



## SEC FORM – ACGR

### ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended: **31 December 2024**
2. SEC Identification Number: **18890**. 3. BIR Tax Identification No.: **000-202-524**
4. Exact name of issuer as specified in its charter: **DAGUPAN ELECTRIC CORPORATION**
5. **DAGUPAN CITY, PANGASINAN, PHILIPPINES**  (SEC Use Only)  
Province, Country or other jurisdiction of      Industry Classification Code:  
incorporation or organization
7. **AB FERNANDEZ ST., DAGUPAN CITY, PANGASINAN, PHILIPPINES** **2400**  
Address of principal office      Postal Code
8. **(632) 8374 3039**  
Issuer's telephone number, including area code
9. **N/A.**  
Former name, former address, and former fiscal year, if changed since last report.

ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	<i>Provide information or link/reference to a document containing information on the following:</i> 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors  2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance  The Board of Directors (BOD) of Dagupan Electric Corporation ("DECORP" or the "Company") is composed of individuals with collective working knowledge and experience or expertise that is relevant to the Company's business as an electric distribution utility.  The BOD has an appropriate mix of individuals with competence and expertise in the areas of strategy,	
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		

		<p>operations, finance, human resources, legal matters, and regulatory compliance relevant to the Company's industry.</p> <p>With each director demonstrating the ability to add value and exercise independent judgement, ensures that each director remains qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p> <p>The profiles of the directors are disclosed in the Annual Report while the required qualifications of a director are provided in Section 6 and 7 of the Manual of Good Corporate Governance.</p> <p>Links:</p> <p>Profile of Directors</p> <p>SEC Form 17-A, Annual Report, pages 37 to 40</p> <p><a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>SEC Form 20-IS, Definitive Information Statement, pages 36 to 42</p>	
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		<a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a>  Qualifications of Directors  Manual of Corporate Governance, pages 9 to 11  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a>  Further, in Section 4.4 of the Manual of the Corporate Governance, all directors are required to undergo relevant and continuing training to ensure that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Corporation  Manual of Corporate Governance, page 7  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a>	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.		<i>Identify or provide link/reference to a document identifying the directors and the type of their directorships</i>	

	<p>The Company's Board of Directors is composed of seven (7) directors, of whom (2) are independent, two (2) are non executive, and three (3) are executive directors.</p> <table><tr><td>Non-Executive Director</td><td>Angelique Maxime L. Llames-James Chairperson</td></tr><tr><td>Non-Executive Director</td><td>Deon Peter James</td></tr><tr><td>Non-Executive Director</td><td>Jose Maria A. Abaya</td></tr><tr><td>Independent Director</td><td>Renulfo M. Ocampo</td></tr><tr><td>Independent Director</td><td>Geromin T. Nepomuceno Jr.</td></tr><tr><td>Executive Director</td><td>Rene Bernard L. Llames President and CEO</td></tr><tr><td>Executive Director</td><td>Cynthia Irene L. Llames Treasurer</td></tr></table> <p>The following documents contain the directors and the type of their directorships</p> <p>Links:</p> <p>SEC Form 17-A, Annual Report, pages 36 to 39</p>	Non-Executive Director	Angelique Maxime L. Llames-James Chairperson	Non-Executive Director	Deon Peter James	Non-Executive Director	Jose Maria A. Abaya	Independent Director	Renulfo M. Ocampo	Independent Director	Geromin T. Nepomuceno Jr.	Executive Director	Rene Bernard L. Llames President and CEO	Executive Director	Cynthia Irene L. Llames Treasurer	
Non-Executive Director	Angelique Maxime L. Llames-James Chairperson															
Non-Executive Director	Deon Peter James															
Non-Executive Director	Jose Maria A. Abaya															
Independent Director	Renulfo M. Ocampo															
Independent Director	Geromin T. Nepomuceno Jr.															
Executive Director	Rene Bernard L. Llames President and CEO															
Executive Director	Cynthia Irene L. Llames Treasurer															

		<a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a>  SEC Form 20-IS, Definitive Information Statement, pages 11 to 14 <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a>	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Non-compliant	<i>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</i>  Board Charter	Considering that the Company's Registration Statement was rendered effective by the SEC only on December 27, 2023, the Board is in the process of creating its Board Charter  Link SEC Order of Registration <a href="https://www.dagupanelectric.com/corporate/sec-order-of-registration-20231227.pdf">https://www.dagupanelectric.com/corporate/sec-order-of-registration-20231227.pdf</a>
	Compliant	Section 4.4 of the Company's Manual of Corporate Governance provides, " All directors shall undergo relevant and continuing training for a duration equal to or longer than what is required by law and regulations."  Manual of Corporate Governance, page 7	

		<a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a>	
2. Company has an orientation program for first time directors.	Compliant	The directors attended eight (8) hours of relevant corporate governance training, particularly, the training conducted by the Institute of Corporate Directors on June 3 and 4, 2025 entitled, "Corporate Governance Orientation Program."	The Company is still developing training processes for first time directors.
3. Company has relevant annual continuing training for all directors.	Compliant		
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Non compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy.	<p>The Board is still in the process of preparing its policy on board diversity.</p> <p>The establishment of a policy on board diversity is provided in Article I, Section 1, paragraph 4 of the Company's Corporate Governance Manual, "The Board shall establish a policy on board diversity. To avoid groupthink and ensure that optimal decision making is achieved, said policy must endeavor to achieve a board composition that is diverse in gender, skills, competence, knowledge, experience, and expertise."</p> <p>Manual of Corporate Governance, page 5  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>

		Indicate gender composition of the board.	<p>The Company's current directors, nonetheless, have diverse profile, competence, expertise, and experience as disclosed in its Annual Report. The required qualifications of a director are listed in Sections 6 and 7 of the Company's Manual of Corporate Governance</p> <p>SEC Form 17-A, Annual Report, pages 37 to 40</p> <p><a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>SEC Form 20-IS, Definitive Information Statement, pages 36 to 42</p> <p><a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p> <p>Qualifications of Directors</p> <p>Manual of Corporate Governance, pages 9 to 11</p> <p><a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its		Provide information on or link/reference to a document containing the company's policy	



board diversity and reports on progress in achieving its objectives.		and measurable objectives for implementing board diversity.  Provide link or reference to a progress report in achieving its objectives.	
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	<i>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</i>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<p>The Company's Board is assisted by a Corporate Secretary, Atty. Erwin Mark A. Gavino. Atty Gavino is a separate individual from the Compliance Officer, and is not a member of the of the Board of Directors</p> <p>The profile of the Corporate Secretary is disclosed in the Company's Annual Report for 2024 and Definitive Information Statement. The required qualifications of a Corporate Secretary are provided in Section 10 of the Company's Manual of Good Corporate Governance</p> <p>SEC 17-A, Annual Report 2024, page 39  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a> </p>	

		<p>SEC Form 20-IS, Definitive Information Statement, page 14  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p> <p>Manual of Good Corporate Governance, page 12  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	<p>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p>The Corporate Secretary attended eight (8) hours of relevant corporate governance training, particularly, the training conducted by the Institute of Corporate Directors on June 3 and 4, 2025 entitled, "Corporate Governance Orientation Program."</p> <p>Certificate of Participation, attached as Annex A</p>	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.		Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant		

2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	
3. Compliance Officer is not a member of the board.	Compliant	<p>The Company's Compliance Officer, Lilian D. Saralde has a rank of a Senior Officer with adequate stature and authority in the Corporation. Ms Saralde is not a member of the Board of Directors.</p> <p>The profile of the Compliance Officer is disclosed in the Company's Annual Report 2024 and Definitive Information Statement. The required qualifications of a Corporate Secretary are provided in Section 10 of the Company's Manual of Good Corporate Governance</p> <p>SEC 17-A, Annual Report 2024, page 39  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>SEC Form 20-IS, Definitive Information Statement, page 15-16  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p> <p>Manual of Good Corporate Governance, pages 12 -13</p>	

		<a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a>	
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p>The Corporate Secretary attended an eight (8) hours of relevant corporate governance training, particularly, the training conducted by the Institute of Corporate Directors on June 3 and 4, 2025 entitled, "Corporate Governance Orientation Program."</p> <p>Certificate of Participation, attached as Annex B</p>	

**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	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p> <p>Section 4 of the Company's Manual of Corporate Governance outlines the duties and responsibilities of the Board of Directors, and the manner by which this should be carried out. The Board is mandated to execute its responsibilities on a fully informed</p>	
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		<p>basis, in good faith, with due diligence and care, and in the best interest of the Company.</p> <p>The accomplishments of the Board are disclosed in the Annual Report and in the Definitive Information Statement</p> <p>Manual of Corporate Governance, page 6  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p> <p>SEC Form 17-A Annual Report, page 2  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>SEC Form 20-IS Definitive Information Statement, List of Acts of the Board  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	As mandated in the Company's Manual of Corporate Governance, the Board is responsible for developing the Company's strategic direction, policies, and procedures that will direct its activities, including the means to effectively evaluate Management's performance.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		

		<p>The Board regularly monitors the development and implementation of the Company's objectives and strategy as part of the regular Board meetings. The Board also conducts an Annual Strategic Planning to assess the Company's performance in the previous year, define future direction, set goals, and allocate resources to achieve these goals.</p> <p>In 2024, the Company's Board of Directors had its annual strategic planning on November 12-15, 2024 at Hiraya Wellness Resort and Eco Park in Aguilar, Pangasinan</p> <p>Manual of Corporate Governance, page 6  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p> <p>SEC Form 17-A Annual Report, page 2  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>SEC Form 20-IS Definitive Information Statement, List of Acts of the Board  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>	
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**Supplement to Recommendation 2.2**

1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>Indicate frequency of review of the vision, mission and core values.</p> <p>The Board annually reviews and confirms the vision, strategic intent, and corporate values of the Company. In the 2024 Annual Strategic Planning of the BOD held on November 12-15, 2024, the same vision, strategic intent, and corporate values were reviewed and confirmed.</p> <p>The vision, strategic intent, and corporate values of the Company's is outlined in the Company's Staff Manual, pages 8-9</p> <p><a href="https://drive.google.com/drive/u/0/folders/1WJxvOv-Wj0xGpX57c5Gr2DbkwUbxs7S1">https://drive.google.com/drive/u/0/folders/1WJxvOv-Wj0xGpX57c5Gr2DbkwUbxs7S1</a></p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the	Compliant	<p><i>Provide information on or link/reference to a document containing information on the strategy execution process.</i></p>	

<p>company's business environment, and culture.</p>		<p>The Company has a Management team composed of corporate officers and executives headed by the President and CEO.</p> <p>The Management ensures the effective execution of corporate strategies that facilitates effective management performance and is attuned to the company's business environment, and culture.</p> <p>The Company meets every two (2) months to ensure implementation of major policies and directions. The Management reports to the Board during regular and special meetings through the President and CEO.</p> <p>SEC 17-A, Annual Report, page 39  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a>  SEC 20-IS, Definitive Information Statement, page 15  Link</p>	
<b>Recommendation 2.3</b>			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <p>Ms. Angelique Maxime L. Llames-James has served as the Chairperson of the Board of the</p>	



		<p>Company since 2022. Ms James joined the Company in 1996, where she was elected as a member of the Board of Directors and appointed as Assistant to the President until 2022. In 2023, in addition to being the Chairperson, she is also the Vice President of the Company.</p> <p>The profile, qualifications, experience, and expertise of Ms. James is disclosed in the 2024 Annual Report.</p> <p>SEC 17-A, Annual Report, page 36  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>SEC 20-IS, Definitive Information Statement, page 12</p>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</p> <p>The BOD's Corporate Governance (CG) Committee is responsible for recommending a succession planning program for the board members, key officers and management. The CG Committee, working closely with the Head of</p>	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		

		<p>Human Resources, is tasked with guiding the strategic direction of succession planning, leadership development, and talent management initiatives</p> <p>The process involves a thorough assessment of current talent, identification of potential gaps, and the cultivation of qualified internal candidates. This strategic foresight ensures a smooth transition during leadership changes, minimizes disruption, and safeguards the continuity of sound corporate governance practices. The collaboration with the Board ensures that these succession strategies are fully aligned with the company's strategic objectives and long-term vision.</p> <p>Manual of Corporate Governance, page 19  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p> <p>SEC 17-A, Annual Report, page 36  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>SEC 20-IS, Definitive Information Statement, page 12</p>	
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<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	I
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	In collaboration with the Head of Human Resources, the Corporate Governance Committee, recommends a framework of remuneration for directors and key officers. This framework establishes a transparent, performance-linked, and market-competitive compensation structure. This framework considers various components, including base salary, performance bonuses, long-term incentive plans, and benefits, all designed to align the interest of leadership with those of the shareholders and the broader organization.	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	Compensation is reviewed annually, which often includes assessing market data and the overall budget. The Company rewards its individual directors and key officers based on the individual contributions to the overall performance of the	

		<p>Company. Performance is evaluated based on the Company's established balance performance scorecard.</p> <p>The annual performance assessment cycle begins with goal setting. Once team members and leaders mutually agree upon and sign off on these goals, they serve as the foundation for performance reviews. Regular performance reviews are conducted for all team leaders and members, scheduled bi-annually in August and February of the following year. The final performance ratings from their respective team leaders are the basis for the bonus and may influence merit increases.</p> <p>Manual of Corporate Governance, page 19  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p> <p>SEC 17-A, Annual Report, page 36  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>SEC 20-IS, Definitive Information Statement, page 12  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>	
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<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.		Provide proof of board approval	
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.		Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.  Provide proof if minority shareholders have a right to nominate candidates to the board  Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.  The nomination and election process for the Company's Board of Directors is disclosed in the Manual	
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		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		

		of Corporate Governance, Amended By-laws, and is explained by the Company's Corporate Secretary every annual stockholders' meeting	
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	The Corporate Governance Committee determines the nomination and election process and has the duty of defining the general profile of board members that the Company may need and ensuring appropriate knowledge, competencies, and expertise that complement the existing skills of the Board	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	<p>All shareholders have an equal right to nominate candidates for election to the Board.</p> <p>Manual of Corporate Governance, page 18  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p> <p>Amended By-laws, page 4  <a href="https://drive.google.com/drive/u/0/folders/1WJxvOv-Wj0xGpX57c5Gr2DbkwUbxS7S1">https://drive.google.com/drive/u/0/folders/1WJxvOv-Wj0xGpX57c5Gr2DbkwUbxS7S1</a></p> <p>In 2024, a call for nomination was given to all stockholders on July 15, 2024 for the submission of</p>	

		<p>nomination of qualified candidates on or before July 22, 2024</p> <p>Minutes of the 2024 ASM, page 128  <a href="https://www.dagupanelectric.com/corporate/sec-form-20IS-PIS-2025-minutes-asm-20240726.pdf">https://www.dagupanelectric.com/corporate/sec-form-20IS-PIS-2025-minutes-asm-20240726.pdf</a></p> <p>SEC 20-IS, Definitive Information Statement, page 21  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p> <p>The Corporate Governance Committee evaluates and screens nominees for directors vis-a-vis the applicable qualifications and disqualifications as set forth in the Company's Manual of Corporate Governance, By-laws while ensuring that said qualifications are in line with the strategic objectives of the Company.</p> <p>Manual of Corporate Governance, page 9 - 10  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p> <p>The shareholders will then elect the directors during the Annual Stockholders' Meeting</p>	
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		Minutes of the Annual Stockholders' Meeting, page 140 <a href="https://www.dagupanelectric.com/corporate/sec-form-201S-PIS-2025-minutes-asm-20240726.pdf">https://www.dagupanelectric.com/corporate/sec-form-201S-PIS-2025-minutes-asm-20240726.pdf</a>	
<b>Optional: Recommendation to 2.6</b>			
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.		Identify the professional search firm used or other external sources of candidates	
<b>Recommendation 2.7</b>			
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.	Non-compliant	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs  Identify transactions that were approved pursuant to the policy.	Considering that the Company's Registration Statement was rendered effective by the SEC only on December 27, 2023, the Board is still in the process of creating its policy on related party transaction
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Non-compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Non-compliant		
<b>Supplement to Recommendations 2.7</b>			



1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> 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.	Non Compliant	Provide information on a materiality threshold for RPT disclosure and approval, if any.  Provide information on RPT categories	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Non-compliant	Provide information on the voting system, if any.	
<b>Recommendation 2.8</b>			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.  Identity the Management team appointed  As mandated in the Amended By-laws of the Corporation, the Board is responsible for approving the selection of Management led by the President and/or Chief Executive Officer	

		<p>Amended By-laws, page <a href="https://drive.google.com/drive/u/0/folders/1WJxvOv-Wj0xGpX57c5Gr2DbkwUbxs7S1">https://drive.google.com/drive/u/0/folders/1WJxvOv-Wj0xGpX57c5Gr2DbkwUbxs7S1</a></p> <p>The following are the members of the Management Team of the Company as provided in the General Information Sheet for 2024:</p> <table><tr><th>Name</th><th>Position</th></tr><tr><td>Rene Bernard L. Llames</td><td>President and CEO</td></tr><tr><td>Angelique Maxime L. Llames-James</td><td>Vice President</td></tr><tr><td>Cynthia Irene L. Llames</td><td>Treasurer</td></tr><tr><td>Mark Erwin A. Gavino</td><td>Corporate Secretary</td></tr></table> <p>General Information Sheet, page 4 <a href="https://drive.google.com/drive/u/0/folders/1WJxvOv-Wj0xGpX57c5Gr2DbkwUbxs7S1">https://drive.google.com/drive/u/0/folders/1WJxvOv-Wj0xGpX57c5Gr2DbkwUbxs7S1</a></p>	Name	Position	Rene Bernard L. Llames	President and CEO	Angelique Maxime L. Llames-James	Vice President	Cynthia Irene L. Llames	Treasurer	Mark Erwin A. Gavino	Corporate Secretary	
Name	Position												
Rene Bernard L. Llames	President and CEO												
Angelique Maxime L. Llames-James	Vice President												
Cynthia Irene L. Llames	Treasurer												
Mark Erwin A. Gavino	Corporate Secretary												
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	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.											

Risk Officer, Chief Compliance Officer and Chief Audit Executive).		<p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p>As provided in Section 14.3 of the Manual of Corporate Governance, the Board, through the Corporate Governance (CG) Committee, conducts a periodic performance evaluation of the management team.</p> <p>The CG Committee ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement</p> <p>Manual of Corporate Governance, page 19  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	
<b>Recommendation 2.9</b>			
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	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p> <p>The Manual of Corporate Governance mandates the Board to conduct a periodic performance evaluation of the Management team.</p>	
2. Board establishes an effective performance management framework	Compliant		

<p>that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>		<p>The annual performance of Management and employees is assessed through the Performance Enhancement Program (PEP). It is a system that would clarify performance expectations, measure productivity, and reward accordingly.</p> <p>Performance Enhancement Program follows four (4) phases:</p> <p><b>Performance Planning</b> - Establishing clearly defined business goals and objectives</p> <p><b>Performance Collection</b> - Performing the actual work</p> <p>Performance Review - Documenting and comparing the actual performance against the agreed targets</p> <p><b>Continuous improvement</b> - Preparing performance development plans for the next period</p> <p>Manual of Corporate Governance, page 19  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	
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		Staff Manual, Policy No. 3, page 24 <a href="https://drive.google.com/drive/u/0/folders/1WJxvOv-Wj0xGpX57c5Gr2DbkwUbxs7S1">https://drive.google.com/drive/u/0/folders/1WJxvOv-Wj0xGpX57c5Gr2DbkwUbxs7S1</a>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Non compliant	<p>The Board, assisted by the Audit Committee, oversees that an appropriate internal control system is in place and ensures reasonable assurance that the Company's key organizational and operational controls are effective, appropriate, and faithfully complied with. However, it is still in the process of formalizing its inclusion of a mechanism for monitoring and managing potential conflict of interest of the Management, members, and shareholders.</p> <p>Manual of Corporate Governance, page 13 <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	

3. Board approves the Internal Audit Charter.	Non Compliant	Provide reference or link to the company's Internal Audit Charter	The Company is in the process of formalizing the Internal Audit Charter
<b>Recommendation 2.11</b>			
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	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Non compliant	<p>Provide proof of effectiveness of risk management strategies, if any.</p> <p>As provided in Sec 12.11 of the Manual of Corporate Governance, the Board oversees that a sound Enterprise Risk Management (ERM) framework is in place to effectively identify, monitor, assess, and manage key business risks. The risk management framework shall guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. However, it is still in the process of formalizing its ERM framework.</p> <p>Manual of Corporate Governance, page 15  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	

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.	Non-Compliant	Provide link to the company's website where the Board Charter is disclosed.	The Board is still in the process of establishing its Board Charter, and intends to implement the same within the year.
2. Board Charter serves as a guide to the directors in the performance of their functions.	Non-Compliant		
3. Board Charter is publicly available and posted on the company's website.	Non-Compliant		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Article 7.1.2 of the Company's Manual for Good Corporate Governance provides that Individuals who have violated securities laws, including insider trading, market manipulation, or other forms of securities fraud, could face permanent disqualification from serving as directors or officers.  Manual of Corporate Governance, page 10 <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a>	
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.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	
<b>Principle 3:</b> 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.			
<b>Recommendation 3.1</b>			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Minutes of the Board Meeting on November 7, 2024, Item 6, page 9 <a href="https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEgKYDvs5Y6s_sb">https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEgKYDvs5Y6s_sb</a>	
<b>Recommendation 3.2</b>			
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	The Board appointed members and the chairperson of the Internal Audit Committee on 07 November 2024. The Corporate Governance Manual provides the duties and functions of the Internal Audit Committee, including the responsibility to recommend the appointment and removal of the company's external auditor.	



		<p>Minutes of the Board Meeting on November 7, 2024, Item 6, page 9  <a href="https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEqKYDvs5Y6s_sb">https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEqKYDvs5Y6s_sb</a></p> <p>Manual of Corporate Governance, page 25  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	<p>The internal audit committee is composed of three non-executive directors: Independent Director Atty. Ranulfo Ocampo, Director Mr. Deon Peter James, and the Chairman is Independent Director Mr. Geromin T. Nepomuceno Jr.</p> <p>Minutes of the Board Meeting on November 7, 2024, Item 6, page 9  <a href="https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEqKYDvs5Y6s_sb">https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEqKYDvs5Y6s_sb</a></p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>The profile of the members of the committee are available in the Company's Information Statement</p> <p>Definitive Information Statement, page 12  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>	

4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p>The Chairman of the Audit Committee, Mr. Geromin T. Nempomuceno, is not the Board Chairman, and is only a member but not the Chairman of the Corporate Governance Committee, and Board Risk Oversight Committee.</p> <p>Definitive Information Statement, page 12  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Non-compliant	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	The Audit Committee is in the process of formalizing its procedures, and will conduct its meetings this year.
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-Compliant.	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	The Audit Committee is in the process of formalizing its procedures, and will conduct its meetings this year.
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.	Non Compliant	Indicate the number of Audit Committee meetings during the year and provide proof	The Audit Committee is in the process of formalizing its procedures, and will conduct its meetings this year.
2. Audit Committee approves the appointment and removal of the internal auditor.	Non-compliant	Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	The Audit Committee is in the process of formalizing its procedures, and will conduct its meetings this year.

Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>The Corporate Governance Committee was created via the Manual of Good Corporate Governance in 2023, which details the functions of the committee.</p> <p>Manual of Corporate Governance, Section 14, page 19  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p> <p>The Committee has not yet undertaken the process of identifying the quality of directors aligned with the company's strategic direction.</p>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	<p>The Board appointed members and the chairperson of the Corporate Governance Committee on 07 November 2024. Atty. Ranulfo Ocampo is an Independent Director and was appointed as the Chairman. He is a member of the Philippine Bar, and has decades of experience in the distribution utility industry. Non-Executive director, Mr. Deon Peter James, is appointed as a member. Independent Director Mr. Geromin T. Nepomuceno Jr. is also appointed as a member. Both have decades of experience in the</p>	

		<p>distribution utility industry as well. directorship.</p> <p>Minutes of the Annual Meeting on November 17, 2024, Item 6, page 9  <a href="https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEqKYDvs5Y6s_sb">https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEqKYDvs5Y6s_sb</a></p>	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	The Board appointed Atty. Ranulfo Ocampo as the Chairman of the Corporate Governance Committee. He is an Independent Director.	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	Non-Compliant	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	The Corporate Governance Committee is in the process of formalizing its procedures, and will conduct its meetings this year.
<b>Recommendation 3.4</b>			
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	<p>On 14 May 2025, the Board created the Board Risk Oversight Committee (BROC). The Company's Manual of Good Corporate Governance provides for the functions of the Committee.</p> <p>Manual of Corporate Governance, Section 15, page 22</p>	

		<a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	On 14 May 2025, the Board appointed Director Mr. Jose Maria Abaya as the acting Chairman of the BROC, and appointed the company's President and Director, Mr. Rene Bernard L. Llamas, and Independent Director Mr. Geromin T. Neomuceno Jr. as members. All Board members have vast experience in the Distribution Utility Industry.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	The Chairman of the BROC, Mr. Jose Maria Abaya is not the Chairman of the Board of Directors of the Company.	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	All three members of the BROC have extensive experience as executives of distribution utility companies, and have decades of experience in risk and risk management.	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is	Non-compliant	Provide information or link/reference to a document containing information on the Related Party	The Board is still in the process of the establishment of a Related Party Transactions (RPT) Committee, due to

tasked with reviewing all material related party transactions of the company.		Transactions (RPT) Committee, including its functions.	ongoing efforts to identify and recruit independent directors with the specific expertise and availability required to effectively oversee RPTs. The Board is committed to ensuring the committee is composed of individuals who can provide objective and robust scrutiny, which necessitates a thorough selection process.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-compliant	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	The Board is still in the process of the establishment of a Related Party Transactions (RPT) Committee, due to ongoing efforts to identify and recruit independent directors with the specific expertise and availability required to effectively oversee RPTs. The Board is committed to ensuring the committee is composed of individuals who can provide objective and robust scrutiny, which necessitates a thorough selection process.
<b>Recommendation 3.6</b>			
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	The duties and functions of each Committee are detailed in the Company's Manual for Good Corporate Governance.  Manual of Corporate Governance, Sec 14 to 16, pages 18 to 30 <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-Compliant.		The Board is in the process of defining measurable metrics for the committee work.

3. Committee Charters were fully disclosed on the company's website.	Compliant	<p>The duties and functions of each Committee are defined in the Company's Manual for Good Corporate Governance</p> <p>Manual of Corporate Governance, Sec 14 to 16, pages 18 to 30  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	
<b>Principle 4:</b> 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.			
<b>Recommendation 4.1</b>			
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	<p>Board meetings are conducted in quarterly face to face meetings, and all members of the Board have actively attended and participated in the board meetings.</p> <p>The attendance of the directors at board meetings is disclosed in the Definitive Information Statement</p> <p>SEC Form 17-A, Definitive Information Statement, page 17  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Form 20-IS, Definitive Information Statement, Annex H, List of Acts of the Board of the Company	

		<a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>The directors actively participate in agenda matters during the face to face Board meetings, and actively review the company documentation on operational, finance, regulatory, and other relevant matters.</p> <p>Form 20-IS, Definitive Information Statement, Annex H, List of Acts of the Board of the Company</p> <p><a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>	
<b>Recommendation 4.2</b>			
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	<p>The company does not currently have a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorship of the company's directors in both listed and non-listed companies.</p> <p>The information on the directorship of the company's directors are listed in the following documents:</p>	



		<p>Form 17-A, Annual Report, page 36 to 39  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>Form 20-IS, Definitive Information Statement, Item 5, pages 11 to 14  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	Non-compliant.	Provide a copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	The Board is in the process of establishing a notification process for directors to disclose appointments with other corporations.
<b>Optional: Principle 4</b>			
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.	Non-compliant.		
3.			
4. Board of directors meet at least six times during the year.	Non-compliant	The Board meets quarterly. The Minutes of Board Meetings are recorded and shall be made available to the SEC.	

5. Company requires as minimum quorum of at least 2/3 for board decisions.	Non-compliant	The Board does not as a policy require more than a majority as the required minimum quorum for board decisions.	
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**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.	Non-compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board	<p>The current composition of the Board of Directors includes two (2) independent directors, and is in the process of selecting a third independent director.</p> <p>The Company's independent directors are disclosed in the following documents:</p> <p>Form 17-A, Annual Report, page 36 to 39  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>Form 20-IS, Definitive Information Statement, Item 5, pages 11 to 14  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>
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**Recommendation 5.2**

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p> <p>The qualifications of the independent directors are disclosed in Section 2 of the Manual of Corporate Governance</p>	
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		Manual of Corporate Governance, page 5 <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	No constraints on directors' ability to vote is contained in the Company's Charter, By Laws, or any agreements.	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Provide information or link/reference to a document showing the years IDs have served as such.  The service tenure of the independent directors is disclosed in the following documents:  Form 17-A, Annual Report, pages 37 to 39 <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a>  Form 20-IS, Definitive Information Statement, Item 5, pages 13 to 14 <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a>	

<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</p> <p>Section 2 of the Manual of Corporate Governance details the qualifications and disqualifications of independent directors, which includes compliance with all relevant SEC regulations.</p> <p>Manual of Corporate Governance, pages 5 to 6  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	
<p>3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.</p>	<p>Compliant</p>	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <p>Atty. Ranulfo M. Ocampo has served nine terms as Independent Director of the Corporation. During the regular meeting of the Board held on 14 May 2025, the Board of Directors resolved to accept Atty. Ranulfo M. Ocampo as a nominee for an additional term. The election for the members of the Board of Directors, including independent directors, to serve for 2025 to 2026, is included in the Agenda for the Annual Stockholders' Meeting of the</p>	

		<p>Corporation to be held on 16 July 2025.</p> <p>The justification to extend the term of Atty. Ranulfo M. Ocampo as independent director is disclosed in the Definitive Information Statement.</p> <p>SEC Form 20-IS, Definitive Information Statement, page 17  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>Identify the company's Chairman of the Board and Chief Executive Officer</p> <p>The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals. The Company's Chairperson of the Board is Ms. Angelique Maxime L. Llames-James, while the President and Chief Executive Officer is Mr. Rene Bernard L. Llames.</p> <p>Form 17-A, Annual Report, page 36  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>SEC Form 20-IS, Definitive Information Statement, page 12</p>	

		<a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>The roles and responsibilities of the Chairperson of the Board and Chief Executive Officer are discussed in the following documents.</p> <p>Manual of Corporate Governance, page 11 and 13  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p> <p>Company's By-laws, Article IV, pages 6 to 7  <a href="https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEqKYDvs5Y6s_sb">https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEqKYDvs5Y6s_sb</a></p> <p>Identify the relationship of Chairman and CEO.</p> <p>The Company's Chairperson, Angelique Maxime L. Llames-James and its President and CEO, Rene Bernard L. Llames are brothers and sisters. This relationship is disclosed in</p>	

		<p>the Annual Report and Definitive Information Statement Form 17-A, Annual Report, page 41  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>SEC Form 20-IS, Definitive Information Statement, page 1  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non-Compliant	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p>	The Chairman is not an independent director. Due to the transitional nature of the Company having only become public in the last year, the Board is in the process of formulating a policy to designate a lead director among its independent directors to eventually align with best practices in board leadership.
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	The Directors have not yet acted upon any transaction in which they have a material interest.	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal	Non-compliant	Provide proof and details of said meeting, if any.	Currently, the President, Rene Bernard Llames, the Vice President and Chairperson, Angelique Maxime L. Llames-James, Director Deon P. James, and the Compliance officer, Lilian D.

audit, compliance and risk functions, without any executive present.		Provide information on the frequency and attendees of meetings.	Saralde, meet with the external auditor annually. The Board is in the process of reviewing best practices for having non-executive directors meet with the external auditor.
2. The meetings are chaired by the lead independent director.	Non-compliant		
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years	
<b>Principle 6:</b> 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.			
<b>Recommendation 6.1</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	Non-compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	The annual board self-assessment shall be conducted by the Board within the year. The Board is reviewing assessment criteria for the Chairman and directors.
2. The Chairman conducts a self-assessment of his performance.	Non-compliant		The annual board self-assessment shall be conducted by the Board within the year. The Board is reviewing assessment criteria for the Chairman and directors.
3. The individual members conduct a self-assessment of their performance.	Non-compliant		The annual board self-assessment shall be conducted by the Board within the year. The Board is reviewing assessment criteria for the Chairman and directors.
4. Each committee conducts a self-assessment of its performance.	Non-compliant		The Board is reviewing assessment criteria for the committees, and intends to have



			each committee conduct self-assessment within the year.
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant	Identify the external facilitator and provide proof of use of an external facilitator.	The board is reviewing candidates for the external facilitator.
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.	Non-compliant	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	The Board is in the process of revising its Corporate Governance Manual to include for the monitoring and assessment of the performance of the board committees as well as the Board.
2. The system allows for a feedback mechanism from the shareholders.	Non-compliant		The Board is in the process of developing an effective shareholder feedback mechanism.
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	The company's Code of Business Conduct and Ethics policies are published in the Company's Staff Manual.  Staff Manual <a href="https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEgKYDvs5Y6s_sb">https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEgKYDvs5Y6s_sb</a>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	A physical copy of the Staff Manual is provided to all employees upon regularization. Soft copies were also provided to senior management and the Board members.	

3. The Code is disclosed and made available to the public through the company website.	Non-compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	The Corporation will make the Code of Conduct and Ethics policies available to the public on the company website within the second half of 2025.
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.	Non-compliant	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery	The Board is formulating an anti-corruption policy, and shall publish the same within the year.
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant.	Company management diligently <b>monitors compliance</b> with the established Code of Conduct and Ethics policies. Extraordinary violations are raised to the Board. This continuous oversight ensures that all operations align with the highest standards of integrity and ethical practice. All personnel from rank and file employees to senior management are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	
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	Compliant.	Article III of the Company' manual on Good Corporate Governance provides that the Board shall	

timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.		<p>establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable, and timely report to the shareholders and other stakeholders that gives a fair and complete picture of a Corporation's financial condition, results and business operations in accordance with the disclosure and reporting requirements of the SEC and other regulators.</p> <p>Manual of Corporate Governance, page 31  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	
<b>Supplement to Recommendations 8.1</b>			
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	<p>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</p> <p>The Company's 2024 Audited Financial Statements were released on 15 April 2025, 105 days after the end of the fiscal year.</p> <p>2024 Audited Financial Statements  <a href="https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEgKYDvs5Y6s_sb">https://drive.google.com/drive/u/0/folders/1bPVCgHsESqO1DD2EqZEgKYDvs5Y6s_sb</a></p>	

		<p>2024 Quarterly reports are likewise disclosed and published within 45 days from the reporting period.</p> <p>Quarterly Financial and Operating Results  <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a></p>	
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	Non-Compliant	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> <li>1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</li> <li>2. cross-holdings among company affiliates; and</li> <li>3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</li> </ol>	<p>The Company's annual report focuses on the financial performance, operational performance and reliability, network performance, infrastructure development, customer connections and concerns, energy and sales demand, strategic outlook and the Company's future plans.</p>
<b>Recommendation 8.2</b>			
<p>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.</p>	Compliant	Article III of the Company's Manual on Good Corporate Governance provides that The Corporation shall have a policy requiring all directors and officers to disclose/report to the Corporation through the Compliance Officer any dealings in	
<p>2. Company has a policy requiring all officers to disclose/report to the company any</p>	Compliant		

dealings in the company's shares within three business days.		the Corporation's shares within three business days.  Manual of Corporate Governance, page 32 <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a>	
<b>Supplement to Recommendation 8.2</b>			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant.	The Company makes timely disclosures and/or submissions of reportorial requirements to the regulatory agencies, such as the SEC	
<b>Recommendation 8.3</b>			
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	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 is provided in the Company's Annual Report and Definitive Information Statement.  Form 17-A, Annual Report <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a>	

		Form 20-IS, Definitive Information Statement <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p>All relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment is provided in the Company's Annual and Definitive Information Statement.</p> <p>Form 17-A, Annual Report <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>Form 20-IS, Definitive Information Statement <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>	
<b>Recommendation 8.4</b>			
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 company policy and practice for setting board remuneration is provided in Article I section 8 of the Company's Manual on Good Corporate Governance.	

		<p>Manual on Good Corporate Governance, page 11  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	<p>The policies and procedure for setting executive remuneration is provided in Section 14.3.7 of the Company's Manual on Good Corporate Governance.</p> <p>Manual on Good Corporate Governance, page 20  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<p>All relevant and material information on director remuneration and executive compensation is provided in the Company's Annual Report and Definitive Information Statement.</p> <p>SEC Form 17-A, Annual Report, page 36  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a></p> <p>Form 20-IS, Definitive Information Statement, page 18  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>	

<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<p>Policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions are found in section 5.5 and 16.2.13 of the Company's Manual on Good Corporate Governance</p> <p>Manual on Corporate Governance, page 8 and 27  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p>The Company has a Related Party Transaction (RPT) in the form of a lease agreement. This RPT is characterized by common ownership shared between the Company and the other party involved in the lease agreement.</p> <p>The Company makes timely disclosures and/or submissions of material or significant RPTs to the SEC.</p> <p>The Company's RPT is disclosed in the following documents:</p> <p>Form 17-A, Annual Report, page 6</p>	



		<a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a>  Form 20-IS, Definitive Information Statement, page 18  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a>	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Section 4 of the company's Manual on Good Corporate Governance provides for directors to disclose their interests in transactions or any other conflict of interests.  Manual of Corporate Governance, page 7 <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a>  Form 17-S, Definitive Information Statement, page 18 <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a>	
<b>Optional : Recommendation 8.5</b>			

1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	Section 5.5 of the company's Manual on Good Corporate Governance provides for directors to disclose their interests in transactions or any other conflict of interests. The Manual is available to stakeholders at <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a>	
<b>Recommendation 8.6</b>			
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	The Company makes timely disclosures and/or submissions of material facts or events 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 to the SEC via Form 17-C submissions	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Non-compliant	Identify independent party appointed to evaluate the fairness of the transaction price  Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.	Company management is in the process of identifying competent third parties which the Company may tap to evaluate the fairness of the transaction price on the acquisition or disposal of assets.
<b>Supplement to Recommendation 8.6</b>			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such	Compliant	It is the policy of the Company to disclose the existence, justification and details on shareholder agreements, voting trust	

other agreements that may impact on the control, ownership, and strategic direction of the company.		<p>agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the Company</p> <p>In 2024, the Company has no such agreements to disclose</p> <p>Form 20-IS, Definitive Information Statement, page 26  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a> </p>	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant.	<p>The Company's corporate governance policies, programs, and procedures are contained in its Manual on Corporate Governance. The MCG was included in the submission of the Company's Registration Statement, which was approved by the SEC on 27 December 2023.</p> <p>SEC Form 12-1, As Amended, Registration Statement, page 6  <a href="https://www.dagupanelectric.com/corporate/sec-form-12-1-registration-statement-09pg.pdf">https://www.dagupanelectric.com/corporate/sec-form-12-1-registration-statement-09pg.pdf</a> </p> <p>SEC Order of Registration  <a href="https://www.dagupanelectric.com/corporate/sec-order-of-registration-20231227.pdf">https://www.dagupanelectric.com/corporate/sec-order-of-registration-20231227.pdf</a> </p>	
2. Company's MCG is submitted to the SEC.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		

		<p>The Company's Manual on Good Corporate Governance available to stakeholders at</p> <p><a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a></p>	
<b>Supplement to Recommendation 8.7</b>			
<p>1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.</p>	Compliant	<p>Provide proof of submission.</p> <p>The Company's MCG was included in the submission of the Company's Registration Statement, which was approved by the SEC on 27 December 2023.</p> <p>SEC Form 12-1, As Amended, Registration Statement, page 6  <a href="https://www.dagupanelectric.com/corporate/sec-form-12-1-registration-statement-09pg.pdf">https://www.dagupanelectric.com/corporate/sec-form-12-1-registration-statement-09pg.pdf</a></p> <p>SEC Order of Registration  <a href="https://www.dagupanelectric.com/corporate/sec-order-of-registration-20231227.pdf">https://www.dagupanelectric.com/corporate/sec-order-of-registration-20231227.pdf</a></p> <p>In 2024, there was no update on the Company's MCG</p>	
<b>Optional: Principle 8</b>			
<p>1. Does the company's Annual Report disclose the following information:</p>	Compliant	<p>The company's Annual Report discloses the following information:</p>	

a. Corporate Objectives	Compliant	a. Corporate objectives - page 2 b. Financial performance indicator - page 24 c. Non-financial indicators - page 23 d. Dividend policy - page 21 e. Biographical details - pages 36 to 40 f. Attendance details of each director - page 49 g. Total remuneration of each member of the board of directors - page 42  SEC Form 17-A, Annual Report <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a>	
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Compliant		
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance,	Non-Compliant	Provide link or reference to where this is contained in the Annual Report	The annual report currently does not cover the compliance with the Code of Corporate Governance, as the same focuses on the Company's business

identifies and explains reason for each such issue.			performance and industry regulatory matters. Moving forward, the report shall cover the compliance with the Code of Corporate Governance as well.
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 discussion on the company's material controls (including operational, financial and compliance controls) and risk management systems is in the Annual Report, found from page 26 of the DIS to page 29. Provide link or reference to where this is contained in the Annual Report	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Non-Compliant	Provide link or reference to where this is contained in the Annual Report	The Board will provide a statement on the adequacy of the company's internal controls/risk management systems in annual reports in the coming year.
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	Provide link or reference to where this is contained in the Annual Report  The Company discloses in the Annual Report the key risks to which the company is materially exposed.  SEC Form 17-A, Annual Report, page 17 <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-17A-Annual-Report-2024.pdf</a>	

**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.	Non-compliant	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	The Audit Committee is still in the process of establishing its processes and procedures.
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	<p>92% of the shareholders ratified the reappointment of the external auditor at the 26 July 2024 Annual Stockholders meeting.</p> <p>Minutes of the Annual Stockholders Meeting on 26 July 2024  <a href="https://www.dagupanelectric.com/corporate/sec-form-20IS-PIS-2025-minutes-asm-20240726.pdf">https://www.dagupanelectric.com/corporate/sec-form-20IS-PIS-2025-minutes-asm-20240726.pdf</a></p>	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	<p>While The Company has not removed an external auditor, the Company shall make timely disclosures and/or submissions of material facts or events including the removal or change of the external auditor to the SEC via Form 17-C submissions.</p> <p>Form 20-IS, Definitive Information Statement, page 20  <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a></p>	

#### Supplement to Recommendation 9.1

1. Company has a policy of rotating the lead audit partner every five years.	Compliant	This information is included in the Company's Information Statement, available to stakeholders at  Form 20-IS, Definitive Information Statement, page 20 <a href="https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf">https://www.dagupanelectric.com/corporate/sec/2025/Form-20IS-DIS-2025.pdf</a>	
<b>Recommendation 9.2</b>			
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.	Non-Compliant	Provide link/reference to the company's Audit Committee Charter	The Audit Committee is still in the process of establishing its Charter
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's	Non-Compliant	Provide link/reference to the company's Audit Committee Charter	The Audit Committee is still in the process of establishing its Charter



suitability and effectiveness on an annual basis.			
<b>Supplement to Recommendations 9.2</b>			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Non-Compliant	Provide link/reference to the company's Audit Committee Charter	The Audit Committee is still in the process of establishing its Charter
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Non-Compliant	Provide link/reference to the company's Audit Committee Charter	The Audit Committee is still in the process of establishing its Charter
<b>Recommendation 9.3</b>			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Disclose the nature of non-audit services performed by the external auditor, if any.  In 2024, the Company did not avail of non-audit services from our external auditors. If such services will be necessary, the Company will disclose the nature of the non-audit services performed by the external auditors in the Annual Report	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Provide link or reference to guidelines or policies on non-audit services  Included in Section 12.8 of the Company's Manual on Corporate Governance that the Audit	

		<p>Committee should be alert for any potential conflict of interest situation given the guidelines on non-audit services.</p> <p>Manual on Corporate Governance, page 14  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	<p>Provide information on audit and non-audit fees paid.</p> <p>In 2024, the Company did not procure non-audit services from its external auditors. Any prospective requirement for such services shall necessitate an assessment of associated fees and appropriate disclosure.</p>	
<b>Additional Recommendation to Principle 9</b>			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> <li>1. Name of the audit engagement partner;</li> <li>2. Accreditation number;</li> <li>3. Date Accredited;</li> <li>4. Expiry date of accreditation; and</li> <li>5. Name, address, contact number of the audit firm.</li> </ol>	

		<p>Diaz Murillo Dalupan and Company (DMD) was the reappointed external auditor of the Company.</p> <p>Mr. Alexes B. Abella is the lead engagement partner of DMD in their external audit of the Company for 2024. Mr. Abella is duly accredited by the SEC under Group A category with SEC Accreditation No. 96749 issued on August 12, 2021 valid for five (5) years covering the audit of 2021 to 2025 financial statements.</p> <p>DMD has its office at 7th Floor, Don Jacinto Building, Dela Rosa corner Salcedo Sts., Legaspi Village, Makati City, Philippines</p> <p>Telephone No. +63(2) 8945892</p>	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	<p>Provide information on the following:</p> <ol style="list-style-type: none"> <li>1. Date it was subjected to SOAR inspection, if subjected;</li> <li>2. Name of the Audit firm; and</li> <li>3. Members of the engagement team inspected by the SEC.</li> </ol> <p>In accordance with SEC Memorandum Circular No. 9, Series of 2017, "Rules on the Implementation of the Securities and Exchange Commission (SEC) Oversight Assurance Review (SOAR) Inspection Program," the Diaz Murillo</p>	

		<p>Dalupan and Company (DMD) underwent SOAR inspection conducted by the SEC's Office of the General Accountant from January 23, 2023 to February 3, 2023. The members of the engagement team are as follows:</p> <ul style="list-style-type: none"> <li>• Guada May S. Preciados - Inspection Team Leader SEC Oversight Assurance Review</li> <li>• Emmanuel Y. Artiza - General Accountant</li> </ul>	
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**Principle 10:** The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

**Recommendation 10.1**

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant.	Article III of the Company's Manual on Good Corporate Governance provides for the company's policies on the disclosure of non-financial information, including EESG issues, and is available to stakeholders at <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	The Company implements Global Reporting Initiative Standards for reporting on metrics such as energy efficiency, customer satisfaction, safety incidents, and community engagement, including specific disclosures relevant to the energy sector.	

**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	<p>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</p> <p>The Company provides its shareholders and other investors with quarterly and annual information on performance results, business progress, industry trends, and the impact of external factors and regulations by posting on our website.</p> <p>Link  <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a> </p>	
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**Supplemental to Principle 11**

1. Company has a website disclosing up-to-date information on the following:	Compliant	1. Website disclosing up-to-date information <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a>	
a. Financial statements/reports (latest quarterly)	Compliant	a. Financial Statements <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a>	
b. Materials provided in briefings to analysts and media	Non compliant		

c. Downloadable annual report	Compliant	c. Downloadable annual report <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a>	
d. Notice of ASM and/or SSM	Compliant	d. Notice of ASM <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a>	
e. Minutes of ASM and/or SSM	Compliant	e. Minutes of ASM <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a>	
f. Company's Articles of Incorporation and By-Laws	Compliant	f. Articles of Incorporation <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a>	
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	Compliant	The link to the Company's website <a href="https://www.dagupanelectric.com/">https://www.dagupanelectric.com/</a>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> 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.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	The Company maintains strong internal control systems for the conduct of its business grounded upon Ethical Values and Integrity, Commitment to Competence, with a clearly defined organizational structure, and accountability mechanisms. The Board of Directors	

		and the established Internal Audit Committee provides oversight of financial reporting, internal controls, and risk management	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Section 12 of the Company's Manual on Good Corporate Governance provides for the company's enterprise risk management framework in the conduct of its business, and is available to stakeholders at <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a>	
<b>Supplement to Recommendations 12.1</b>			
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's compliance program covering compliance with laws and relevant regulations is covered by the Company's Manual on Good Corporate Governance, and is available to stakeholders at <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a>	
<b>Optional: Recommendation 12.1</b>			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all	Compliant	The Company maintains a structured framework that ensures the effective and efficient use of IT resources to achieve organizational objectives, while managing risks and complying with regulatory	

key risks are identified, managed and reported to the board.		requirements. The process aligns the IT strategy with the overall business strategy of the Company.	
<b>Recommendation 12.2</b>			
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	Internal audit is conducted in-house.	
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	The Company is still in the process of identifying suitable candidates for the Chief Audit Executive role.
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.	Non-compliant		
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.	Non-Compliant	Identify qualified independent executive or senior management personnel, if applicable.	The Company does not have an outsourced internal audit activity.



<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	The Company's Risk management Framework is outlined in Section 12.11 to 12.14 of the Manual for Good Corporate Governance.	
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Company is an active member of the Private Electric Power Operators Association (PEPOA), to share experience in matters such as industry related risk management and best practices	Risk management is currently handled internally by senior management and the Board.
<b>Recommendation 12.5</b>			
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	The Company has not yet designated its Chief Risk Officer (CRO). The CRO's requirements and responsibilities are outlined in Section 12.14 of the Manual for Good Corporate Governance..	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	While the Company has not yet designated its Chief Risk Officer (CRO), the Risk Management Framework and support system is ready.	
<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit,	Non-Compliant	Provide link to CEO and CAE's attestation	The Company is still in the process of formalizing the report on its internal audit and controls performance.

control and compliance system is in place and working effectively.			
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Article VII of the company's Manual on Corporate Governance covers shareholders' rights.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	<a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	Compliant		
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	All shares of the Company are common with voting rights.	
3. Board has an effective, secure, and efficient voting system.	Compliant	The voting procedure is by poll.	
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 follows shareholder voting mechanism such as supermajority for all ratifications which require at least $\frac{2}{3}$ approval by stockholders, including fundamental changes.	
5. Board allows shareholders to call a special shareholders' meeting and submit a	Compliant	Article II Section 2 provides for the process by which shareholders may	

proposal for consideration or agenda item at the AGM or special meeting.		call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Non-Compliant	Provide information or link/reference to the policies on treatment of minority shareholders	The Board is still in the process of establishing policies with respect to treatment of minority shareholders.
7. Company has a transparent and specific dividend policy.	Compliant	The dividend policy was established by the Board and is contained in the Information Statement.	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Non-compliant	Identify the independent party that counted/validated the votes at the ASM, if any.	The Company currently conducts the counting and validation of the votes at the annual meeting via the office of the corporate secretary.
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p>the notice and agenda were sent out to stockholders 20 days before the annual stockholders' meeting, including that shareholders' approval of amendments to the Articles of incorporation and By Laws were included in the agenda of the meeting.</p> <p>Link to the Agenda included in the company's Information Statement (SEC Form 20-IS):  <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a></p>	

Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	The company's notice of Annual Shareholders' Meeting includes the Information Statement which provides the profiles of directors.	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	The company's notice of Annual Shareholders' Meeting includes the Information Statement which provides the profiles of directors.	
b. Auditors seeking appointment/re-appointment	Compliant	The company's notice of Annual Shareholders' Meeting includes the Information Statement which provides the auditor for reappointment.	
c. Proxy documents	Compliant	The company's notice of Annual Shareholders' Meeting includes the proxy form.	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	The details for the agenda items are included in the Company's Information Statement provided to the Shareholders with the Notice of the Annual Stockholders Meeting.	
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	Results of the votes taken during the 2024 Annual Shareholders' Meeting were incorporated in the minutes of the meeting. A copy of the minutes of the 2024 Annual Stockholders' Meeting, indicating the voting, results for all	

		agenda items, including the approving, dissenting and abstaining votes, may be accessed at <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a>	
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	A copy of the minutes of the 2024 Annual Stockholders' Meeting, indicating the voting, results for all agenda items, including the approving, dissenting and abstaining votes, may be accessed at <a href="https://www.dagupanelectric.com/corporate/disclosures.html">https://www.dagupanelectric.com/corporate/disclosures.html</a>	
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	Relevant individuals including key members of senior management were present during the ASM.	
<b>Recommendation 13.4</b>			
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	Article VII of the Company's Manual for Good Corporate Governance recognizes the fundamental importance of stakeholders' rights and the need for effective redress in case of violations. Its commitment to transparency, accountability, and responsible business conduct extends to safeguarding the rights of all stakeholders, including customers, investors, employees, and the communities it serves.	

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	The Company encourages and promotes the amicable settlement of disputes or differences between the Company and stockholders, third parties and regulatory authorities.	
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	The Investor Relations Officer is: 1. Name - Ms. Lilian D. Saralde 2. Telephone - (02) 8374-2134 3. Fax number - (02) 8374-2134 on request 4. E-mail address - lds@decorp.com.ph	
2. IRO is present at every shareholder's meeting.	Compliant	The IRO was present during the 26 July 2024 ASM.	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Non-compliant	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	The board is still reviewing how it may effectively avoid anti-takeover measures or similar devices.
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-compliant	The company has 15% public float, in compliance with section 43(t) of the Electric Power Industry Reform Act of 2001 (EPIRA)	
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	The Company actively provides information to the public beyond the annual meeting, and maintains its public disclosures on the company website.	

2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	The Company implements a process and procedure for secure electronic voting in absentia, by allowing shareholders to vote in absentia by registering for the annual meeting, and casting their votes in absentia by casting their ballots either by proxy or by sending their ballots to the office of the corporate secretary by electronic mail or personal service.	
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> 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.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Article VII of the of the Company's Manual for Good Corporate Governance promotes cooperation between the stakeholders and the Corporation in creating wealth, growth, and sustainability.	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Article VII of the of the Company's Manual for Good Corporate Governance mandates that the Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	
<b>Recommendation 14.3</b>			

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.	Compliant	<p>Article VII of the of the Company's Manual for Good Corporate Governance mandates that the Board shall adopt a transparent framework and process that allows stakeholders to communicate with the Corporation and to obtain redress for the violation of their rights</p> <p>Stakeholder engagement touch points in the Corporation such as the Investor Relations Office, and Corporate Communications Group shall be strengthened.</p> <p>Article VII further mandates that the Board shall 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.</p>	
<b>Supplement to Recommendation 14.3</b>			
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	The Company maintains a policy of conducting regular general assemblies, department meeting, and gatherings to develop an environment of open communication between the management and the employees.	
<b>Additional Recommendations to Principle 14</b>			



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 made any requests for exemption from application of any law.	
2. Company respects intellectual property rights.	Compliant	Provide specific instances, if any.	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare	Compliant	The Company follows the Magna Carta for residential customers and the <i>Distribution Services and Open Access Rules (DSOAR)</i> issued by the Energy Regulatory Commission for non residential customers which address customers' welfare.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	The Company follows the procurement rules issued by the Energy Regulatory Commission (Resolution No. 8, Series of 2023) which addresses supplier/contractor selection procedures.	
<b>Principle 15:</b> 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.			
<b>Recommendation 15.1</b>			
1. Board establishes policies, programs and procedures that encourage employees to	Compliant	Article VII of the of the Company's Manual for Good Corporate	

actively participate in the realization of the company's goals and in its governance.		Governance mandates that the Board shall adopt policies, programs and procedures that encourage employees to actively participate in the realization of the Corporation's goals and in its governance.	
<b>Supplement to Recommendation 15.1</b>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.		<p>The Manual of Corporate Governance mandates the Board to conduct a periodic performance evaluation of the Management team.</p> <p>The annual performance of Management and employees is assessed through the Performance Enhancement Program (PEP). It is a system that would clarify performance expectations, measure productivity, and reward accordingly.</p> <p>Performance Enhancement Program follows four (4) phases:</p> <p><b>Performance Planning</b> - Establishing clearly defined business goals and objectives</p> <p><b>Performance Collection</b> - Performing the actual work</p> <p>Performance Review - Documenting and comparing the actual</p>	

		<p>performance against the agreed targets</p> <p><b>Continuous improvement</b> - Preparing performance development plans for the next period</p> <p>Manual of Corporate Governance, page 19  <a href="https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf">https://www.dagupanelectric.com/corporate/sec/Manual-Good-Corporate-Governance.pdf</a></p>	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	The Company has a published safety manual which is aligned with DOLE requirements on health, safety and welfare of employees.	
3. Company has policies and practices on training and development of its employees.		The Company is committed to build and strengthen its human resources through relevant training and skills building programs, as well as developmental courses, which are expected to empower its human capital holistically to a high level of productivity. The policies on training and development are published in Policy Number 4 of the Company's Staff Manual.	
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an	Compliant	Article VII of the of the Company's Manual for Good Corporate Governance mandates that the	

anti-corruption policy and program in its Code of Conduct.		Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy (encompassing corrupt practices such as, but not limited to, bribery, fraud, extortion, collusions, conflict of interest and money laundering) and program in its Code of Conduct	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Copies of the policy are provided to employees across the organization.	
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	Article VII of the Company's Manual for Good Corporate Governance proscribes any corrupt practices.	
<b>Recommendation 15.3</b>			
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	The Company adopts a policy wherein any illegal or unethical behavior may be reported, without fear of 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	Article VII of the of the Company's Manual for Good Corporate Governance mandates that the Board shall 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 shall conscientiously supervise and ensure enforcement of the framework.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	The Board and the executive Directors monitor the enforcement of the whistleblowing framework.	
<b>Principle 16:</b> 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.			
<b>Recommendation 16.1</b>			
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	The Company posts information on the Company's community involvement and environment-related programs at its Facebook page: <a href="https://www.facebook.com/dagupanelectric/">https://www.facebook.com/dagupanelectric/</a>	
<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development		Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on or behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on 27 June 2025.



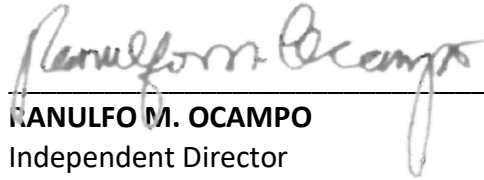
**ERWIN MARK A. GAVINO**  
Corporate Secretary



**LILIAN D. SARALDE**  
Compliance Officer



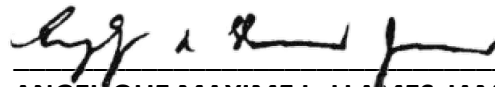
**GEROMIN T. NEPOMUCENO JR.**  
Independent Director



**RANULFO M. OCAMPO**  
Independent Director



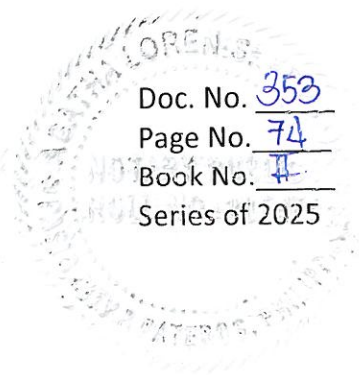
**RENE BERNARD L. LLAMES**  
President and CEO




**ANGELIQUE MAXIME L. LLAMES-JAMES**  
Chairperson

**SUBSCRIBED AND SWORN** to before me this 27 June 2025 affiants exhibiting to me their competent evidence of identity as follows:

Name	Competent Evidence of Identity	Date of Issue	Place of Issue
Erwin Mark A. Gavino	Driver's License No. N02-86-040053	Dec. 1, 2023	
Lilian D. Saralde	Driver's License No. N25-12-005017	Mar. 18, 2022	Quezon City
Geromin T. Nepomuceno Jr.	TIN No 103-500-026		
Ranulfo M. Ocampo	Driver's License No. 10-77-011473		
Rene Bernard L. Llames	Driver's License No. X01-05-002065	Aug. 4, 2024	
Angelique Maxime L. Llames-James	Driver's License No. N02-91-162837	Jun. 27, 2022	Quezon City



  
**AGATHA LOREN S. EDILLOR**  
Notary Public for and in the City of  
Pasig and in the  
Municipality of Pateros, Metro Manila  
Until 31 December 2025  
PTR No. 3040305; 01/03/2025; Pasig City  
IBP No. 498478; 01/05/2025; RSM  
Appointment No. 274 [2024-2025]  
Roll No. 90547  
MCLE Compliance No: VIII - 0022953  
Valid until: 14 April 2028  
S501 OMM-CITRA Bldg., San Miguel Avenue  
Ortigas Center, 1605 Pasig City