part II(E) of the CG Manual mandates the Board to "periodically' and "effectively" "evaluate and monitor Management's performance." [See also Clase II(E)(2)] In addition, Part II(5) of the CG Manual mandates that the Board "adopt a policy specifying the relationship between remuneration and performance [of Management]." In practice, the Board elects the Company's management personnel at every organizational meeting of the Board based on their own evaluation of each such officer's performance. Still further, the Company's independent internal audit function, which shall function, among others, to ensure "effective performance management" in the organization. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
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.	**COMPLIANT**		

Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	**COMPLIANT**	Part II(H) states that: "The control environment of the Company consists of [among others x x x the Board which ensures that the corporation is properly and effectively managed and supervised". The internal control system must, as a minimum, require the "[r]eview of the Company's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf. In addition, the Company has a "Policy on Conflict of Interest" applicable to Associ-ates (i.e., all department heads, managers, officers, and all other employees, whether members of the key management person-nel or the rank-and-file personnel", and to members of the Board, that provides the guidelines on how to avoid or handle conflicts of interest. The Conflict of Interest Policy may be viewed at https://www.alternergy.com/_files/ugd/9	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	**COMPLIANT**		

		41b16_860fa585eda34297bfc43acf4e7233b8.pdf.	
3. Board approves the Internal Audit Charter.	**COMPLIANT**	Part XII(3)(a) of the CG Manual mandates the Chief Audit Executive to periodically review "the internal audit charter" and present it to senior management and the Board Audit Committee for approval. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
Recommendation 2.11			
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.	**COMPLIANT**	The CG Manual defines "Enterprise Risk Management" as "a process, **<u>effected by an entity's Board of Directors</u>**, management and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within its risk appetite, and provide reasonable assurance regarding the achievement of entity objective." *[Underscoring and emphasis supplied.]* The process referred to, or system, is reviewed for its functionality and effectiveness by the Board's Risk Oversight Committee.	
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.	**COMPLIANT**		

		Part XII *[Enterprise Management System"]*, paragraphs (2), (3), and (5), provides that the Company must "establish a separate, effective enterprise risk management function to identify, assess and monitor key risk exposures." This function involves, among others, "[i]dentifying and analyzing key risk exposures relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives," "[e]valuating and categorizing each identified risk using the Company's predefined risk categories and parameters," and "[d]eveloping a risk mitigation plan for the most important risks to the Company, as defined by the risk management strategy." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
		Recommendation 2.12	
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	**COMPLIANT**	The Company's CG Manual functions as the Company's Board Charter. Part I of the CG Manual is devoted entirely to the Board's Composition, Qualifications and Disqualifications, Training, policy on Board	
2. Board Charter serves as a guide to the directors in the performance of their functions.	**COMPLIANT**		

		Diversity, the functions of key officers who assist the Board, Nomination and Succession, and the Responsibilities, Duties and Functions of the Board. The CG Manual is posted on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
3. Board Charter is publicly available and posted on the company's website.	**COMPLIANT**		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	**COMPLIANT**	The Company implements a "Policy on Insider Trading" which was created "to assist the Company, its subsidiaries, and its Associates in complying with [various] laws and regulations [regarding securities trading]." The Company's Policy on Insider Trading can be viewed at https://www.alternergy.com/_files/ugd/941b16_2f0ee6d262c244f595c9d2fd54db4256.pdf.	
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.			
2. Company discloses the types of decision requiring board of directors' approval.			

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			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	**COMPLIANT**	Part III of the CG Manual is devoted to establishing the functions, constitution, and members qualifications, among others, of the Board's various committees, i.e, the Execom, the Audit Committee, the CGC, the RPTC, and the Board Risk Oversight Committee. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
Recommendation 3.2			
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.	**COMPLIANT**	Part III(B) of the CG Manual provides for the functions, constitution, and members qualifications, among others, of the Audit Committee, which functions, among others, to monitor and evaluate "the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to[:]	

		(a) safeguard the Company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the Company's financial data and information 17 technology security, and (d) ensure compliance with applicable laws and regulations." The Audit Committee "[o]versees the [internal audit] unit, and recommends the appointment and/or grounds for approval of an internal audit head. The Audit Committee should also approve the terms and conditions for outsourcing internal audit services." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf. In addition, the Charter of the Audit Committee (the "AC Charter") provides that the "Audit Committee shall enhance the Board's oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. It shall be	

		responsible for the setting up of the Internal Audit Department and for the appointment of the Internal Auditor as well as the independent external auditor who shall both report directly to the Audit Committee. It shall monitor and evaluate the adequacy and effectiveness of the internal control system. Further, the Audit Committee shall have explicit authority to investigate any matter within its terms of reference, full access to and cooperation by management and full discretion to invite any director or executive officer to attend meetings, and adequate resources to enable it to effectively discharge its functions." The AC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_f6228ca7039a40288721c10f394ef4df.pdf.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	**COMPLIANT**	Both Part III(B) of the CG Manual and the AC Charter prescribe that the Audit Committee shall be composed of at least three (3) directors, the majority of whom, including the chairperson of the committee, should be independent directors. All members must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. Preferably, the members shall have accounting and finance backgrounds, and at least one (1) member shall have audit experience.	

		The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the AC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_f6228ca7039a40288721c10f394ef4df.pdf.	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	**COMPLIANT**	Part III(B) of the CG Manual states that: "All members of the Audit Committee must have "relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. Preferably, the members shall have accounting and finance backgrounds, and at least one (1) member shall have audit experience." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	**COMPLIANT**	The AC Charter provides that "[t]he chairperson of the Audit Committee should not be the chairperson of the Board or of any other committees." The AC Charter can be viewed at https://www.alternergy.com/_files/ug	

		d/941b16_f6228ca7039a40288721c10f394ef4df.pdf.	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	**COMPLIANT**	Among the Audit Committee's various functions and duties under Part III(B) of the CG Manual and the AC Charter, is to "[e]valuates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the AC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_f6228ca7039a40288721c10f394ef4df.pdf.	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	**COMPLIANT**	The AC Charter provides that the "Audit Committee meets with the Board without the presence of the CEO and periodically	

		meets with the head of the internal audit." The AC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_f6228ca7039a40288721c10f394ef4df.pdf.	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.			
2. Audit Committee approves the appointment and removal of the internal auditor.			
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**	Part III(C) of the CG Manual creates the CGC principally "to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to the nomination and remuneration committees." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	**NON-COMPLIANT**		Both Part III(C) of the CG Manual and Part II of the CGC Charter provide that the CGC "shall have at least three (3) members, two (2) of whom shall be independent directors, including the Chairman." Currently, there are 2 independent directors that sit at the CGC; the

			third is an executive director (Atty. Janina Arriola), whose proven capability and experience qualifies her for the position. Atty. Arriola's bio can be viewed at https://www.alternergy.com/board-of-directors and at https://www.alternergy.com/our-team The CGC Charter is currently under review by the CGC and by the Board, and is scheduled for approval at the September 24, 2024 meetings. These particular clauses above (including the relevant CG Manual provision) relating to the composition of the CGC may be recommended for amendment prior to approval by the CGC and the Board, if required. The CG Manual can be viewed at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf while the AC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_f6228ca7039a40288721c10f394ef4df.pdf.
3. Chairman of the Corporate Governance Committee is an independent director.	**COMPLIANT**	Part III(C) of the CG Manual and Part II of the CGC Charter both provide that the Chairman of the committee shall be an independent director. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the AC Charter can be viewed at https://www.alternergy.com/_files/ugd/9	

		41b16_f6228ca7039a40288721c10f394ef4df.pdf.	
		Optional: Recommendation 3.3.	
1. Corporate Governance Committee meet at least twice during the year.			
		Recommendation 3.4	
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.	**COMPLIANT**	Part III(E) of the CG Manual creates the Board Risk Oversight Committee (the "BROC") which shall be responsible for "the oversight of the Company's Enterprise Risk Management system in order to ensure its functionality and effectiveness." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	**COMPLIANT**	Part III(E) of the CG Manual and Part II of the Risk Oversight Committee Charter (the "ROC Charter")[4] mandate that the BROC shall be composed of "at least three members, the majority of whom should be independent directors, including the chairperson of the committee [thereof]. The chairperson should not be the Chairman of the Board At least one member of the committee must have	

[4] The BROC Charter was presented for the CGC's review at its inaugural meeting on 06 February 2024. At this meeting, the CGC resolved to give its members ample time and opportunity to provide meaningful input to the draft BROC Charter and gave the members until March 2024 to provide any comments, with the view to securing the CGC's and the Board's approval of the final version of the BROC charter at the scheduled meetings of the CGC and the Board on 24 September 2024. Management is currently collating comments received to date with a view to providing a draft for the CGC's approval.

		relevant thorough knowledge and experience on risk and risk management." The Company's BROC is currently composed of Ms. Ma. Victoria C. Españo, Chairperson, and Mr. Gregory L. Domingo (both of whom are Independent Directors), and Mr. Gerry P. Magbanua, director. Mr. Knud Hedeager, director, acts as BROC advisor. Each such director's qualifications can be viewed at https://www.alternergy.com/board-of-directors of the Company's website.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	**COMPLIANT / NON-COMPLIANT**	Both Part III(E) of the CG Manual and Part II of the BROC Charter mandate that the chairperson of the BROC must not be the Chairman of the Board. The CG Manual can be on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the BROC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_9ad0e1658a2242d2aafd59e4f68b6e12.pdf. However, neither the CG Manual nor the BROC Charter mandates that the	Neither the CG Manual nor the BROC Charter mandates that the chairperson of the BROC is not the chairman of any other committee. However, the BROC Charter is currently under review by the CGC and by the Board, and is scheduled for approval at the September 24, 2024 meetings. The prohibition may be recommended for insertion when the CGC and the Board convenes to approve the BROC Charter, if required. The same will be done to amend the CG Manual, if required. It should be noted, however, that Management does not believe that Ms. Ma. Theresa Marcial, who sits concurrently as Chairperson of both the BROC and of the RPTC, is conflicted to take on the roles in the BROC and the RPTC, as both

		chairperson of the BROC is not the chairman of any other committee.	Committees are part of the overall internal control mechanisms of the Company and their duties and functions are not inconsistent with each other. Ms. Marcial is also a highly regarded banking professional and sits as an independent director of the Company (i.e., she is not an executive director). The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the BROC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_9ad0e1658a2242d2aafd59e4f68b6e12.pdf.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	**COMPLIANT**	Both Part III(E) of the CG Manual and Part II of the BROC Charter mandate that "At least one member of the [BROC] must have relevant, thorough knowledge and experience on risk and risk management." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the BROC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_9ad0e1658a2242d2aafd59e4f68b6e12.pdf.	

Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	**COMPLIANT**	Part III(D) of the CG Manual mandates the creation of the RPTC which is "tasked with reviewing all material related party transactions of the company. The RPTC Charter also defines the purpose of the RPTC ""to ensure that terms and conditions of all Related Party Transactions must be equivalent to those that prevail in arm's length transactions and shall be subject to appropriate corporate approvals and actions of the Company and of Related Parties, with the best interest of the investing public and the Company in mind." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the RPTC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_967db431434c41ceb8a8f836ba83ac45.pdf.	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	**COMPLIANT / NON-COMPLIANT**	The RPTC is composed of "at least three members, at least two of whom shall be independent directors including the chairperson of the committee." *[See Part III(D) of the CG Manual* on the Company's website at https://www.alternergy.com/_files/ugd/9	The RPTC is composed of "at least three members, at least two of whom shall be independent directors including the chairperson of the committee." *[See Part III(D) of the CG Manual* on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf *and*

		41b16_994ec4dc91a74b108ae533e07af2ffa3.pdf *and Part III of the RPT Charter at* https://www.alternergy.com/_files/ugd/941b16_967db431434c41ceb8a8f836ba83ac45.pdf.*]* There is no requirement under the CG Manual or in the RPTC Charter that at least 3 of the RPTC members shall be non-executive directors. Currently, the RPTC is composed of 2 independent directors (Ms. Ma. Theresa Marcial as chairperson and Ms. Ma. Victoria C. Españo) and Atty. Janina C. Arriola. Atty. Arriola is an executive director. However, the Board believes that her unique professional background and long experience and proven integrity as a lawyer qualifies her for membership with the RPTC. Each such director's qualifications can be viewed at https://www.alternergy.com/board-of-directors of the Company's website.	*Part III of the RPT Charter at* https://www.alternergy.com/_files/ugd/941b16_967db431434c41ceb8a8f836ba83ac45.pdf.*]* There is no requirement under the CG Manual or in the RPTC Charter that at least 3 of the RPTC members shall be non-executive directors. Currently, the RPTC is composed of 2 independent directors (Ms. Ma. Theresa Marcial as chairperson and Ms. Ma. Victoria C. Españo) and Atty. Janina C. Arriola. Atty. Arriola is an executive director. However, the Board believes that her unique professional background and long experience and proven integrity as a lawyer qualifies her for membership with the RPTC. Each such director's qualifications can be viewed at https://www.alternergy.com/board-of-directors of the Company's website.
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**	Each Board committee (the Audit Committee, the RPTC, the CGC, the BROC, and the Execom) has a charter, which was presented to the CGC for review at its meeting on February 6, 2024. Management is currently collating the	

2. Committee Charters provide standards for evaluating the performance of the Committees.	**COMPLIANT**	comments on each charter with the goal of presenting the revised charters to the CGC and to the Board at their meetings scheduled on 24 September 2024. Each Board committee charter states in plain terms the relevant committee's purpose, membership, structure, operations, reporting process, and other relevant information, and provides standards for evaluating performance of the committees. The Audit Committee Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_f6228ca7039a40288721c10f394ef4df.pdf. The RPTC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_967db431434c41ceb8a8f836ba83ac45.pdf. The CGC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_57889ff489494b9c8be1fcc87734f93b.pdf. The BROC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_9ad0e1658a2242d2aafd59e4f68b6e12.pdf.	

		The Execom Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_bfc44776c09944768085fb3f00d9b989.pdf.	
3. Committee Charters were fully disclosed on the company's website.	**COMPLIANT**	The Audit Committee Charter can be The Audit Committee Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_f6228ca7039a40288721c10f394ef4df.pdf. The RPTC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_967db431434c41ceb8a8f836ba83ac45.pdf. The CGC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_57889ff489494b9c8be1fcc87734f93b.pdf. The BROC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_9ad0e1658a2242d2aafd59e4f68b6e12.pdf. The Execom Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_bfc44776c09944768085fb3f00d9b989.pdf.	

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			
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.	**COMPLIANT**	Part IV of the CG Manual provides as follows: "**The directors should 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, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so**. In Board and Committee meetings, the director should review meeting materials and, if called for, ask the necessary questions or seek clarifications and explanations." *[Undercoring and emphasis supplied.]* The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
2. The directors review meeting materials for all Board and Committee meetings.	**COMPLIANT**	Part IV of the CG Manual provides as follows: "The directors should 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, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. **<u>In Board and Committee meetings, the director should review meeting materials</u>** and, if called for, ask the necessary questions or seek clarifications and explanations." *[Undercoring and emphasis supplied.]* The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	**COMPLIANT**	Part IV of the CG Manual provides as follows: "The directors should 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, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. **<u>In Board and Committee meetings, the director should</u>** review meeting materials and, if called for, **<u>ask the necessary</u>**	

<table>
<tr>
<td></td>
<td></td>
<td><u>questions or seek clarifications and explanations</u>." [Undercoring and emphasis supplied.]

The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.

The following excerpts (taken from approved Minutes of Meetings of the Board) show the directors asking questions, clarifications, and explanations:

5. At the 10 May 2023 Audit Committee meeting:

With respect to the Corporation's Equity, [redacted] Upon inquiry of Ms. Maria Theresa Marcial, Mr. Maghanua informed the Board that the Corporation has a pending application with the Securities and Exchange Commission for a quasi-reorganization to wipe out the Corporation's deficit.

6. At the 10 May 2023 Board meeting:

[redacted] Upon inquiry of Mr. Miranda, Mr. Maghanua clarified that while partners for the projects will still be secured as done so in the past, the Corporation and/or its subsidiaries will now have majority stake in the projects. Upon inquiry of Ms. Marcial, Mr. Maghanua confirmed that the Corporation needs to raise new funds for the project.

x x x</td>
<td></td>
</tr>
</table>

		8. [redacted] Magbanua confirmed that no tax relief for income tax has been granted 7. At the 05 October 2023 Board meeting: Upon inquiry of Mr. Domingo, Atty. Arriola confirmed that the minimum share of the RPG is the rent of [redacted]. Upon inquiry of Ms. Marcial, Atty. Arriola clarified that the RPG can mortgage and sell the property but such mortgage and sale shall be subject to the prior rights of the Corporation. The mortgagee or buyer is obligated to respect the rights of the Corporation over the property. In response to the further inquiry of Ms. Marcial, it was disclosed that the tariff rate of [redacted] x x x [redacted] The inauguration of the Palau Solar Project was held last 3 June 2023. It was recalled that this is the project financed by the Australian government. Upon inquiry of Ms. Marcial, Mr. Lichtenfeld replied that unfortunately, there is no provision for tariff escalation. 8. At the 04 August 2023 Special Board meeting: Upon inquiry of Ms. Theresa Marcial, Mr. Magbanua clarified that only [redacted] will need to be reclassified to Perpetual Preferred Shares 2 for the capital raising activity. The remaining [redacted] Shares shall thereupon be reclassified as Perpetual Preferred Shares 1 and shall have the same terms as the existing Preferred Shares of the Corporation	
Recommendation 4.2			
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.	**COMPLIANT**	The Company's three (3) independent directors each holds less than five (5) directorship seats in other publicly-listed companies. Their bios are provided in https://www.alternergy.com/board-of-directors of the Company's website.	

		Their directorships in other companies are detailed in Annexes "E", "E-1", and "E-2" of the Company's Definitive Information Statement which can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_54f7131d326342e1bba032293f3956d4.pdf Since the date of the DIS: 1. Mr. Domingo now holds directorships in publicly-listed companies, Oceana Gold Philippines Inc. and Premium Leisure Corp.; and 2. Ms. Marcial now holds directorships in publicly-listed companies, Bank of the Philippine Islands and Areit, Inc.	
		Recommendation 4.3	
1. The directors notify the company's board before accepting a directorship in another company.	**COMPLIANT**	To date, none of the directors has, since the date of their election as such, accepted any new appointments as directors of another company. Accordingly, no notices have been received by the Board on this matter.	
		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.			
2. Company schedules board of directors' meetings before the start of the financial year.			

3. Board of directors meet at least six times during the year.			
4. Company requires as minimum quorum of at least 2/3 for board decisions.			
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**	Part I(A)(2) of the CG Manual provides that the Board "shall have at least two (2) independent directors or such number of independent directors that constitutes one-third (1/3) of the members of the Board, whichever is higher." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf. The Company has three (3) incumbent independent directors out of nine (9) Board seats. This constitutes one-third (1/3) of the total number of Board seats. The independent directors are identified in the Company's website at https://www.alternergy.com/board-of-directors.	

Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	**COMPLIANT**	Each of the Company's independent directors possesses all the qualifications prescribed by Part II(C) of the CG Manual, and none of the disqualifications prescribed by Part II(D) of the CG Manual, to hold the position. Each independent director possesses the qualifications set out in Part V(A) of the CG Manual. The Company's independent directors are each well-respected in their respective fields (in fact, Mr. Gregory Domingo is a former Cabinet secretary, while Ms. Ma. Theresa Marcial and Ms. Ma. Victoria Españo are / were at the helm of BPI Wealth and Punongbayan auditing firm, until Ms. Españo's retirement, respectively). Their bios can be viewed at https://www.alternergy.com/board-of-directors in the Company's website. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that	**COMPLIANT**	Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote	

constrain the directors' ability to vote independently.		independently. In fact, the CG Manual [Part II(F)(4)] mandates that the individual members of the Board must "exercise independent judgment," *to wit*: "A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollary, he should support plans and ideas that he thinks are beneficial to the corporation." Further, the same section of the CG Manual states that "The presence of independent directors in the Board is to ensure the exercise of independent judgment on corporate affairs and proper oversight of managerial performance, including prevention of conflict of interests and balancing of competing demands of the Company." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	**COMPLIANT**	Part V(A) of the CG Manual limits the term of the Company's independent directors to "a maximum term of nine years, whether cumulative or intermittent, provided that the total years served does	

		not exceed the nine-year term limit. After which, the independent director should be perpetually barred from re-election as such in the same company, but may continue to qualify for nomination and election as a non-independent director. In the instance that the Company wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting." None of the incumbent independent directors of the Company has served as such for more than nine (9) years. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	**COMPLIANT**	Part V(A) of the CG Manual limits the term of the Company's independent directors to "a maximum term of nine years, whether cumulative or intermittent, provided that the total years served does not exceed the nine-year term limit. After which, the independent director should be perpetually barred from re-election as such in the same company, but may continue to qualify for nomination and election as a non-independent director. In the instance that the Company wants to	

		retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting." None of the incumbent independent directors of the Company has served as such for more than nine (9) years. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
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.	**COMPLIANT**	Part V(A) of the CG Manual limits the term of the Company's independent directors to "a maximum term of nine years, whether cumulative or intermittent, provided that the total years served does not exceed the nine-year term limit. After which, the independent director should be perpetually barred from re-election as such in the same company, but may continue to qualify for nomination and election as a non-independent director. In the instance that the Company wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting."	

		None of the incumbent independent directors of the Company has served as such for more than nine (9) years. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
		Recommendation 5.4	
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	**COMPLIANT**	The positions of Chairman and President (or Chief Executive Officer) are held by separate individual. Mr. Vicente S. Pérez, Jr. is incumbent Chairman of the Board, while Mr. Gerry P. Magbanua is incumbent President. Messrs. Pérez's and Magbanua's bios can be viewed in the Company's website as holding the said positions at https://www.alternergy.com/our-team.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	**COMPLIANT**	Part II(A) of the CG Manual provides that "[t]he roles of Chairman and President should, as much as practicable, be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chairman and President upon their election."	

		The Chairman's duties and responsibilities are laid out in Part II(A) of the CG Manual, while those of the President's / CEO's are set forth in Part V(B) of the CG Manual. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
		Recommendation 5.5	
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	**COMPLIANT**	The Chairman of the Board, Mr. Vicente Pérez, Jr. is not an independent director. Ms. Ma. Theresa Marcial has been designated as the Company's lead independent director at the Board's organizational meeting on 13 December 2023.	
		Recommendation 5.6	
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	**COMPLIANT**	Part II(5) of the Company's "Policy on Material Related Party Transactions (RPT)" provides as follows: **"Independence and Inhibition of Directors and Officers Involved in Material RPTs.** To prevent and/or manage potential or actual conflict of interest situations which may arise out of or in connection with Material RPTs, directors and officers with personal interest in the transaction shall abstain from the discussion,	

		approval and management of such transaction. No director or officer shall participate in the Board discussion of a Material RPT for which he/she or any ember of his/her close family or related interest is involved, including transactions of subordinates, except in order to provide material information on the Material RPT to the Board. In case they refuse to abstain, their attendance shall not be counted for purposes of assessing the quorum and their votes shall not be counted for purposes of determining if the required approval is secured." The Company's RPT Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_f2a8b17c70994c84bff70ea12da8161d.pdf. By way of an example, at the special meeting of the Board on 13 December 2023, Mr. Gregory Domingo abstained from voting on the matter of Management's request for authority to negotiate the terms of a proposed corporate notes issuance as he is a director of a subsidiary of the mandated lead arranger. Though no material interest or conflict exists, Mr. Domingo believed it appropriate to avoid even the perception of conflict and inhibited himself from taking part in the vote.	

		The Minutes of that meeting show: Management also requested for authority to discuss and negotiate the terms of the Notes. The final terms and issuance of the Notes shall be subject to the approval of the Board [redacted] Mr. Gregory L. Domingo abstained from voting as he is a director of a subsidiary of	
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.	**NON-COMPLIANT / COMPLIANT**		The Company's non-executive directors ("NEDs") are the Independent Directors. While they have not met separately with each of the internal audit, compliance, and risk functions due to the fact that the Company has yet to hire the internal auditor and risk head (while the Compliance Officer is currently an executive director), they all attend periodic meetings of the Audit Committee where the external auditor presents its audit plans and findings. By way of example, independent directors Ms. Ma. Theresa Marcial, Mr. Gregory Domingo, and Ms. Ma. Victoria Españo (then a director-in-waiting) were all present at the 04 August 2023 Audit Committee meeting where SGV, the Company's external audit, made an extensive presentation of its Audit Plan for the Company. Following are excerpts from the minutes of that meeting:

MINUTES OF THE REGULAR MEETING
OF THE AUDIT COMMITTEE OF
ALTERNERGY HOLDINGS CORPORATION
Held on 4 August 2023 at 9 a.m.
Level 3B, 111 Paseo de Roxas Building, Paseo de Roxas Avenue
corner Legazpi Street, Legaspi Village, Makati City

PRESENT:

MARIA THERESA DELA PENA MARCIAL
GREGORY L. DOMINGO
EDUARDO MARTINEZ MIRANDA

ALSO PRESENT:

VICENTE S. PEREZ, JR.
GERRY P. MAGBANUA
KNUD HEDEAGER
MICHAEL LICHTENFELD
JANINA ARRIOLA
CARMEN DIAZ
CHESTNUT AMATONG
MARIVIC ESPANO
EPHYRO AMATONG
MARIA VIVIAN C. RUIZ
LEOVINA MAE V. CHU
RICHARD IAN G. BELDA
VERONICA R. PORE

X X X

III. <u>SGV'S AUDIT PLAN FOR THE PERIOD ENDED 2023</u>

Ms. Leovina Mae V. Chu ("*Ms. Chu*") presented the SGV Audit Plan for Alternergy Holdings Corporation (the "*Corporation*") and its subsidiaries (collectively, the *Group*") for the fiscal year ended 2023. Ms. Chu discussed that the agenda to be covered for the meeting are as follows:

1. Audit Scoping;
2. Audit Approach;
3. Digital Audit;
4. Areas of Audit Emphasis;
5. Independence; and
6. Regulatory Updates.

Preliminarily, Ms. Chu elaborated on the scope of services to be rendered by SGV in for AHC/the Group, the terms of which were expressed on the engagement agreement with SGV dated 3 July 2023. In particular, Ms. Chu enumerated the following services to be rendered for AHC/ the Group based on the engagement agreement:

1. Render an opinion on the separate and consolidated financial statements of AHC,
2. In relation to the audit of the financial statements of the Group, to make a report on the following:
   a. The supplementary information required under Revenue Regulations (RR)15-2010 and as prepared by management (AHC parent only);
   b. The supplementary schedules prepared by management as required under the Revised SRC Rule 68;
   c. Components of the financial soundness indicators as presented in the schedule of financial soundness indicators - Annex 68-E;
   d. Other information (definitive information statement, SEC form 17-A and annual report); and
3. Communicate to management and the Audit Committee on significant deficiencies in controls and procedures identified during audit.

2. The meetings are chaired by the lead independent director.		Lead Independent Director, Ms. Ma. Theresa Marcial, as then Chairman of the Audit Committee, chaired the 04 August 2023 Audit Committee meeting.	
		Optional: Principle 5	
1. None of the directors is a former CEO of the company in the past 2 years.			
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**	Part VI of the CG Manual contains a specific provision for "Assessing Board Performance," *to wit:* **VI. Assessing Board Performance** The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies. 1. The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. The self-assessment must also measure the performance of the Board and Management in accordance with the criteria provided for in this Manual. Every three (3) years, the assessment should be supported by an external facilitator. 2. The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for a feedback mechanism from the shareholders. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
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**	This requirement is not applicable as of the date of this Report, as the Company has been listed only for a little over one (1) year. The Company plans to conduct such an assessment with an external	

		facilitator before the third anniversary of its initial public offering on 24 March 2027.	
		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**	Part VI of the CG Manual contains a specific provision for "Assessing Board Performance," *to wit:* **VI. Assessing Board Performance** The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies. 1. The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. The self-assessment must also measure the performance of the Board and Management in accordance with the criteria provided for in this Manual. Every three (3) years, the assessment should be supported by an external facilitator. 2. The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for a feedback mechanism from the shareholders. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	.
2. The system allows for a feedback mechanism from the shareholders.	**COMPLIANT**		
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	
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.	**COMPLIANT**	Part VII of the CG Manual mandates the Board to "adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate 22 acceptable and unacceptable conduct and practices in internal and external dealings. The Code should be properly disseminated to the Board, senior management and employees. It should also be disclosed and made available to the public through the company website."	

		The Company implements a Board-approved "Policy on Business Conduct and Ethics" (the "Ethics Policy") which provides standards of acceptable conduct relating to Conflict of Interest, Conduct of Business and Fair Dealings, Receipt of Gifts from Third Parties, Compliance with Laws and Regulations, Respect for Trade Secrets / Use of Non-public Information, and Use of Company Funds, Assets and Information, among others. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf. The Ethics Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_55f0c54fee5047d093c946d1b1a03ad8.pdf.	
2. The Code is properly disseminated to the Board, senior management and employees.	**COMPLIANT**	Part VII of the CG Manual mandates the Board to "adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate 22 acceptable and unacceptable conduct and practices in internal and external dealings. The Code should be properly disseminated to the Board, senior management and employees. It should also be disclosed and	

		made available to the public through the company website." The Company's Ethics Policy is widely disseminated to all personnel, including senior management. It is part of the onboarding program of the Company for new employees. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The Ethics Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_55f0c54fee5047d093c946d1b1a03ad8.pdf.	
3. The Code is disclosed and made available to the public through the company website.	**COMPLIANT**	Part VII of the CG Manual mandates the Board to "adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate 22 acceptable and unacceptable conduct and practices in internal and external dealings. The Code should be properly disseminated to the Board, senior management and employees. It should also be disclosed and made available to the public through the company website." The Company's CG Manual can be viewed on the Company's website at	

		https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The Ethics Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_55f0c54fee5047d093c946d1b1a03ad8.pdf.	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	**COMPLIANT**	Part XVI of the CG Manual requires the Board to "set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program. Further, the Board should disseminate the policy and program to employees across the organization through trainings to embed them in the Company's culture." The same part of the CG Manual mandates the Board to establish a whistleblowing framework "that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board should be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement." In addition, the Company's Ethics Policy provides, among others, for standards of	

		acceptable conduct relating to Conflict of Interest, Conduct of Business and Fair Dealings, Receipt of Gifts from Third Parties, Compliance with Laws and Regulations, Respect for Trade Secrets / Use of Non-public Information, and Use of Company Funds, Assets and Information, among others. Finally, the Board has formulated and approved a "Policy on Whistle-Blowing" (the "Whistleblower Policy") which, in summary, "sets forth the conditions and procedure for investigating allegations of corruption, fraud, and other misconduct." The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The Ethics Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_55f0c54fee5047d093c946d1b1a03ad8.pdf. Finally, the Whistleblower Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_1daf8791a0d647e2ab302d082dcd28db.pdf.	

Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	**COMPLIANT**	The Company's CG Manual [Part VII] mandates the Board to "ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies." The Company implements a Board-approved "Policy on Business Conduct and Ethics" (the "Ethics Policy") which provides standards of acceptable conduct relating to Conflict of Interest, Conduct of Business and Fair Dealings, Receipt of Gifts from Third Parties, Compliance with Laws and Regulations, Respect for Trade Secrets / Use of Non-public Information, and Use of Company Funds, Assets and Information, among others. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The Ethics Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_55f0c54fee5047d093c946d1b1a03ad8.pdf. Directors, Senior Management, and all employees are required to comply with the Ethics Policy.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	**COMPLIANT**		

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			
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.	**COMPLIANT**	Part VIII(1) of the CG Manual provides as follows: **VIII. Enhancing Company Disclosure Policies and Procedures** The Company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations. In view thereof, the Company shall publicly and timely disclose all material information which could affect its viability or the interests of the stockholders. To attain these objectives: 1 The Board should establish 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, including but not limited to, earnings results and off balance sheet transactions. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
Supplement to Recommendations 8.1			
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.	**COMPLIANT**	The Company has published and disseminated an "Integrated Report" in respect of the Fiscal Year ending 30 June 2023, which can be viewed at https://www.alternergy.com/reports-presentations. The Annual Report with Consolidated and Parent FS and Sustainability Report, then we filed the SEC Form 17-A with both the SEC and PSE on October 13, 2023, and it was approved and posted on PSE EDGE on October 16, 2023, It can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16	

		ed90dd73a2d04ca7ad8c5ebc82f49a41.pdf . Other reports are filed as follows: 1. FY24 Q1 – November 9, 2023, which can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_df04a480553f41ffb66a57b5e5d28cac.pdf 2. FY24 Q2 – February 8, 2024 which can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_86b6e51e825546998801cc95a6d1651e.pdf. 3. FY24 Q3 – May 13, 2024 which can be viewed at https://edge.pse.com.ph/openDiscViewer.do?edge_no=54a831d1914d0ffcabca0fa0c5b4e4d0.	
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.	**COMPLIANT**	The Company has published and disseminated an "Integrated Report" and Annual Report in respect of the Fiscal Year ending 30 June 2023, which can be viewed at https://www.alternergy.com/reports-presentations, where the identity of the Company's controlling shareholders, their degree of ownership concentration, and cross-holdings among company affiliates are shown.	

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**	Part VIII of the CG Manual, dealing with "Enhancing Company Disclosure Policies and Procedures," mandates the establishment and implementation of "a policy requiring all directors and officers to disclose/report to the company any dealings in the company's shares within three business days." The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf Disclosures relating to actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction are periodically disclosed to the SEC and the PSE through SEC Form 17-C. These disclosures are found in "SEC Form 17-C" which can be found at https://www.alternergy.com/investors/disclosures.	
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**		
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	**COMPLIANT**	Disclosures relating to actual dealings of directors, officers, and controlling shareholders, involving the corporation's	

disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).		shares are periodically disclosed to the SEC and the PSE through SEC Form 17-C. These disclosures are found in "SEC Form 17-C" which can be found at https://www.alternergy.com/investors/disclosures. The Company's Conglomerate Map can be viewed at https://www.alternergy.com/group-structure.	
		Recommendation 8.3	
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.	**COMPLIANT**	Part VIIII(3) provides as follows: 3. The Board should fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf Relevant and material information on individual board members to evaluate their experience and qualifications and assess any potential conflicts of interest can be found in https://www.alternergy.com/board-of-directors.	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any	**COMPLIANT**	Part VIIII(3) provides as follows:	

potential conflicts of interest that might affect their judgment.		3. The Board should fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf Relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflicts of interest can be found in https://www.alternergy.com/our-team.	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	**COMPLIANT**	The following is an extract of Part II(J) of the CG Manual: J. **Remuneration of Directors and Officers** The levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance The Company may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the corporation. No director should participate in deciding on his remuneration The Company's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year. To protect the funds of the Company, the Commission may, in exceptional cases (e.g., when a corporation is under receivership or rehabilitation), regulate the payment of the compensation, allowances, fees and fringe benefits to its directors and officers. In addition, the CG Manual mandates the CGC, among others, to "establish a formal and transparent procedure for developing a policy for remuneration of directors and officers to ensure that their compensation is consistent with the Company's culture,	

		strategy, and the business environment in which it operates." Finally, Part VIII provides as follows: The Company should provide a clear disclosure of its policies and procedure for setting Board and executive direct and indirect remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report. Also, the Company should disclose the remuneration on an individual basis, including termination and retirement provisions. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	**COMPLIANT**	The following is an extract of Part II(J) of the CG Manual: J. **Remuneration of Directors and Officers** The levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance. The Company may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the corporation. No director should participate in deciding on his remuneration. The Company's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year. To protect the funds of the Company, the Commission may, in exceptional cases (e.g., when a corporation is under receivership or rehabilitation), regulate the payment of the compensation, allowances, fees and fringe benefits to its directors and officers. In addition, the CG Manual mandates the CGC, among others, to "establish a formal and transparent procedure for developing a policy for remuneration of directors and officers to ensure that their compensation is consistent with the Company's culture,	

		strategy, and the business environment in which it operates." Finally, Part VIII provides as follows: The Company should provide a clear disclosure of its policies and procedure for setting Board and executive direct and indirect remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report. Also, the Company should disclose the remuneration on an individual basis, including termination and retirement provisions. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	**COMPLIANT**	Part VIII of the CG Manual provides as follows: The Company should provide a clear disclosure of its policies and procedure for setting Board and executive direct and indirect remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report. Also, the Company should disclose the remuneration on an individual basis, including termination and retirement provisions. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf In addition, the Company's Definitive Information Sheet, relative to the first ASM of the Company, discloses the aggregate compensation paid to the top 5 executives and directors for the years 2021-2023.	

		The Company's Definitive Information Statement is disclosed in the Company's website at "Information Statement" at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_54f7131d326342e1bba032293f3956d4.pdf. Still further, the Company's Annual and Quarterly Reports contain information on remuneration. These reports can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_ed90dd73a2d04ca7ad8c5ebc82f49a41.pdf.	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	**COMPLIANT**	Part VIII(5) of the CG Manual provides as follows: 5. The Company should disclose its policies governing Related Party Transactions and other unusual or infrequently occurring transactions. The material or significant RPTs reviewed and approved during the year should be disclosed in its Annual Corporate Governance Report. To date, there has occurred no material RPT between the Company and its related parties. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	

2. Company discloses material or significant RPTs reviewed and approved during the year.	**COMPLIANT**	To date, there has occurred no material RPT between the Company and its related parties.	
		Supplement to Recommendation 8.5	
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	**COMPLIANT**	Part II(F)(1) of the CG Manual mandates every director to follow certain norms of conduct, including disclosing his interests in transactions or any other conflict of interests, *to wit:* A director should observe the following norms of conduct: 1. *Conduct fair business transactions with the Company, and ensure that his personal interest does not conflict with the interests of the Company.* The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
		Optional : Recommendation 8.5	
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.			
		Recommendation 8.6	
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.	**COMPLIANT**	Part VIII(6) of the CG Manual is reproduced here as follows: 6. The Company should make a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. Moreover, the Board should appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	

		The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	**COMPLIANT**	Part VIII(6) of the CG Manual is reproduced here as follows: 6 The Company should make a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. Moreover, the Board should appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
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**	Disclosures relating to these matters may be found in the "SEC 17-C" page of the Company's website at https://www.alternergy.com/investors/disclosures.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	**COMPLIANT**	The Company's corporate governance policies, programs, and procedure are contained in the CG Manual, which can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
2. Company's MCG is submitted to the SEC and PSE.	**COMPLIANT**		

3. Company's MCG is posted on its company website.	**COMPLIANT**	The CG Manual was submitted to the SEC and the PSE on 05 July 2022, as part of the Company's Registration Statement filing with the SEC and Listing Application with the PSE, in furtherance of the Company's IPO.	
		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.	**COMPLIANT**	The CG Manual has not been amended since its approval by the Board on 21 June 2022. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
		Optional: Principle 8	
1. Does the company's Annual Report disclose the following information:	**COMPLIANT**	The Company has published and disseminated an "Integrated Report" in respect of the Fiscal Year ending 30 June 2023, which can be viewed at https://www.alternergy.com/reports-presentations where the required matters are disclosed.	
a. Corporate Objectives	**COMPLIANT**		
b. Financial performance indicators	**COMPLIANT**		
c. Non-financial performance indicators	**COMPLIANT**		
d. Dividend Policy	**NON-COMPLIANT**		Article VII, Section 3, of the Company's By-Laws articulate the Company's dividend policy as follows:

			Section 3. Dividends - Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law. The By-Laws can be viewed at https://www.alternergy.com/_files/ugd/941b16_1f4894f07f444f618d05223e68b34156.pdf.
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**		Attendance details of each director at all directors meetings held during FY 2022-2023 are uploaded in the Company's website and can be viewed at https://www.alternergy.com/_files/ugd/941b16_7053bbf9f9a943f88e6ff4d0012c5720.pdf.
g. Total remuneration of each member of the board of directors	**COMPLIANT**	The ALTER June 2023 Audited Full Year Financial Statements, Item 10, contain information on directors' compensation. The Annual report can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_ed90dd73a2d04ca7ad8c5ebc82f49a41.pdf . Further, Directors' remunerations are disclosed in the Company's Definitive Information Statement as follows:	

		(b) Compensation of Directors (i) Standard Arrangements – Under the By-Laws Corporation, each director and board advisor shall receiv diem allowance for their attendance at each meeting Board. Currently, as compensation, each of the indep director and board advisor receive ₱50,000.00 and ₱40, respectively, per diem per meeting, and the other di including the Chairman, are not entitled to any pe allowance. The Definitive Information Statement can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b1654f7131d326342e1bba032293f3956d4.pdf.	
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**	The Integrated Report contains a section devoted to Corporate Governance, beginning on page 63. The Integrated Report as of FY ending 30 June 2023 can be viewed at https://www.alternergy.com/reports-presentations.	
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.	**COMPLIANT**	The Integrated Report contains a section devoted to Corporate Governance, beginning on page 63. The Integrated Report as of FY ending 30 June 2023 can be viewed at https://www.alternergy.com/reports-presentations.	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the	**COMPLIANT**	The Integrated Report contains a section devoted to Corporate Governance, beginning on page 63.	

company's internal controls/risk management systems.		The Integrated Report as of FY ending 30 June 2023 can be viewed at https://www.alternergy.com/reports-presentations.	
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).	**COMPLIANT**	The Integrated Report contains many references identifying key risks to which the Company is exposed. The Integrated Report as of FY ending 30 June 2023 can be viewed at https://www.alternergy.com/reports-presentations.	
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**	Part III(B)(n) provides that the Audit Committee: n. Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the Company, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders This is mirrored in the duties and functions of the Audit Committee under the AC Charter, which provides that the Audit Committee shall "[r]ecommend to the Board the appointment, reappointment, removal and fees of the external auditor, duly accredited by the Commission, who undertakes an independent audit of the Company, and provides an objective assurance on the manner by which the financial statements	

		should be prepared and presented to the stockholders." Further, Part IX of the CG Manual provides in pertinent part as follows: The Audit Committee should have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor duly accredited by the Commission. The external auditor shall undertake an independent audit of the Company and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide internal audit services to the Company. The external auditor or the signing partner of the external auditing firm assigned to the Company should be rotated or changed every five (5) years or earlier. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The Audit Committee Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_f6228ca7039a40288721c10f394ef4df.pdf.	
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.	**COMPLIANT**	Further, Part IX of the CG Manual provides in pertinent part as follows: The appointment, reappointment, removal, and fees of the external auditor should be recommended by the Audit Committee, approved by the Board and ratified by the shareholders. For resignation, removal, or cessation of the performance of services of the external auditor, the reasons therefor and the date of effectivity of such action should be disclosed to the regulators and the public through the Company's website and required disclosures. The report shall include a discussion of any disagreement between the external auditor and the Company on accounting principles or practices, financial disclosures, or audit procedures which the former and the Corporation failed to resolve satisfactorily. A preliminary copy of said report shall be given to the external auditor before its submission. The appointment of SGV & Co., the Company's external auditors, was approved by the Board and ratified by the stockholders at its annual meeting held	

		on 13 December 2023. The pertinent approval is reflected in the minutes of the meeting thus: **VIII. APPOINTMENT OF EXTERNAL AUDITOR** Mr. Gregory L. Domingo, a member of the Audit Committee, discussed the appointment of the Corporation's External Auditor for the ensuing year. Mr. Domingo reported that after considering the history of service to the Corporation, knowledge of the industry, auditing skills, quality of its audit work for the past fiscal years, the reasonableness of its fees and its reputation, the Audit Committee recommended the reappointment of Sycip Gorres Velayo & Co. (SGV & Co.) as External Auditor of the Corporation for the year 2023-2024. The appointment of SGV & Co. was approved by the Board of Directors last 5 October 2023. The Corporate Secretary confirmed that the Corporation did not receive any question as regards the appointment of the external auditor and thereafter presented the tabulation of votes and proposed resolution on this matter. With Three Billion Seventy Three Million Six Hundred Forty Six Thousand Seven Hundred Fifty Five (3,073,646,755) shares, equivalent to 100% of the stockholders present at the meeting, unanimously voting in favor of the proposed resolution, the following was approved: "**RESOLVED**, That the appointment of Sycip Gorres Velayo & Co. (SGV & Co.) as the External Auditor for the year 2023-2024 be, as it is hereby, confirmed and ratified." The Minutes of the 13 December 2023 annual meeting of the stockholders can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_75282c0b59894fd4bec22a4f74e7fc97.pdf.	
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.	**COMPLIANT**	The Company' external auditors have not been removed, or changed, since the Company went public in March 2023.	
	Supplement to Recommendation 9.1		
1. Company has a policy of rotating the lead audit partner every five years.	**COMPLIANT**	Part IX of the CG Manual provides in pertinent part as follows: The Audit Committee should have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor duly accredited by the Commission. The external auditor shall undertake an independent audit of the Company and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide internal audit services to the Company. The external auditor or the signing partner of the external auditing firm assigned to the Company should be rotated or changed every five (5) years or earlier.	

		The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
		Recommendation 9.2	
1. Audit Committee Charter includes the Audit Committee's responsibility on: 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**	Part IX of the CG Manual provides, in pertinent part, as follows: The Audit Committee Charter should include the Audit Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter should also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis. Further, Part III(B)(I) of the CG Manual as well as the Audit Committee Charter provide that the Audit Committee: • Performs oversight functions over the Company's internal and external auditors including the review of reports submitted by them. It ensures the independence of internal and external auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The Audit Committee Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_f6228ca7039a40288721c10f394ef4df.pdf.	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and	**NON-COMPLIANT**	Part IX of the CG Manual requires that the Audit Committee Charter "contain the	The Audit Committee Charter does not expressly define the Committee's responsibility

monitoring the external auditor's suitability and effectiveness on an annual basis.		Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis." However, The Audit Committee Charter does not expressly include this responsibility. However, the Audit Committee Charter is currently under review by the CGC and by the Board, and is scheduled for approval at the September 24, 2024 meetings. The duty of the Audit Committee to review and monitor the external auditor's suitability and effectiveness on an annual basis will be recommended for insertion when the CGC and the Board convene to approve the Audit Committee Charter. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the Audit Committee Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_f6228ca7039a40288721c10f394ef4df.pdf.	for reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis. However, the Audit Committee does make a recommendation to the Board and to the shareholders in respect of the appointment of the external auditor on an annual basis. Such recommendation takes into account the proposed external auditor's suitability and effectiveness. The Audit Committee Charter is currently under review by the CGC and by the Board, and is scheduled for approval at the September 24, 2024 meetings. The duty of the Audit Committee to review and monitor the external auditor's suitability and effectiveness on an annual basis may be recommended for insertion when the CGC and the Board convene to approve the Audit Committee Charter, if required. The same will be done to amend the CG Manual, if required. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the Audit Committee Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_f6228ca7039a40288721c10f394ef4df.pdf.
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	**NON-COMPLIANT**		The Audit Committee Charter does not expressly define the Committee's responsibility to ensure that the external auditor is credible,

transactions, its counterparties, and valuations of such transactions.			competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions. However, the Company's current external auditor, SGV & Co., is a leading audit company in the Philippines, is credible, competent and, to the Management's reasonable belief, has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions. The Audit Committee Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_f6228ca7039a40288721c10f394ef4df.pdf.
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	**NON-COMPLIANT**		The Audit Committee Charter does not expressly define the Committee's responsibility to ensure that the external auditor has adequate quality control procedures. However, the Audit Committee does make a recommendation to the Board and to the shareholders in respect of the appointment of the external auditor on an annual basis. Such recommendation takes into account whether the proposed external auditor has adequate quality control procedures. The Audit Committee Charter is currently under review by the CGC and by the Board, and is scheduled for approval at the September 24, 2024 meetings. The duty of the Audit Committee to ensure that the external auditor has adequate quality control procedures may be

			included in the revised Audit Committee Charter prior to its approval in September, if required. The Audit Committee Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_f6228ca7039a40288721c10f394ef4df.pdf.
		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**	Part IX of the CG Manual provides: Non-audit work may be given the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence. The Company should disclose the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. The Audit Committee should be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services which could be viewed as impairing the external auditor's objectivity. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The external auditor has, in the preceding fiscal year, performed the following non-audit services for the Company: 1. Legal opinion and assistance; 2. Agreed upon procedures for the Use of Proceeds Report; and 3. Audit and other professional services relating to Prospectus.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services,	**COMPLIANT**	Part IX of the CG Manual provides:	

which could be viewed as impairing the external auditor's objectivity.		Non-audit work may be given the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence. The Company should disclose the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. The Audit Committee should be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The external auditor has, in the preceding fiscal year, performed the following non-audit services for the Company: 1. Legal opinion and assistance; 2. Agreed upon procedures for the Use of Proceeds Report; and 3. Audit and other professional services relating to Prospectus.	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	**COMPLIANT**	Both Part III(B)(i) of the CG Manual and the Audit Committee Charter requires the Audit Committee as follows: i. Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the Audit Committee Charter can be viewed at https://www.alternergy.com/_files/ugd/9	

		41b16_f6228ca7039a40288721c10f394ef4df.pdf. For Fiscal Year 2023, fees paid for audit services amounted to Php3,000,000.00, while fees for non-audit services amounted to Php700,000.00.	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	**COMPLIANT**	Both Part III(B)(n) and Part IX of the CG Manual require that the external auditor be "duly accredited by the [SEC]". Below is information relevant to the company's external auditor, Sycip Gorres Velayo & Co.: 1. Name of the audit engagement partner: Leovina Mae V. Chu 2. Accreditation number: 9910-SEC (Group A) 3. Date Accredited: 2021 4. Expiry date of accreditation: 2025 and 5. Name, address, contact number of the audit firm: Sycip Gorres Velayo & Co. 6760 Ayala Avenue Makati City 1226 (632)8891-0307	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted	**COMPLIANT**	The Company's external auditor, SGV & Co., was subjected to SOAR on 01-12 Aug 2022. The names of the members of the	

by the SEC's Office of the General Accountant (OGA).		engagement team were provided to the SEC during the SOAR inspection.	
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**	Part X of the CG Manual is reproduced below to address the requirement: **X. Increasing Focus on Non-Financial and Sustainability Reporting** As part of its Quadruple Bottom Line Philosophy, the Company ensures that the material and reportable non-financial and sustainability issues are disclosed. The Board should have 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. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	**COMPLIANT**	Part X of the CG Manual is reproduced below: **X. Increasing Focus on Non-Financial and Sustainability Reporting** As part of its Quadruple Bottom Line Philosophy, the Company ensures that the material and reportable non-financial and sustainability issues are disclosed. The Board should have 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. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	

		The Company's maiden Sustainability Report can be viewed at https://www.alternergy.com/sustainability.	
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			
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.	**COMPLIANT**	Part XI of the CG Manual provides that the Company shall "maintain a comprehensive and cost-efficient communication channel for disseminating relevant information to its shareholders and other investors. This channel is crucial for timely and informed decision-making by investors, stakeholders and other interested users. These shall include, but not limited to, Company's website, media and analyst briefings." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf Disclosures to its shareholders and other investors (and to the public in general) can be viewed at https://www.alternergy.com/investors/disclosures.	

		Recently, the Company participated in the PSE-STAR: Investor Day Q1 2024 event by fielding featured speakers, Mr. Gerry P. Magbanua (Company President) and Ms. Carmen Diaz (Company CFO). The session may be viewed at https://star.pse.com.ph/PSEstar2024-Q1/agenda/session/1330168.	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	**COMPLIANT**	The Company's website address is https://www.alternergy.com/ Specific items can be found at: 1. https://www.alternergy.com/investors/disclosures [Items (a), (c), (d)] 2. Materials provided to analysts and the media per item (b), can be found in "Other Disclosures to SEC, PSE and Other Pertinent Agencies" on the Company's website at https://www.alternergy.com/investors/disclosures 3. https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_75282c0b59894fd4bec22a4f74e7fc97.pdf [Item (e)] 4. https://www.alternergy.com/_files/ugd/941b16_116a37f8728b4141a68f4a3d88ba04eb.pdf [Item (f)]	
a. Financial statements/reports (latest quarterly)	**COMPLIANT**		
b. Materials provided in briefings to analysts and media	**COMPLIANT**		
c. Downloadable annual report	**COMPLIANT**		
d. Notice of ASM and/or SSM	**COMPLIANT**		
e. Minutes of ASM and/or SSM	**COMPLIANT**		
f. Company's Articles of Incorporation and By-Laws	**COMPLIANT**		

		Recently, the Company participated in the PSE-STAR: Investor Day Q1 2024 event by fielding featured speakers, Mr. Gerry P. Magbanua (Company President) and Ms. Carmen Diaz (Company CFO). The session may be viewed at https://star.pse.com.ph/PSEstar2024-Q1/agenda/session/1330168.	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	**COMPLIANT**	The website complies with SEC-prescribed website template. The Company's website address is https://www.alternergy.com/	
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**	Part XII of the CG Manual requires that the Company "have an adequate and effective internal control system and an enterprise risk management framework in the conduct of its business, taking into account its size, risk profile and complexity of operations." In addition, Part II(E)(6) of the CG Manual provides that "There should be a continuing 12 review of the Company's internal control system in order to maintain its adequacy and effectiveness."	

		The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	**COMPLIANT**	Part XII of the CG Manual requires that the Company "have an adequate and effective internal control system and an enterprise risk management framework in the conduct of its business, taking into account its size, risk profile and complexity of operations." To supplement the enterprise risk function, the Internal Auditor, under Part II(H)(3) of the CG Manual, "shall be guided by the International Standards on Professional Practice of Internal Auditing and shall certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with said standards." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	

		The Company also adopts and implements a "Policy on Enterprise Risk Management" (the "ERM Policy") which discusses the Company's risk management procedures and processes, process for identifying key risks the company is currently facing, and how the company manages the key risks. The ERM Policy mandates the regular and continuing "[m]onitoring and evaluating the effectiveness of the Company's risk management processes." The Company's ERM Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_3ebefcfbff8846d788ebb6850e53137d.pdf.	
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**	The Company implements an enterprise-wide internal control system, a process designed and effected by the Board of Directors, senior management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management information; and compliance with applicable laws, regulations, and the organization's policies and procedures Provide information on or link/ reference to a document containing the company's compliance program	

		covering compliance with laws and relevant regulations. The CG Manual (art II(E)) states that "[t]here should be a continuing 12 review of the Company's internal control system in order to maintain its adequacy and effectiveness." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
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.			
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**	The Internal Audit process is defined as "an independent and objective assurance activity designed to add value to and improve the corporation's operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control, and governance processes" under the CG Manual. This is mirrored in Part XII(2) of the CG Manual which mandates that the	

		Company "have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations." In addition, Part II(H) of the CG Manual provides as follows: 3. The Company shall establish an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board may appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing and shall certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with said standards. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf Further, the Company's ERM Policy provides: The Company also has 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. The following are the functions of the internal audit, among others: h) Provides an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in: (1) promoting the right values and ethics. (2) ensuring effective performance management and accounting in the organization.	

		(3) communicating risk and control information, and (4) coordinating the activities and information among the Board, external and internal auditors, and Management; i) Performs regular and special audit as contained in the annual audit plan and/or based on the Company's risk assessment; j) Performs consulting and advisory services related to governance and control as appropriate for the organization; k) Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization; l) Reviews, audits and assesses the efficiency and effectiveness of the internal control system of all areas of the company; m) Evaluates operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned; n) Evaluates specific operations at the request of the Board, as appropriate; and o) Monitors and evaluates governance processes. The ERM Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_3ebefcfbff8846d788ebb6850e53137d.pdf. The Company's intention is for the Internal Audit function to be performed both in-house and by an external service provider (outsourced). The IA Head will be engaged to perform functions in-house, while staff work / legwork will be outsourced.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	**COMPLIANT**	Part XII of the CG Manual provides as follows	

		3. The Company shall have an Audit Head or its equivalent position who shall oversee and be responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel should be assigned the responsibility for managing the fully outsourced internal audit activity. The following are the responsibilities of the Chief Audit Executive, among others: a. Periodically reviews the internal audit charter and presents it to senior management and the Board Audit Committee for approval; b. Establishes a risk-based internal audit plan, including policies and procedures to determine the priorities of the internal audit activity, consistent with the organization's goals; c. Communicates the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Audit Committee for review and approval; d. Spearheads the performance of the internal audit activity to ensure it adds value to the organization; e. Reports periodically to the Audit Committee on the internal audit activity's performance relative to its plan; and f. Presents findings and recommendations to the Audit Committee and gives advice to senior management and the Board on how to improve internal processes. Further, the Company's ERM Policy provides: The company has a Chief Audit Executive (CAE) or its equivalent position that oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel should be assigned the responsibility for managing the fully outsourced internal audit activity. The following are the responsibilities of the CAE, among others: p) Periodically reviews the internal audit charter and presents it to senior management and the Board Audit Committee for approval; q) Establishes a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the Company's goals; r) Communicates the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Board Audit Committee for review and approval; s) Spearheads the performance of the internal audit activity to ensure it adds value to the Company; t) Reports periodically to the Board Audit Committee on the internal audit activity's performance relative to its plan; and u) Presents findings and recommendations to the Board Audit Committee and gives advice to senior management and the Board on how to improve internal processes. Currently, the Company is in the process of appointing / engaging a Chief Audit Executive. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/9	

		41b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The ERM Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_3ebefcfbff8846d788ebb6850e53137d.pdf.	
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**	Part XII of the CG Manual provides as follows 3 The Company shall have an Audit Head or its equivalent position who shall oversee and be responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel should be assigned the responsibility for managing the fully outsourced internal audit activity. The following are the responsibilities of the Chief Audit Executive, among others: a. Periodically reviews the internal audit charter and presents it to senior management and the Board Audit Committee for approval; b. Establishes a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the organization's goals; c. Communicates the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Audit Committee for review and approval; d. Spearheads the performance of the internal audit activity to ensure it adds value to the organization; e. Reports periodically to the Audit Committee on the internal audit activity's performance relative to its plan; and f. Presents findings and recommendations to the Audit Committee and gives advice to senior management and the Board on how to improve internal processes. Further, the Company's ERM Policy provides: The company has a Chief Audit Executive (CAE) or its equivalent position that oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel should be assigned the responsibility for managing the fully outsourced internal audit activity. The following are the responsibilities of the CAE, among others: p) Periodically reviews the internal audit charter and presents it to senior management and the Board Audit Committee for approval; q) Establishes a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the Company's goals; r) Communicates the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Board Audit Committee for review and approval; s) Spearheads the performance of the internal audit activity to ensure it adds value to the Company; t) Reports periodically to the Board Audit Committee on the internal audit activity's performance relative to its plan; and	

		u) Presents findings and recommendations to the Board Audit Committee and gives advice to senior management and the Board on how to improve internal processes. Currently, the Company is in the process of appointing / engaging a Chief Audit Executive. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The ERM Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_3ebefcfbff8846d788ebb6850e53137d.pdf.	
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.	**COMPLIANT**	Part XII of the CG Manual provides as follows 3. The Company shall have an Audit Head or its equivalent position who shall oversee and be responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel should be assigned the responsibility for managing the fully outsourced internal audit activity. The following are the responsibilities of the Chief Audit Executive, among others: a. Periodically reviews the internal audit charter and presents it to senior management and the Board Audit Committee for approval; b. Establishes a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the organization's goals; c. Communicates the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Audit Committee for review and approval; d. Spearheads the performance of the internal audit activity to ensure it adds value to the organization; e. Reports periodically to the Audit Committee on the internal audit activity's performance relative to its plan; and f. Presents findings and recommendations to the Audit Committee and gives advice to senior management and the Board on how to improve internal processes. Further, the Company's ERM Policy provides:	

		The company has a Chief Audit Executive (CAE) or its equivalent position that oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel should be assigned the responsibility for managing the fully outsourced internal audit activity. The following are the responsibilities of the CAE, among others: p) Periodically reviews the internal audit charter and presents it to senior management and the Board Audit Committee for approval; q) Establishes a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the Company's goals; r) Communicates the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Board Audit Committee for review and approval; s) Spearheads the performance of the internal audit activity to ensure it adds value to the Company; t) Reports periodically to the Board Audit Committee on the internal audit activity's performance relative to its plan; and u) Presents findings and recommendations to the Board Audit Committee and gives advice to senior management and the Board on how to improve internal processes. Currently, the Company is in the process of appointing / engaging a Chief Audit Executive. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The ERM Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_3ebefcfbff8846d788ebb6850e53137d.pdf.	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	**COMPLIANT**	Part XII of the CG Manual, as well as the ERM Policy, provides as follows:	

		Enterprise Management System The Company shall establish a separate, effective enterprise risk management function to identify, assess and monitor key risk exposures. The risk management function involves the following activities, among others: 1. Defining a risk management strategy; 2. Identifying and analyzing key risk exposures relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives; 3. Evaluating and categorizing each identified risk using the Company's predefined risk categories and parameters; 4. Establishing a risk register with clearly defined, prioritized and residual risks; 5. Developing a risk mitigation plan for the most important risks to the Company, as defined by the risk management strategy; 6. Communicating and reporting significant risk exposures including business risks (i.e., strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Board Risk Oversight Committee; and 7. Monitoring and evaluating the effectiveness of the organization's risk management processes. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The ERM Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_3ebefcfbff8846d788ebb6850e53137d.pdf.	
		Supplement to Recommendation 12.4	
1. Company seeks external technical support in risk management when such competence is not available internally.	**COMPLIANT**	Part XII of the CG Manual provides that the Chief Risk Officer must have "adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations," *to wit:* *Chief Risk Officer (CRO)* In managing the Company's Risk Management System, the Company shall have a Risk Officer-in-Charge who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations. The CRO has the following functions, among others:	

		1. Supervises the entire ERM process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation; 2. Communicates the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee; 3. Collaborates with the CEO in updating and making recommendations to the Board Risk Oversight Committee; 4. Suggests ERM policies and related guidance, as may be needed; and e. Provides insights on the following: Risk management processes are performing as intended; Risk measures reported are continuously reviewed by risk owners for effectiveness; and Established risk policies and procedures are being complied with. There should be clear communication between the Board Risk Oversight Committee and the CRO. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf Management, with the assistance of other departments, is currently performing the risk management function of the Company, but is also evaluating the need for such external technical support.	
		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**	Part XII of the CG Manual provides that the Chief Risk Officer must have "adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations," *to wit:* *Chief Risk Officer (CRO)* In managing the Company's Risk Management System, the Company shall have a Risk Officer-in-Charge who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations. The CRO has the following functions, among others:	

		1. Supervises the entire ERM process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation; 2. Communicates the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee; 3. Collaborates with the CEO in updating and making recommendations to the Board Risk Oversight Committee; 4. Suggests ERM policies and related guidance, as may be needed; and e. Provides insights on the following: Risk management processes are performing as intended; Risk measures reported are continuously reviewed by risk owners for effectiveness; and Established risk policies and procedures are being complied with. There should be clear communication between the Board Risk Oversight Committee and the CRO. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf Currently, the Company is in the process of engaging a CRO. In the meantime, the BROC implements and monitors the Company's ERM system. The BROC Charter can be viewed at https://www.alternergy.com/_files/ugd/941b16_9ad0e1658a2242d2aafd59e4f68b6e12.pdf.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	**COMPLIANT**	Part XII of the CG Manual provides that the Chief Risk Officer must have "adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations," *to wit:* *Chief Risk Officer (CRO)* In managing the Company's Risk Management System, the Company shall have a Risk Officer-in-Charge who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations. The CRO has the following functions among others	

		1. Supervises the entire ERM process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation; 2. Communicates the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee; 3. Collaborates with the CEO in updating and making recommendations to the Board Risk Oversight Committee; 4. Suggests ERM policies and related guidance, as may be needed; and e. Provides insights on the following: Risk management processes are performing as intended; Risk measures reported are continuously reviewed by risk owners for effectiveness; and Established risk policies and procedures are being complied with. There should be clear communication between the Board Risk Oversight Committee and the CRO. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
Additional Recommendation to Principle 12			
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.	**NON-COMPLIANT**		The Company shall require the President and the CAE (once engaged or employed and appointed) to attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively, beginning the first full fiscal year of the Company's existence as a publicly-listed company.
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			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	**COMPLIANT**	Part XIII of the CG Manual is devoted to "Promoting Shareholder Rights." The basic principle is that "The Company shall treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights." The CG Manual can be viewed on the Company's website at	

		https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	**COMPLIANT**	Part XIII of the CG Manual is devoted to "Promoting Shareholder Rights." The basic principle is that "The Company shall treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	**COMPLIANT**	Nothing in the Company's by-laws restrict the exercise of a voting right in respect of each common share. The Company's By-Laws can be viewed at https://www.alternergy.com/_files/ugd/941b16_1f4894f07f444f618d05223e68b34156.pdf.	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	**COMPLIANT**	Part XIII of the CG Manual is devoted to "Promoting Shareholder Rights." The basic principle is that "The Company shall treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights."	

		The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf In addition, the Company's By-Laws describe the rights of different classes of shareholders in Article 1, Sections 2 and 4. The Company's By-Laws can be viewed at https://www.alternergy.com/_files/ugd/941b16_1f4894f07f444f618d05223e68b34156.pdf.	
3. Board has an effective, secure, and efficient voting system.	**COMPLIANT**	Article III, Section 6, of the Company's By-Laws provide that "every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board." The Company's By-Laws can be viewed at https://www.alternergy.com/_files/ugd/941b16_1f4894f07f444f618d05223e68b34156.pdf.	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	**COMPLIANT**	The Company has no shareholder voting mechanisms such as supermajority or "majority of minority". Minority shareholders' rights are protected under the Revised Corporation Code.	

		In addition, under the CG Manual, "Minority stockholders shall be given the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
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**	Article II, Section 2, of the Company's By-Laws allows shareholders to call special shareholders' meetings, *to wit*: **Section 2.** Special Meeting - The special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: (a) majority members of the Board of Directors, at its own instance; (b) President; or (c) by stockholders owning at least ten percent (10%) of the total issued and outstanding capital stock of the corporation; provided that such stockholders have continuously held such shares for at least one (1) year prior to the Corporate Secretary's receipt of such stockholders' written call for a special meeting and provided further that such call complies with the procedures and requirements set forth in relevant regulations. Such call shall state the purpose or purposes of the meeting, which must affect the legitimate interest of the stockholders, is germane to the stockholders' interest, and should not include the removal of any director. *(As amended on June 10, 2022)* In addition, under the CG Manual, "Minority stockholders shall be given the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/9	

		41b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	**COMPLIANT**	Part XIII of the CG Manual is devoted to "Promoting Shareholder Rights." The basic principle is that "The Company shall treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights." In addition, under the CG Manual, "Minority stockholders shall be given the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company." In addition: The Board shall commit to respect the following rights of the stockholders: 1. Voting Rights on all matters that require their consent or approval; 2. Pre-emptive Right; 3. Right of Inspection; 4. Right to Information; 5. Right to Dividends and Dividend Policy; and 6. Appraisal Right The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
7. Company has a transparent and specific dividend policy.	**COMPLIANT**	Article VII, Section 3, of the Company's By-Laws articulate the Company's dividend policy as follows:	

		Section 3. Dividends - Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law. The Company's By-Laws can be viewed at https://www.alternergy.com/_files/ugd/941b16_1f4894f07f444f618d05223e68b34156.pdf. Since the Company's IPO, no dividends have as yet been declared to the shareholders.	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
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 / NON-COMPLIANT**	The principle is enshrined in Part XIII of the CG Manual, thus: The Board shall encourage active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information within the period prescribed by law. In addition, Article II, Section 4, of the Company's By-Laws provide the requirements for notices of shareholders meetings as follows (including a 21-day notice period):	Article II, Section 4, of the Company's By-Laws require at least 21 days' prior notice of the convening of annual meetings. Notices for special shareholders meetings may be sent at least 1 week before the date of the meeting, or "such other period as may be allowed by applicable regulations."

		Section 4. Notice of Meeting - Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail, telegraph, cable, facsimile, electronic-mail or other electronic means to each stockholder of record entitled to vote thereat at the address and/or facsimile, telegraph number or electronic mail address last known to the Secretary at least twenty-one (21) days before the date of the meeting. Notice for special meetings of stockholders may be sent at least one (1) week before the date of the meeting, or such other period as may be allowed by applicable regulations. Except where expressly required by law, no publication of any notice of a meeting of stockholders shall be required. Each stockholder shall provide his current residential or office address and electronic mail address to the Secretary not later than thirty (30) days after the regular meeting of the stockholders, and shall notify the Secretary of any change in his residential or office address or electronic mail address within five (5) days from the said change. The Secretary shall maintain a record of the current residential or office address, and the electronic mail address of each stockholder of the corporation. Any notice of any regular or special meeting sent by electronic mail to the last known electronic mail address of a stockholder shall be considered a valid service of the notice upon said stockholder. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called. Such requirements aforesaid and notice of any meetings may be waived, expressly or impliedly, by any stockholder. *(As amended on June 10, 2022)* When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The Company's By-Laws can be viewed at https://www.alternergy.com/_files/ugd/941b16_1f4894f07f444f618d05223e68b34156.pdf. The agenda for the first and most current ASM of the company is included in the Notice of the Annual Stockholders' Meeting which can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_8df1896628894bb8aa46e24b18a90768.pdf.	**Section 4.** Notice of Meeting - Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail, telegraph, cable, facsimile, electronic-mail or other electronic means to each stockholder of record entitled to vote thereat at the address and/or facsimile, telegraph number or electronic mail address last known to the Secretary at least twenty-one (21) days before the date of the meeting. Notice for special meetings of stockholders may be sent at least one (1) week before the date of the meeting, or such other period as may be allowed by applicable regulations. Except where expressly required by law, no publication of any notice of a meeting of stockholders shall be required. Each stockholder shall provide his current residential or office address and electronic mail address to the Secretary not later than thirty (30) days after the regular meeting of the stockholders, and shall notify the Secretary of any change in his residential or office address or electronic mail address within five (5) days from the said change. The Secretary shall maintain a record of the current residential or office address, and the electronic mail address of each stockholder of the corporation. Any notice of any regular or special meeting sent by electronic mail to the last known electronic mail address of a stockholder shall be considered a valid service of the notice upon said stockholder. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called. Such requirements aforesaid and notice of any meetings may be waived, expressly or impliedly, by any stockholder. *(As amended on June 10, 2022)* When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting. The shorter notice periods take into account that meetings may be conducted by teleconference or online, as was the case in respect of the Company's first ASM, where up to 71.41% of the outstanding capital stock were represented.
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	**COMPLIANT**	The Notice of the Annual Stockholders' Meeting can be viewed at	

		https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_8df1896628894bb8aa46e24b18a90768.pdf.	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	**NON-COMPLIANT**		The Notice of ASM does not contain the profile of the directors. However, the Company's Definitive Information Sheet (Item 5), relative to the first ASM of the Company, discloses the profiles of the directors. The Company's Definitive Information Statement is disclosed in the Company's website at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_54f7131d326342e1bba032293f3956d4.pdf. The directors' bios may also be viewed on the Company's website at https://www.alternergy.com/board-of-directors.
b. Auditors seeking appointment/re-appointment	**COMPLIANT**	The Notice of the Annual Stockholders' Meeting include the agenda for the meeting, which in turn includes the appointment of the external auditor. The attachments to the Notice clearly identify SGV & Co. as the proposed external auditor. The Notice and its attachments can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_8df1896628894bb8aa46e24b18a90768.pdf.	

c. Proxy documents	**COMPLIANT**	Proxy forms were provided (though not solicited) through the Company's Definitive Information Statement. The Notice of the ASM urged shareholders who will be unable to attend the meeting to submit a scanned copy of their proxies to a designated email address specified in the Notice, no later than 5 December 2023 (for validation on 07 December 2023). The Company's Definitive Information Statement is disclosed in the Company's website at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_54f7131d326342e1bba032293f3956d4.pdf. The Notice can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_8df1896628894bb8aa46e24b18a90768.pdf.	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	**COMPLIANT**	Annex "A" of the Information Statement provides brief explanation and rationale for each item of the Agenda. The Company's Definitive Information Statement is disclosed in the Company's website at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_	

		54f7131d326342e1bba032293f3956d4.pdf.	
		Recommendation 13.3	
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.	**COMPLIANT**	Part XIII of the CG Manual provides: The Board shall encourage 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. In addition, the Minutes of the Annual and Special Shareholders' Meeting shall be available on the Company's website within five (5) business days from the end of the meeting. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The Minutes of the 13 December 2023 ASM contains information on all relevant questions raised and answers during the ASM and the results of the vote taken. The Minutes can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_75282c0b59894fd4bec22a4f74e7fc97.pdf.	
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.	**COMPLIANT**	The CG Manual, Part XIII, provides that "the Minutes of the Annual and Special Shareholders' Meeting shall be available on the Company's website within five (5) business days from the end of the meeting." The CG Manual can be viewed on the Company's website at	

		https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The Minutes of the 13 December 2023 ASM contains information on voting results for all agenda items, including the approving, dissenting and abstaining votes (made by show of hands / verbal assent) and shows that there was opportunity to ask questions and the answers given. The Minutes can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_75282c0b59894fd4bec22a4f74e7fc97.pdf.	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	**COMPLIANT**	The external auditors and other relevant individuals were present during the 13 December 2023 ASM, as evidenced by the minutes, which can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_75282c0b59894fd4bec22a4f74e7fc97.pdf.	
Recommendation 13.4			
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.	**COMPLIANT**	Part XIII of the CG Manual provides: It is the responsibility of the Board of Directors to establish an alternative dispute resolution system to settle intra-corporate disputes in an amicable and effective manner. As such, the Board of Directors normally engages the services of a neutral third party to assist in the resolution of issues between the Company and stockholders, third parties and regulatory authorities. The alternative dispute resolution system may include arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof, as the Company and the circumstances sees fit. Consideration is given to the need to promote candor through confidentiality of the process, the policy of fostering prompt, economical, and amicable resolution of disputes in accordance with the principles of integrity of determination by the parties, and the policy that the decision-making authority in the process rests with the parties. The CG Manual can be viewed on the Company's website at	

		https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	**COMPLIANT**	Part XIII of the CG Manual provides: It is the responsibility of the Board of Directors to establish an alternative dispute resolution system to settle intra-corporate disputes in an amicable and effective manner. As such, the Board of Directors normally engages the services of a neutral third party to assist in the resolution of issues between the Company and stockholders, third parties and regulatory authorities. The alternative dispute resolution system may include arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof, as the Company and the circumstances sees fit. Consideration is given to the need to promote candor through confidentiality of the process, the policy of fostering prompt, economical, and amicable resolution of disputes in accordance with the principles of integrity of determination by the parties, and the policy that the decision-making authority in the process rests with the parties. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	**COMPLIANT**	Part XIII of the CG Manual provides: The Company shall establish an Investor Relations Office (IRO) to facilitate constant engagement with its shareholders. The IRO shall be present at every shareholders' meeting. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf. The Company's Investor Relations Officer is Ms. Beatriz Bathan, whose contact details are as follows: 1. Telephone number: 0908-3321785	

		2. Fax number: None 3. E-mail address: investorrelations@alternergy.com	
2. IRO is present at every shareholder's meeting.	**COMPLIANT**	The IRO was present during the Company's maiden ASM on 13 December 2023, the minutes of which can be viewed at https://941b1631-8e7e-4428-9e88-9ceb26b44e2d.usrfiles.com/ugd/941b16_75282c0b59894fd4bec22a4f74e7fc97.pdf.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	**COMPLIANT**	The Board does not employ any anti-takeover measures or similar devices.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	**COMPLIANT**	The Company's disclosure on its website of its Top 20 shareholders (which can be viewed at https://www.alternergy.com/_files/ugd/941b16_c0c1dc99f7b24f26ac8954f637988050.pdf) indicate total shares traded publicly at 3,933,840,480, constituting 33.93% public float.	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting			
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			

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			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	**COMPLIANT**	Part XV of the CG Manual provides that "The Board should identify the Company's various stakeholders and promote cooperation between them and the company in creating wealth, growth and sustainability." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The Company's disclosure on its website of its Top 20 shareholders (which can be viewed at https://www.alternergy.com/_files/ugd/941b16_c0c1dc99f7b24f26ac8954f637988050.pdf) identifies the company's Top 20 shareholders.	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	**COMPLIANT**	Part XV of the CG Manual provides that "The Board should establish clear policies and programs to provide a mechanism on the fair treatment and protection of Stakeholders."	

		The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
Recommendation 14.3			
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.		Part XV of the CG Manual provides that "The Board should adopt a transparent framework and process that allow Stakeholders to communicate with the company and to obtain redress for the violation of their rights." The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf The Company's Whistleblower Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_1daf8791a0d647e2ab302d082dcd28db.pdf.	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	**COMPLIANT**	Part XIII of the CG Manual provides: It is the responsibility of the Board of Directors to establish an alternative dispute resolution system to settle intra-corporate disputes in an amicable and effective manner. As such, the Board of Directors normally engages the services of a neutral third party to assist in the resolution of issues between the Company and stockholders, third parties and regulatory authorities. The alternative dispute resolution system may include arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof, as the Company and the circumstances sees fit. Consideration is given to the need to promote candor through confidentiality of the process, the policy of fostering prompt, economical, and amicable resolution of disputes in accordance with the principles of integrity of determination by the parties, and the policy that the decision-making authority in the process rests with the parties.	

		The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
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**	The Company has not sought any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue.	
2. Company respects intellectual property rights.	**COMPLIANT**	The Company has never been subject of any complaints or claims for violation of intellectual property. Respect for intellectual property rights are embedded in contracts entered into by the Company.	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare			
2. Company discloses its policies and practices that address supplier/contractor selection procedures			

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**	Part XVI of the CG Manual is devoted to "Encouraging Employees' Participation", thus: **XVI. Encouraging Employees' Participation** In line with its Quadruple Bottom Line Philosophy, 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. 1. The Board should establish policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance. 2. The Board should set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program. Further, the Board should disseminate the policy and program to employees across the organization through trainings to embed them in the Company's culture. 3. The Board should establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board should be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement. The CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	**COMPLIANT**	The Company is currently formulating a merit-based "Long Term Incentive Plan" (similar to an employee stock option plan) that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	
2. Company has policies and practices on health, safety and welfare of its employees.	**COMPLIANT**	The Company implements a "Policy on Health and Wellness and Training" (the "Wellness Policy") which provides information on policies and practices on	

		health, safety and welfare of employees, as well as on training. The Wellness Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_6cc146efb5f342a1b65d06f0de982674.pdf.	
3. Company has policies and practices on training and development of its employees.	**COMPLIANT**	The Company implements a "Policy on Health and Wellness and Training" (the "Wellness Policy") which provides information on policies and practices on health, safety and welfare of employees, as well as on training. The Wellness Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_6cc146efb5f342a1b65d06f0de982674.pdf. As of the date of this report, the Company has provided trainings to the Company's officers and staff on mental wellness, *to wit:* 1. "A Pioneering Step: Mental Health 101 Workshop," 25 January 2024, Company's Head Office; 2. "#RenewWell: Launching of Mental Health Assistance Services with Mindscapes," 16 February 2024, Company's Head Office; and	

		3. "A Pioneering Step: Mental Health 101 Workshop – Shaping Alternergy's Approach to Well-being," 14 March 2024, Company's Head Office.	
		Recommendation 15.2	
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.	**COMPLIANT**	Part XVI of the CG Manual requires the Board to "set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program. Further, the Board should disseminate the policy and program to employees across the organization through trainings to embed them in the Company's culture." The same part of the CG Manual mandates the Board to establish a whistleblowing framework "that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board should be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement." In addition, the Company's Ethics Policy provides, among others, for standards of acceptable conduct relating to Conflict of Interest, Conduct of Business and Fair Dealings, Receipt of Gifts from Third	

		Parties, Compliance with Laws and Regulations, Respect for Trade Secrets / Use of Non-public Information, and Use of Company Funds, Assets and Information, among others. Finally, the Board has formulated and approved a "Policy on Whistle-Blowing" (the "Whistleblower Policy") which, in summary, "sets forth the conditions and procedure for investigating allegations of corruption, fraud, and other misconduct." The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the Ethics Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_55f0c54fee5047d093c946d1b1a03ad8.pdf. Finally, the Whistleblower Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_1daf8791a0d647e2ab302d082dcd28db.pdf.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	**COMPLIANT**	The anti-corruption policies of the Company are available on the Company's website: The Company's CG Manual can be viewed on the Company's website at	

		https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the Ethics Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_55f0c54fee5047d093c946d1b1a03ad8.pdf. Finally, the Whistleblower Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_1daf8791a0d647e2ab302d082dcd28db.pdf. They are also disseminated as part of the onboarding of new employees in order to embed them in the Company's culture.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	**COMPLIANT**	Part XVI of the CG Manual requires the Board to "set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program. Further, the Board should disseminate the policy and program to employees across the organization through trainings to embed them in the Company's culture." The same part of the CG Manual mandates the Board to establish a whistleblowing framework "that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and	

		to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board should be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement." In addition, the Company's Ethics Policy provides, among others, for standards of acceptable conduct relating to Conflict of Interest, Conduct of Business and Fair Dealings, Receipt of Gifts from Third Parties, Compliance with Laws and Regulations, Respect for Trade Secrets / Use of Non-public Information, and Use of Company Funds, Assets and Information, among others. Finally, the Board has formulated and approved a "Policy on Whistle-Blowing" (the "Whistleblower Policy") which, in summary, "sets forth the conditions and procedure for investigating allegations of corruption, fraud, and other misconduct." The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf, while the Ethics Policy can be viewed at https://www.alternergy.com/_files/ugd/9	

		41b16_55f0c54fee5047d093c946d1b1a03ad8.pdf. Finally, the Whistleblower Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_1daf8791a0d647e2ab302d082dcd28db.pdf. To date, no violations of the Company's policies on this matter have been reported.	
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**	Part XVI of the CG Manual provides that "The Board should establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board should be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement." The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	

		The Board has formulated and approved a Whistleblower Policy which, in summary, "sets forth the conditions and procedure for investigating allegations of corruption, fraud, and other misconduct." The Whistleblower Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_1daf8791a0d647e2ab302d082dcd28db.pdf. Part 5 of the Whistleblower Policy includes procedures to protect the employees from retaliation.	
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.	**COMPLIANT**	Part XVI of the CG Manual provides that "The Board should establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board should be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement." The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	

		The Board has also formulated and approved a Whistleblower Policy which, in summary, "sets forth the conditions and procedure for investigating allegations of corruption, fraud, and other misconduct." Part 7 of the Whistleblower Policy provides the channels and procedure for raising whistleblowing complaints shall depend on whether or not the allegation, complaint, or information is made or disclosed by an Associate, by a party external to the Company but privy to a Company Project, or by a party external to the Company and not a privy to a Company Project. The Whistleblower Policy can be viewed at https://www.alternergy.com/_files/ugd/941b16_1daf8791a0d647e2ab302d082dcd28db.pdf.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	**COMPLIANT**	Part XVI of the CG Manual provides that "The Board should establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board should be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement."	

		The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf. To date, there have been no whistleblowing incidents reported.	
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			
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.	**COMPLIANT**	Part XVII of the CG Manual provides as follows: **XVII. Encouraging Sustainability and Social Responsibility** In line with its Quadruple Bottom Line Philosophy, 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. The Company should recognize and place an importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Company to grow its business, while contributing to the advancement of the society where it operates. The Company's CG Manual can be viewed on the Company's website at https://www.alternergy.com/_files/ugd/941b16_994ec4dc91a74b108ae533e07af2ffa3.pdf.	

Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development			
2. Company exerts effort to interact positively with the communities in which it operates			

[*Signatures follow*]

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of **ALTERNERGY HOLDINGS CORPORATION** by the undersigned, thereunto duly authorized, in the City of Makati, on ____ May 2024.

SIGNATURES

[redacted]
Vicente S. Pérez,
Chairman of the Board

[redacted]
Gerry P. Magbanua
President

[redacted]
Maria Theresa dela Peña Marcial
Lead Independent Director

[redacted]
Gregory L. Domingo
Independent Director

[redacted]
Maria Victoria S. Españo
Independent Director

[redacted]
Atty. Janina. C. Arriola
Compliance Officer

[redacted]
Atty. Sherleen Lourds R. Macatangay
Assistant Corporate Secretary
(in the absence of the Corporate Secretary)

MAY 30 2024

SUBSCRIBED AND SWORN to before me this _____ day of May 2024, by the following affiants:

Affiant	Competent Evidence of Identity
Vicente S. Pérez, Jr.	[redacted]
Gerry P. Magbanua	[redacted]
Maria Theresa dela Peña-Marcial	[redacted]
Gregory L. Domingo	[redacted]
Ma. Victoria S. Españo	[redacted]
Janina C. Arriola	[redacted]
Sherleen Lourds R. Macatangay	[redacted]

Doc. No. 11;
Page No. 04;
Book No. XXI;
Series of 2024.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729/ Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-39 (2023-2024)
PTR No. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City