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AMENDED MANUAL ON CORPORATE GOVERNANCE

The Board of Directors and Management of ***ANGELES ELECTRIC CORPORATION*** (hereinafter referred to as "**AEC**") commit themselves to the principles and best practices ofgood corporate governance contained in this ***Amended Manual on Corporate Governance*** (the "**Manual**") and acknowledge the same as a guide towards the attainment of their corporate goals.

I. INTRODUCTION, OBJECTIVE AND DEFINITION OF TERMS

A. This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors and Management, Employees, and Shareholders of AEC believe that corporate governance is a necessary component of what constitutes sound strategic business management and will endeavor to undertake all reasonable efforts necessary to create awareness within the organization.

B. The provisions of this Manual and the enforcement thereof shall be subject to periodic review, as needed or such other frequency of review as may be determined by the Board of Directors. AEC business processes and practices that are not consistent with the Corporate Governance policies set out in this Manual shall be revoked or updated to ensure compliance with this Manual. This Manual shall be periodically reviewed and amended, if needed, to take into account the Company's changing needs, the conditions prevailing in its environment, and regulatory requirements. Any such amendment of this Manual shall be subject to the approval of the Board of Directors.

C. The Directors and Management shall ensure that this Manual shall be accessible to all employees and shall ensure their compliance with its provisions. With the proper dissemination of this Manual, it is expected that everyone in AEC will be familiar with its contents, thus enabling everyone to observe its letter and spirit.

D. Adoption and Effectivity

This Manual on Corporate Governance version 1.1 was adopted in the Special Board of Directors' meeting on 11 October 2023. On August 4, 2026, the Amended Manual on Corporate Governance Version 1.2 was endorsed by the Corporate Governance Committee and approved by the Board of Directors in a Regular Meeting.

E. Definition of Terms:

1. Board of Directors - the governing body elected by the Shareholders which exercises the corporate powers of AEC, conducts all of its business and controls its properties.

2. Corporate Governance –a system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal, and social obligations towards their Stakeholders. It is a system of direction, feedback, and control using regulations, performance standards, andethical guidelines to hold the Board of Directors and Management accountable for ensuring ethical behavior and reconciling long-term customer satisfaction with Shareholder value for the benefit of all Stakeholders and society.

Its purpose is to maximize the organization's long-term success, creating sustainable value for its Shareholders, Stakeholders, and the nation.

3. Enterprise Risk Management – a process, effected by AEC's Board of Directors, Management, and other personnel, applied in strategy setting and across AEC that is designed to identify potential events that may affect the entity, manage risks to be within its risk appetite, and provide reasonable assurance regarding the achievement of entity objectives.

4. Executive Director – a Director who is a member of the day-to-day operations of a part or the whole of AEC.

5. Independent Director – a person who is independent of management and the controlling Shareholder, and is free from any business or any other relationship which could or could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a Director of AEC.

6. Internal Control - a process designed and effected by the Board of Directors, Management and all levels of personnel to provide reasonable assurance of the achievement of its objectives through efficient and effective operations; reliable, complete and timely financial and management information and compliance with applicable laws, regulations and the policies and procedures of AEC.

7. Management – a group of executives given authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of AEC. This Management shall include the key officers or all non-rank-and-file

personnel of AEC.

8. Non-Executive Director - a Director who has no executive responsibility and does not perform any work related to the operations of AEC.

9. Related Party – covers AEC's subsidiaries and any party (including their subsidiaries, affiliates, and special purpose entities), that AEC exerts direct or indirect control over its Directors, Officers to the 4th degree of consanguinity, Shareholders, and related interests (DOSRI) and their close family members as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of AEC.

10. Related Party Transactions - a transfer of resources, services, or obligations between AEC and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

11. Shareholder – any person, whether natural or juridical, who owns at least one (1) share of stock in Angeles Electric Corporation.

12. Stakeholders – any individual, organization, or society at large who can either affect and/or be affected by the company's strategies, policies, business decisions, and operations, in general. This includes, among others, customers, creditors, employees, suppliers, investors, as well as the government and community in which it operates.

II. CORPORATE GOVERNANCE RESPONSIBILITIES OF THE BOARD

A. Board of Directors

Compliance with the principles of good corporate governance shall start with the Board of Directors.

It shall be the responsibility of the Board of Directors to foster the long-term success of AEC and secure its sustained competitiveness and growth in a manner consistent with its fiduciary responsibility, which it shall reasonably exercise in the best interest of AEC, its Shareholders, and other Stakeholders. The Board of Directors shall conduct itself with honesty and integrity in the discharge of its duties, functions, and responsibilities.

1. Composition of the Board

a. The Board of Directors shall be composed of eleven (11) members, all of whom shareholders of record, and elected by Shareholders. The Board shall have at least two (2) Independent Directors, or such number as to constitute at least one-third (1/3) of the members of the Board, whichever is higher.

b. The Shareholders may elect a combination of Executive Directors and Non-Executive Directors, which in general, shall be composed of a majority of Non-Executive Directors who possess the necessary qualifications to effectively participate and help secure objective independent judgment on corporate affairs and to substantiate proper checks and balances.

c. The Board of Directors shall be headed by a competent and qualified Chairman.

d. The positions of Chairman of the Board of Directors and Chief Executive Officer, if possible, shall be held by separate individuals and each should have clearly defined responsibilities.

2. Training

a. A Director shall, as much as practicable, before assuming his position, be required to attend a seminar on corporate governance from duly accredited SEC training providers, such as orientation programs for first-time directors and annual continuing training for all directors.

b. AEC shall provide general access to training courses to its Directors to keep them updated in their knowledge and understanding of its business. It may cover courses on corporate governance matters, such as audit, internal controls, risk management, related party transactions, sustainability, and strategy.

3. Board Diversity

AEC shall, as much as practicable, endeavor to ensure diversity in the Board of Directors, in terms of age, gender, ethnicity, skills, experience, and knowledge.

4. General Responsibility

It is the Board's responsibility 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 best interests of its stockholders and other stakeholders.

a. The Board of Directors is primarily responsible for the governance of the Corporation. In addition to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

b. The Board should establish the Corporation's vision, mission, strategic objectives, policies, and procedures that shall guide its activities, including the mechanisms for effective monitoring of the Management's performance.

c. A Director's office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability, integrity, and fairness.

d. The Board shall create specific Board Committees as may be necessitated by the complexity of the operations of the Corporation.

5. Specific Duties and Functions

To ensure a high standard of best practice for AEC, its Shareholders, and other Stakeholders, the Board of Directors shall, as much as practicable:

a. Install and implement a process of selection to ensure the election/appointment of competent Directors, who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies;

b. Determine AEC's purpose, vision, mission, and values. Formulate the strategic objectives, policies, and procedures that shall guide its activities, including the means to effectively monitor Management's performance;

c. Formulate a Board Charter to serve as a guide to the directors in the performance of their functions. The Board Charter shall be posted on AEC's website;

d. Adopt and ensure the proper implementation and monitoring of

compliance with a Code of Business Conduct and Ethics, properly disseminated to the Board of Directors, Management, and employees, and disclosed and made available to the public through AEC's website;

e. Develop systems and procedure to ensure the appointment of competent, professional, honest, and highly motivated management officers, and adopt an effective succession-planning program for the Management;

f. Ensure that AEC complies with all relevant laws, regulations, and best business practices;

g. Identify AEC's stakeholders and formulate a clear policy on communicating or relating with them;

h. Adopt a system of internal checks and balances. A regular review of the effectiveness of such a system should be conducted to ensure the integrity of the decision-making and reporting process. There should be a continuing review of the AEC's internal control system in order to maintain its adequacy and effectiveness and ensure the integrity of financial reports and protection of the assets of AEC for the benefit of all Shareholders and other Stakeholders. A mechanism shall be set for monitoring and managing potential conflicts of interest of Management, Board of Directors, and Shareholders;

i. Ensure that there is a policy and system governing Related Party Transactions and other unusual or infrequently occurring transactions, particularly those that pass certain thresholds of materiality. The policy should include the appropriate review and approval of material Related Party Transactions, which guarantee fairness and transparency of the transactions.

j. Identify key risk areas, key performance indicators and monitor these factors with due diligence, and ensure that a sound Enterprise Risk Management framework is in place through theRisk Oversight Committee;

k. Ensure that it properly discharges its functions by meeting per the set schedule and agenda. Independent views during Board of Directors meetings shall be encouraged and given due consideration. All Board of Directors and committee meetings shall be written in the minutes;

l. Keep its own activities and decisions within its authority and within the powers of AEC as prescribed in the Articles of Incorporation, By-laws,

and existing laws, rules and regulations;

m. Formulate and implement group-wide policies and procedures that would ensure the integrity and transparency of Related Party Transactions between and among AEC, joint ventures, subsidiaries, major Shareholders, officers, including their spouses, children, and dependent siblings and parents, and of interlocking director relationships by the Board of Directors;

n. Establish and maintain an alternative dispute resolution system in AEC that can amicably settle conflicts or differences between AEC and its Shareholders, and AEC and third parties, including the regulatory authorities

o. Conduct an annual self-assessment of its performance, including the Chairman, individual members, and the Board Committees. Every two (2) years, an external facilitator shall support the assessment.

p. Ensure that the remuneration of the Management and the Board of Directors is aligned with the long-term interests of AEC, as well as at par with comparable entities. No Director should participate in the determination of his own per diem or compensation;

q. Recommend, propose, and plan continuing education or relevant training programs for directors, assignment of tasks or projects to board committees, and succession plan for the Board of Directors and Management;

r. Approve the selection of the CEO and assess the performance of Management led by the CEO and the control functions led by their respective heads based on established performance standards or performance evaluation framework that contribute to the attainment of AEC's corporate charter, strategic map, and performance scorecard.

6. Duties and Responsibilities of a Director

The duties and responsibilities of a Director shall include the following:

a. To fairly conduct business transactions with AEC and to ensure that personal interest and bias do not affect Board of Directors decisions;

b. To attend and actively participate in all meetings of the Board of Directors, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations

of the Commission, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent them from doing so;

c. To review meeting materials for Board and Committee meetings and if called for, to ask necessary questions and/or seek clarifications and explanations;

d. To devote the time and attention necessary to properly discharge his duties and responsibilities;

e. To act judiciously;

f. To exercise independent judgment;

g. To keep abreast of statutory and regulatory requirements affecting AEC, including the contents of its Articles of Incorporation and By-laws, the requirements of the Securities Exchange Commission, and where applicable, the requirements of other regulatory agencies;

h. To observe confidentiality;

i. To ensure the continuing soundness, effectiveness, and adequacy of AEC's control environment; and

j. To notify the Board of Directors before accepting a directorship in another company.

7. Nomination and Election of the Board of Directors

In addition to any formal and transparent board nomination and election policy that the Corporate Governance Committee may approve and implement, the nomination and election of Directors shall be guided by the following:

a. The Corporate Secretary shall set a sufficient period for the submission of names of nominees for election to the Board of Directors. All nominations must be in writing and addressed to the Corporate Secretary. The nomination of Independent Directors must contain the written conformity of the nominee;

b. The Corporate Governance Committee shall convene at least twenty-five (25) business days before the election, to pre-screen and check the qualifications and disqualifications of all nominees to be elected to the Board of Directors. Only the namesin the Final List of Candidates issued

by a majority vote of the said Committee and no other shall be considered for election by the Shareholders;

c. AEC may engage the services of an external party to validate the voting results.

d. Non-executive Directors should not concurrently serve as Directors to more than ten (10) public companies and/or registered issuers. If concurrently sitting in at least three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.

e. A Director should notify the Board of Directors before accepting a directorship in another company.

f. The following are grounds for the permanent disqualification of a Director –

i. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that: (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house, or as an affiliated person of any of them;

ii. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC, Bangko Sentral ng Pilipinas (BSP) or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company or as an affiliated person of any of them; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.

The disqualification should also apply if (a) such person is the subject of an order of the SEC, BSP or any court or administrative body

denying, revoking or suspending any registration, license or permit issued to him under the Revised Corporation Code of the Philippines, Securities Regulation Code or any other law administered by the SEC or BSP, or under any rule or regulation issued by the Commission or BSP; (b) such person has otherwise been restrained to engage in any activity involving securities and banking; or (c) such person is the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

iii. Any person convicted by final judgment or order by a court, or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;

iv. Any person who has been adjudged by final judgment or order of the SEC, BSP, court, or competent administrative body to have willfully violated, willfully aided, abetted, counseled, induced or procured the violation of any provision of the Revised Corporation Code, Securities Regulation Code or any other law, rule, regulation or order administered by the SEC or BSP;

v. Any person judicially declared as insolvent;

vi. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority for acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated above;

vii. Conviction by final judgment of an offense punishable by imprisonment for more than six years, or a violation of the Revised Corporation Code of the Philippines and Securities Regulation Code committed within five years prior to the date of his election or appointment; and

viii. Other grounds as the SEC may provide pursuant to the provisions of the Revised Corporation Code of the Philippines, Securities Regulation Code and other related laws.

g. The following are grounds for temporary disqualification of a Director –

i. Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any 12-month period during the said incumbency, unless the absence is due to illness, death in the immediate family, or serious accident. The disqualification should apply for purposes of the succeeding election;

ii. Dismissal, termination or removal for cause as Director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the Commission. The disqualification should be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal, termination or removal;

iii. If the beneficial equity ownership of an Independent Director (ID) in the corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification from being elected as an ID is lifted if the limit is later complied with; and

iv. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

B. Compliance Officer

To ensure adherence to corporate principles and best practices, the Board of Directors shall designate a Compliance Officer who shall have a senior rank with adequate stature, resources, and authority in AEC and who shall be endorsed by the Corporate Governance Committee. He shall have direct reporting responsibilities to the Chairman of the Board of Directors and is primarily liable to AEC and its Shareholders. The Compliance Officer shall not be a member of the Board of Directors and should annually attend training on corporate governance.

1. The duties of the Compliance Officer shall include the following:

a. Monitors, reviews, evaluates, and ensures compliance by AEC, its Officers, and Directors with the relevant laws, the Code of Corporate Governance for Public Companies and Registered Issuers under SEC Memorandum Circular No. 24, S. 2019 (or any equivalent that the SEC may issue in the future), rules and regulations and all governance issuances of regulatory agencies;

b. Reports to the Board of Directors if violations are found and recommends the imposition of appropriate disciplinary action;

c. Appears before the SEC when summoned on similar matters that need to be clarified by the SEC and in relation to compliance with the Code of Corporate Governance for Publicly-Listed Companies;

Determines violations of the Manual, reporting the matter first to the Chairman of the Corporate Governance Committee of the Board and the Board Chairman. This will be contained in a formal report with recommended remedial measures or imposition of appropriate disciplinary action on responsible parties to prevent repetition of the violation, in accordance with the provisions of the Manual;

d. Identifies, monitors, and controls compliance risk and works towards the resolution of compliance issues;

e. Ensures proper onboarding of new directors (i.e., orientation on AEC's business, charter, Articles of Incorporation and By-laws, among others);

f. Ensures the integrity and accuracy of all documentary and electronic submissions to regulators;

g. Collaborates with other departments to properly address compliance issues, which may be the subject of investigation;

h. Ensures the attendance of the Board of Directors and Management to relevant training; and

i. Performs such other duties and responsibilities as may be directed by SEC.

2. The appointment of the Compliance Officer shall be immediately disclosed to the Securities and Exchange Commission on SEC Form 17-C. All correspondence relative to his functions as such shall be addressed to said Officer.

C. Corporate Secretary

1. The Corporate Secretary shall assist the Board of Directors in its duties. The Corporate Secretary is an officer of AEC and is expected to perform his duties efficiently and diligently. The Corporate Secretary shall be a Filipino citizen and resident of the Philippines. Considering his varied functions and duties, he must possess administrative and interpersonal skills, and if he is not the general counsel, then he must have some legal skills. He preferably must also have some financial and accounting skills. The Corporate Secretary shall be a separate individual from the

Compliance Officer, shall not be a member of the Board of Directors, and should annually attend a training on corporate governance.

2. Duties and Responsibilities of the Corporate Secretary:

a. Assists the Board of Directors and the Board Committees in the conduct of meetings, including the preparation of the annual schedule and agenda of the meetings, and assisting the chairs of the Board and its committees to set agendas for those meetings;

b. Informs the Board of Directors and the Board Committees of the agenda of the meetings, at least five (5) working days in advance, and ensures that the members thereof have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

c. Gathers and analyzes all documents, records, and other information essential to the conduct of his duties and responsibilities to AEC;

d. Safekeeps and preserves the integrity of the minutes of the meetings of the Board of Directors, Board Committees, and Shareholders as well as other corporate records;

e. Keeps abreast of relevant laws, regulations, all governance issuances, relevant industry developments, and operations of AEC and as much as practicable, advises the Board of Directors and the Chairman on all relevant issues as they arise;

f. Assists the Board of Directors in making business judgments in good faith and in the performance of their responsibilities and obligations by giving timely legal advice;

g. Attends all Board of Directors meetings and maintains records of the same, except when justifiable causes, such as illness, death in the immediate family, and serious accidents, prevent him/her from doing so;

h. Submits to the Securities and Exchange Commission, at the end of every fiscal year, an annual certification as to the attendance of the directors during Board of Directors meetings;

i. Ensures that all procedures, rules, and regulations are followed by the Shareholders;

j. Works fairly and objectively with the Board of Directors,

Management, and shareholders and contributes to the flow of information between the Board of Directors and Management, the Board of Directors and its committees, and the Board of Directors and its Stakeholders, including the Shareholders;

k. Advises on the establishment of Board Committees and their terms of reference;

l. Assists Board Committees by providing advice and by keeping records of Board Committee meetings.

m. Oversees the drafting of the by-laws and ensures that they conform to regulatory requirements; and

n. Performs other duties which the Board of Directors may deem fit and as may be directed by SEC.

D. Board Committees

To aid in complying with the principles of good corporate governance, the Board of Directors may constitute appropriate Committees to focus on specific Board of Directors functions to aid in the optimal performance of its roles and responsibilities. The type of Board Committees to be established by AEC would depend on its size, risk profile, and complexity of operations. The following are the Board Committees:

1. Corporate Governance Committee

a. The Corporate Governance Committee shall be composed of at least three (3) Directors, the majority of whom should be Independent Directors. The Chairman of the Committee shall be an Independent Director.

b. The Corporate Governance Committee is tasked with assisting the Board of Directors in the performance of its corporate governance responsibilities. The Committee shall also perform functions in relation to the nomination and compensation of the Board of Directors.

c. The Corporate Governance Committee must ensure compliance with and proper observance of corporate governance principles and practices. The following are its duties and functions:

i. Oversees the implementation of the corporate governance framework and periodically reviews the said framework to

ensure that it remains appropriate in the light of material changes in AEC's size, complexity, and business strategy as well as its business and regulatory requirements;

ii. Oversees the periodic performance evaluation of the Board of Directors and its committees as well as Management and conducts annual self-evaluation of its performance;

iii. Ensures that the results of the Board of Directors evaluation are shared and discussed, and that concrete action plans are developed and implemented to address the identified areas of improvement;

iv. Adopts corporate governance policies that comply with statutory requirements and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;

v. Proposes and plans relevant training for the Board of Directors;

vi. Determines the nomination and election process for the company's Directors and defines the general profile of Directors that the AEC may need, and ensures that appropriate knowledge, competencies and expertise that complement the existing skills of the Board are adopted as standards and criteria for nomination and election;

vii. Establishes a formal and transparent procedure for determining the remuneration of directors and Management that is consistent with the corporation's culture and business strategy as well as the business environment in which it operates;

viii. Ensures that AEC has at least two (2) Independent Directors, or in such minimum number as may be mandated by the relevant laws, rules, and regulations; and

ix. Reviews the recommendations of the Compliance Officer or any other Director with regard to the requirements and/or violations of the Manual for Corporate Governance and other corporate governance rules and endorses the same to the Board of Directors for its review and/or approval.

2. Risk Management and Oversight Committee

a. The Board of Directors should establish a separate Risk Management and Oversight Committee that should be responsible for the oversight of AEC's Risk Management system to ensure its functionality and effectiveness. It shall be composed of at least three (3) Directors, the majority of whom should be Independent Directors. The Board of Directors shall designate the Committee Chairman, who must be an Independent Director. At least one (1) member of the Committee must have relevant thorough knowledge and experience in risk and risk management.

b. The Risk Management and Oversight Committee shall have the following powers and functions:

i. Oversees the formulation and establishment of a formal enterprise-wide risk management system which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals and objectives, (c) uniform processes of assessing risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes, and measures;

ii. Oversees the implementation of the enterprise-wide risk management system and conducts regular discussions on AEC's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;

iii. Reviews, analyzes, and recommends the policy, framework, strategy, method, system, and/or plan used by AEC to manage risks, threats, or liabilities;

iv. Revisits defined risk management strategies, looks for emerging or changing material exposures and keeps abreast of significant developments that seriously impact the likelihood of harm or loss

v. Reviews at least annually, AEC's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and major events that may have occurred in AEC;

vi. Assesses the probability of each identified risk becoming a reality

and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and impact the performance and stability of AEC and its Stakeholders;

vii. Reviews and assesses the likelihood and magnitude of the impact of material events on AEC and/or recommends measures, responses, or solutions to avoid or reduce risks or exposures;

viii. Reports to the Board of Directors on a regular basis, or as deemed necessary, AEC's material risk exposures, the action taken to reduce the risk, and recommends further action or plans, as necessary;

ix. Evaluates the risk management plan to ensure its continued relevance, comprehensiveness, and effectiveness;

x. Advises the Board of Directors on its risk appetite levels and risk tolerance limits and reviews the same, at least annually;

xi. Performs oversight over Management's activities in managing credit, market, liquidity, operational, legal, and other risks of AEC. This function includes regularly receiving information on risk exposures and risk management activities from Management;

xii. Monitors any current or pending litigation or dispute that has a material risk exposure for AEC;

xiii. Reviews and endorses the company's plan for cyber security and monitors progress against the plan;

xiv. Reviews and endorses any material or significant changes to AEC's cyber program and monitors its progress;

xv. Reviews and endorses AEC's cyber security strategy;

xvi. Reviews and endorses AEC's cyber security framework;

xvii. Oversees compliance with cyber security license conditions and reporting requirements to regulatory and government bodies; and

xviii. Performs such other duties and functions and/or assumes such

responsibilities as may be delegated by the Board of Directors.

3. **Audit Committee**

a. The Audit Committee shall, as much as practicable, be composed of at least three (3) Non-Executive Directors, the majority of whom shall be Independent Directors. The Committee Chairman shall be appointed by the Board of Directors and must be an Independent Director and preferably should not be the Chairman of any other Committee. Each member shall have adequate understanding at least, or competence at most, of AEC's financial management systems and environment.

b. The Board of Directors shall have an Audit Committee to enhance its oversight capability over the AEC's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.

Included in the duties and responsibilities are:

i. Recommends the approval of the Internal Audit Charter (IA Charter) defining the role of Internal Audit and the audit plan and the implementation of the IA Charter;

ii. Monitors and evaluates, through the Internal Audit Department, the adequacy and effectiveness of AEC's internal control system, the integrity of financial reporting, and the security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances shall be put in place in order to: (a) safeguard AEC's resources and ensure their effective utilization, (b) prevent the occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of AEC's financial data, and (d) ensure compliance with applicable laws and regulations;

iii. Oversees the Internal Audit Department and recommends the appointment and/or grounds for approval and/or removal. It approves the terms and conditions for outsourcing internal audit services, if applicable;

iv. Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities, wherein, for this purpose, the Internal Auditor should directly report to the Audit Committee;

v. Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;

vi. Reviews and approves all financial reports against their compliance with both the internal financial management handbook and pertinent accounting standards, including tax, legal, and regulatory requirements, going concern assumptions, and significant adjustments;

vii. Before the commencement of an external audit, discuss with the External Auditor the nature, scope, and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to identify proper coverage and minimize duplication of efforts;

viii. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid and AEC's overall consultancy expenses. The Audit Committee should disallow any non-audit work that will conflict with the duties of an External Auditor or may pose a threat to its independence. The non-audit work, if allowed, should be disclosed in AEC's Annual Report and Annual Corporate Governance Report;

ix. Reviews and approves the Interim and Annual Financial Statements before their submission to the Board of Directors, with particular focus on the following matters:

a. Any change/s in accounting policies and practices,
b. Areas where a significant amount of judgment has been exercised,
c. Significant adjustments resulting from the audit
d. Going concern assumptions,
e. Compliance with accounting standards, and
f. Compliance with tax, legal, and regulatory requirements;

x. Reviews the disposition of the recommendations in the External Auditor's management letter;

xi. Performs oversight functions over AEC's Internal and External Auditors and ensures their independence and unrestricted access to all records, properties, and personnel to enable them to

perform their respectiveaudit functions;

xii. Coordinates, monitors, and facilitates compliance with laws, rules, and regulations;

xiii. Performs oversight of financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal, and other risks of AEC, and crisis management;

xiv. Pre-approves all external audit plans, scope, nature, expenses, and frequency at least one (1) month before the conduct of the external audit and examines and determines any non-audit work, including non-audit fees, who undertakes an independent audit of AEC, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the Shareholders;

xv. Recommends to the Board of Directors the appointment, reappointment, removal, and fees of the External Auditors, duly accredited by the SEC;

xvi. Performs direct interface functions with the Internal and External Auditors;

xvii. Ensures full compliance with Philippine Accounting Standards (PAS);

xviii. Develops a transparent financial management system that will ensure the integrity of internal control activities throughout AEC through step-by-step procedures and policies handbook that will be used by the entire organization;

xix. Evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTCs are monitored, and the Related Party Registry is updated to capture subsequent changes in relationships with counterparties;

xx. In the absence of a Related Party Transactions Committee –

a. Evaluates all Related Party Transactions to ensure that these are not undertaken on more favorable economic terms (*i.e.* price, commissions, interest rates, fees, tenor, collateral

requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate business resources of the company are misappropriated or misapplied;

b. Determines any potential reputational risk issues that may arise because of or in connection with Related Party Transactions. The Committee shall take into account (i) the related party's relationship to the company and interest in the transaction; (ii) the material facts of the proposed RPT, including the proposed aggregate value of such transaction; (iii) the benefits to the corporation of the proposed RPT; (iv) the availability of other sources of comparable products or services; and (v) an assessment of whether the proposed RPT is undertaken on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances.

c. Ensures that appropriate disclosure is made and/or information is provided to regulating and supervising authorities relating to the company's RPT exposures, and policies on potential and/or actual conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;

d. Reports to the Board of Directors regularly on status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;

e. Ensures that transactions with related parties, including write-off of exposures, are subject to a periodic independent review or audit process;

f. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures; and

xxi. Meets internally with the Board of Directors at least once a quarter without the presence of the CEO or other Management team members, and periodically meets with the head of the

Internal Audit.

4. Committee Charters

All established committees shall be required to have Committee Charters which shall state their purpose, memberships, structures, operations, accountabilities, reporting processes, resources, and other relevant information. These Committee Charters and scorecards shall provide the standards for self-assessment and be approved by the Board of Directors before posting on AEC's website.

5. Temporary Disqualification

Absence or non-participation of a Committee member in more than fifty percent (50%) of all meetings of the respective Committee to which he belongs, during a Committee member's incumbency, or any 12 months during the said Committee member's incumbency, unless the absence is due to illness, death in the immediate family or serious accident, shall temporarily disqualify the said Committee member from being a member of the respective Committee in a succeeding appointment.

E. Reinforcing Board Independence

1. The Board should be composed of a majority of Non-Executive Directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to carry out proper checks and balances.

2. The Board of Directors shall, in accordance with the law, have at least two (2) Independent Directors or in such minimum number as may be mandated by the SEC.

3. The Board of Directors shall ensure that its Independent Directors possess the necessary qualifications and none of the disqualifications as required by the SEC and other applicable laws and regulations. Before election, the nominees shall submit a Certification of Qualifications.

An Independent Director refers to a person who, ideally:

a. Is not, or has not been a senior officer or employee of AEC unless there has been a change in the controlling ownership of AEC;

b. Is not, and has not been in the three (3) years immediately preceding the election, a director of AEC; a director, officer, or employee of AEC's

subsidiaries, or related companies; or a Director, officer, or employee of AEC'ssubstantial Shareholders and its related companies;

c. Has not been appointed in AEC, its subsidiaries, or related companies as Chairperson "Emeritus," "Ex-Officio" Directors/Officers, or member of any Advisory Board, or otherwise appointed in a capacity to assist the Board of Directors in the performance of its duties and responsibilities within three (3) years immediately preceding his election;

d. Is not an owner of more than two percent (2%) of the outstanding shares of AEC, its subsidiaries, or related companies;

e. Is not a relative of a Director, Officer, or substantial Shareholder of AEC or any of its related companies or of any of their substantial shareholders. For this purpose, relatives include spouse, parent, child, siblings, and the spouse of such child or sibling;

f. Is not acting as nominee or representative of any Director of AEC or any of its related companies;

g. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a Director, Officer, principal Shareholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;

h. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent, or counsel of AEC, any of its related companies or substantial Shareholder, or is otherwise independent of Management and free from any business or other relationship within three (3) years immediately preceding the date of his election;

i. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, Director, or substantial Shareholder, in any transaction with AEC or any of its related companies or substantial Shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment within the two (2) years immediately preceding the date of his election;

j. Is not affiliated with any non-profit organization that receives significant funding from AEC or any of its related companies or substantial

Shareholders;

k. Is not employed as an Executive Officer of another company where any of AEC's executives serve as Directors; "Related Companies" as used in this section refer to (a) the covered entity's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.

l. Shall be at least a college graduate, or he shall have been engaged or exposed to the business of AEC for at least five (5) years;

m. Shall possess integrity/probity; and

n. Shall be assiduous.

The qualifications and disqualifications for Independent Directors shall include other qualifications and disqualifications as the relevant laws, rules, and regulations may provide.

As a rule, Independent Directors may serve for a maximum of nine (9) cumulative years, after which the Independent Director should be perpetually barred from re-election as such in AEC, but may continue to qualify for nomination and election as a non-Independent Director. If AEC wants to retain an Independent Director who has served for nine (9) cumulative years, the Board of Directors should provide meritorious justifications and sufficient reasons to believe that the individual concerned remains independent and advise the Shareholders of such justifications during the annual Shareholders' meeting.

4. The positions of Chairperson of the Board of Directors and Chief Executive Officer should be held by separate individuals, and each should have clearly defined responsibilities.

5. The CEO has the following roles and responsibilities, among others:

a. Determines AEC's strategic direction and formulates and implements its strategic plan for the direction of the business;

b. Communicates and implements AEC's Vision, Mission, Values, Goals and overall strategy and promotes any organizational or stakeholder change in relation to the same;

c. Oversees the operations of AEC and manages human and financial resources in accordance with the strategic plan;

d. Has a good working knowledge of AEC's industry and market and keeps up-to-date with its core business purpose;

e. Directs, evaluates, and guides the work of the key officers of AEC;

f. Manages AEC's resources prudently and ensures a proper balance of the same;

g. Provides the Board of Directors with timely information and interfaces between the Board of Directors and the employees;

h. Builds the corporate culture and motivates the employees of AEC; and

i. Serves as the link between internal operations and external Stakeholders.

6. The Board of Directors shall designate a Lead Director among the Independent Directors if the Chairperson of the Board of Directors is not independent, including if the positions of the Chairperson of the Board of Directors and Chief Executive Officer or its equivalent are held by one person. The Lead Independent Director shall serve as an intermediary between the Chairman and other Directors, convene and chair the meetings of Non- -Executive Directors, and contribute to the performance evaluation of the Chairman.

7. A Director with a material interest in any transaction affecting AEC shall fully disclose his adverse interest, abstain from taking part in the deliberations of the same and recuse from voting on the approval of the transaction.

8. The Non-Executive Directors shall have separate periodic meetings with the external auditor and heads of internal audit, compliance, and risk functions, without any Executive Directors present. The meetings should be chaired by the Lead Independent Director, if applicable.

F. Related Party Transactions

The Board of Directors shall initiate policies and measures geared towards the promotion of transparency, prevention of abuse, and protection of the interests of all Shareholders. One such measure is the required ratification by Shareholders of material or significant Related Party Transactions approved by at least two-thirds of the Board of Directors, with at least one (1) Independent Director approving the transaction, in accordance with existing laws. Other measures include ensuring that transactions occur at market prices, on an arm's-length basis, and under conditions that protect the rights of all Shareholders.

The following shall be contained in the Related Party Transactions Policy:

1. Definition of related parties;

2. Coverage of Related Party Transactions policy;

3. Guidelines in ensuring arm's-length terms;

4. Identification and prevention or management of potential or actual conflicts of interest which may arise;

5. Adoption of materiality thresholds;

6. Disclosure requirements if material RPTs;

7. Self-assessment and periodic review of policy;

8. Internal limits for individual and aggregate exposures;

9. Whistle-blowing mechanisms; and

10. Restitution of losses and other remedies for abusive Related Party Transactions.

In addition, AEC has the discretion to set the materiality threshold at a level where the omission or misstatement of the transaction could pose a significant risk to AEC and influence its economic decision, which materiality threshold may be directed to be reduced by the SEC.

Depending on the materiality threshold, approval of Management, the Board of Directors, or the Shareholders may be required. In cases where the Shareholders' approval is required, it is good practice for interested Shareholders to abstain and let the disinterested parties or majority of the minority shareholders decide.

III. DISCLOSURE AND TRANSPARENCY

A. Reportorial or Disclosure System of AEC's Corporate Governance Policies

1. The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the Corporate Secretary, through AEC's Compliance Officer.

2. All material information, i.e., anything that could potentially affect share price, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, Related Party Transactions, shareholding of Directors, and changes of ownership, including material and reportable non-financial and sustainability issues.

3. Other information that shall always be disclosed includes remuneration (including stock options) of all Directors, Management and key management personnel, corporate strategy, and off-balancesheet transactions.

4. All disclosed information shall be released via the approved stock exchange procedure for corporate announcements as well as through the annual report.

5. The Board of Directors should fully disclose all relevant and material information on individual Directors and Management to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.

6. The Board of Directors shall commit at all times to fully disclose information on material dealings. It shall cause the filing of all required information for the interest of its Shareholders and other Stakeholders.

7. AEC shall establish corporate disclosure policies and procedures that are practical, reasonable, and in accordance with best practices, regulatory expectations, and legal requirements, to ensure a comprehensive, accurate, reliable, and timely report to Shareholders and other Stakeholders, giving a fair and complete picture of AEC's financial condition, results, and business operations.

8. AEC shall maintain a comprehensive and cost-efficient communication channel for disseminating relevant information which may include media and analysts' briefings.

9. The Directors and officers shall disclose/report to AEC any dealings in AEC's shares within three (3) business days from occurrence.

10. AEC shall ensure a comprehensive, cost-efficient, transparent, and timely manner of disseminating relevant information to the public through its website.

11. AEC's Corporate Governance Policies, Programs and Procedures should be contained in this Manual, which shall be submitted to the SEC and posted on AEC's website. AEC shall likewise disclose all relevant information on its Corporate Governance Policies and practices in the Annual Governance Report,

which shall also be submitted to the SEC, and continuously updated and posted on AEC's website.

B. External Auditor

1. The selection, appointment, re-appointment, removal, and fees of the external auditor shall be approved by the Board of Directors upon the recommendation of the Audit Committee and ratified by the Shareholders. An external auditor shall ensure an environment of good corporate governance as reflected in the financial records and reports of AEC.

2. The reason/s for any resignation, dismissal/removal, or cessation from service and the date thereof of the external auditor shall be reported in AEC's annual and current reports, to the SEC, AEC's shareholders, and the public through AEC's website. The reports shall include a discussion of any disagreement with the former external auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

3. The external auditor of AEC shall not at the same time serve as its internal auditor to the same client. AEC shall ensure that other non-audit work will not be in conflict with the functions of the external auditor. Should there be non-audit services, AEC shall disclose its nature in the Annual Report.

4. AEC's external auditor shall either be rotated or the handling partner changed every five (5) years or earlier.

5. If an external auditor believes that the statements made in AEC's annual report, information statement, or proxy statement that was filed during his engagement is incorrect or incomplete, he shall present his views on the reports.

6. The Audit Committee Charter shall include the Audit Committee's responsibility for assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional regulatory requirements. The Charter should also contain the Audit Committee's responsibility for reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.

7. AEC shall disclose the nature of non-audit services performed by its external auditor in the Annual Report in the interest of managing potential conflicts of Interest.

IV. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK

A. AEC shall establish a strong and effective internal control system and enterprise risk management framework.

B. A separate independent internal audit function in AEC shall be in place to monitor and guide the implementation of AEC's policies. This function shall be performed by an Internal Auditor or a group of Internal Auditors, through which the Board of Directors, Management, and Shareholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

C. The Internal Auditor shall be appointed by the Board of Directors and directly report to the Audit Committee. He shall oversee and be responsible for the internal audit activity of AEC.

D. The minimum internal control mechanisms for Management's operational responsibility shall center on the CEO, ultimately accountable for AEC's organizational and procedural controls.

E. The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size, and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

F. The functions of the Internal Auditor shall be provided in the Internal Audit Charter. The Internal Audit Charter shall likewise provide for a mechanism for monitoring and managing potential/actual conflicts of interest of the Board of Directors, Management, and shareholders.

G. AEC shall have a separate risk management function to identify, assess, and monitor key risk exposures.

The risk management function involves the following activities, among others:

1. Defines a risk management strategy;

2. Identifies and analyzes key risk exposures relating to Economic, Environmental, Social, and Governance (EESG) factors and the achievement of the organization's strategic objectives;

3. Evaluates and categorizes each identified risk using AEC's predefined risk categories and parameters;

4. Establishes a risk register with clearly defined, prioritized, and residual risks;

5. Develops a risk mitigation plan for the most important risks to AEC, as defined by the risk management strategy;

6. Communicates and reports significant risk exposures including business risks (i.e. strategic, compliance, operational, financial, and reputational risks), control issues, and risk mitigation plan to the Risk Management and Oversight Committee; and

7. Monitors and evaluates the effectiveness of the organization's risk management processes.

H. In managing the company's Risk Management System, the company should have a Chief Risk Officer ("CRO") who is the ultimate champion of Enterprise Risk Management ("ERM") and has adequate authority, stature, resources, and support to fulfill his/her responsibilities, subject to a company's size, risk profile, and complexity of operations. The CRO has the following functions, among others:

1. Supervises the entire ERM process and spearheads the development, implementation, maintenance, and continuous improvement of ERM processes and documentation;

2. Communicates the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee;

3. Collaborates with the CEO in updating and making recommendations to the Board Risk Oversight Committee;

4. Suggests ERM policies and related guidance, as may be needed; and

5. Provides insights on the following:
   a. Risk management processes are performing as intended;
   b. Risk measures reported are continuously reviewed by risk owners for effectiveness; and
   c. Established risk policies and procedures are being complied with.

There shall be clear communication between the Board Risk Oversight Committee and the CRO.

V. SHAREHOLDERS' AND EMPLOYEES' BENEFIT

AEC recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore, the following provisions are issued for the guidance of all internal and external parties concerned, as a covenant of good governance between AEC and all its investors:

A. Investors' Rights and Protection

1. Rights of Investors/Shareholders

The Board of Directors respects the rights of the Shareholders in accordance with the Revised Corporation Code.

2. Voting Rights

a. Shareholders shall have the right to nominate, elect, remove and replace directors, including the relevant procedures relative thereto, and vote on certain corporate acts in accordance with the Revised Corporation Code and AEC's By-laws.

b. Cumulative voting may be used in the election of directors.

c. A director shall not be removed without cause if it will deny minority Shareholders representation in the Board of Directors.

3. Pre-emptive Right

All Shareholders shall enjoy the pre-emptive right to subscribe to all issues or dispositions of shares of any class in proportion to their respective shareholdings unless such rights are denied in AEC's Articles of Incorporation or an amendment thereto. This right shall be subject to the limitations/expectations prescribed under the Revised Corporation Code.

4. Right of Inspection

Shareholders shall be allowed to inspect corporate books and records in accordance with the Revised Corporation Code. They shall be furnished with AEC's Annual Report/s (SEC Form 17-A filed with the SEC) upon request to the Office of the Corporate Secretary. Shareholders shall also be furnished with a copy of the audited Financial Statements (which form part of SEC form17-IS or SEC 20 filed with the SEC).

5. Right to Information

a. The Shareholders shall be provided, upon request, with the nomination and removal process of the Board of Directors, the voting procedures that would govern the annual and special Shareholders' meeting latest available reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of AEC's shares, dealings with AEC, relationships among directors and Management, and the aggregate compensation of directors and officers.

b. The minority Shareholders shall be granted the right to propose the holding of a meeting in accordance with Section 49 of the Revised Corporation Code and the By-laws of AEC and to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

6. Right to Dividends

a. Shareholders shall have the right to receive dividends subject to the discretion of the Board of Directors and in accordance with the Revised Corporation Code.

b. AEC shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except a) when justified by definite corporate expansion projects or program approved by the Board of Directors; or b) when AEC is prohibited under any loan agreement with any financial institution and creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in AEC, such as when there is a need for special reserve for probable contingencies.

7. Appraisal Right

The Shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 81 of the Revised Corporation Code of the Philippines, under any of the following circumstances:

a. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any Shareholders or class of shares, or of authorizing preferences in any respect

superior to shortening the term of corporate existence;

b. In case of sale, lease, exchange, transfer, mortgage, pledge, or other

disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code; and

c. In case of merger or consolidation.

8. Promotion and Enhancement of Rights

a. It shall be the duty of the directors to promote Shareholder rights, remove impediments to the exercise of Shareholder rights, and allow possibilities to seek redress for violation of their rights.

b. They shall encourage the exercise of Shareholders' voting rights and the solution of problems through collective action by the appropriate mechanisms.

c. They shall be instrumental in removing excessive cost and administrative or practical impediments to Shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic Shareholders to make informed decisions, subject to legal constraints.

9. Shareholders' Attendance and Participation in the Annual Meeting

The Board of Directors shall encourage active Shareholder participation by sending Notice of Annual and Special Meetings with sufficient relevant information at least twenty-eight (28) days before the meeting.

10. Results of the Annual or Special Shareholders' Meeting

Results of the meeting shall be publicly available the next working day after the meeting, and the Minutes shall be available on AEC's website within five (5) business days from the end of the meeting.

11. Investor Relations Office (IRO)

An Investor Relations Office (IRO) shall be established, and its officer shall be present at every Shareholders' meeting.

B. Encouraging Employees' Participation

1. The Board of Directors shall establish policies, programs, and procedures that encourage employees to actively participate in the realization of AEC's goals and in its governance.

2. The Board of Directors shall adopt an anti-corruption policy and program

properly disseminated to the employees across AEC.

3. The Board of Directors shall establish a suitable framework for whistle-blowing that will allow employees to freely communicate their concerns about illegal and unethical practices.

C. Encouraging Sustainability and Social Responsibility

AEC shall recognize and place importance on the interdependence between business and society and promote a mutually beneficial relationship that allows AEC to grow its business while contributing to the advancement of the society where it operates.

VI. COMMUNICATION PROCESS

A. This manual shall be available for inspection by any Shareholder of AEC at reasonable hours on business days.

B. All Directors, Executives, Divisions, and Department Heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties and to likewise enjoin compliance in the process.

C. A copy of the Manual shall be posted on AEC's Website.

VII. MONITORING AND ASSESSMENT

A. The Board of Directors shall conduct an annual self-assessment of its performance, including the performance of the Chairperson, Individual Members, and Committees.

B. The Board should have in place a system that provides criteria and a process to determine the performance of the Board, the individual directors, and committees, which would allow for a feedback mechanism from AEC's Shareholders.

C. Each Committee shall report regularly to the Board of Directors.

D. The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under Part VIII of this Manual.

E. The establishment of the evaluation system, including the features thereof, shall be disclosed in AEC's Annual Report or in such form of report that is applicable to AEC. The adoption of such a performance evaluation system must be approved by the Board of Directors.

F. This Manual shall be reviewed by the Board of Directors as needed unless the Board of Directors determines that it should be reviewed at more frequent intervals. The Manual may be amended as determined by the Board of Directors from time to time.

G. All business processes and practices being performed within any department or business unit of AEC that are not consistent with any portion of this Manual shall be discontinued unless they are changed to the extent necessary to be compliant with this Manual.

VIII. PENALTIES FOR NON-COMPLIANCE WITH THE MANUAL

A. To strictly observe and implement the provisions of this Manual, the following penalties shall, after notice and hearing, be imposed on AEC's directors, officers, and staff, and on the respective directors, officers, and staff of subsidiaries in case of violation of any of the provisions of this Manual:

1. In case of the first violation, the subject person shall be reprimanded.

2. Suspension from office shall be imposed in case of a second violation. The duration of the suspension shall depend on the gravity of the violation.

3. For the third violation, the maximum penalty of removal from office shall be imposed.

B. The commission of a third violation of this Manual by any director of AEC or its subsidiary and affiliate shall be a sufficient cause for removal as a director.

C. The Compliance Officer shall be responsible for determining violation/s after notice and hearing and shall recommend to the Chairman of the Board of Directors the imposable penalty for such violation, subject to further review and approval of the Board of Directors.

IX. ALTERNATIVE DISPUTE RESOLUTION

The Board of Directors shall allow possibilities for seeking redress for violation of such rights out of court such as negotiation, mediation, conciliation, arbitration, and other alternative dispute resolution mechanisms. In addition, the Board of Directors encourages the exercise of Shareholders' voting rights and collective action toward the solution of problems through appropriate mechanisms.

GEROMIN T. NEPOMUCENO
Chairman of the Board

CRISTINA L. ARBOLEDA
Compliance Officer