COVER SHEET

for

SEC FORM 20-IS

S.E.C. Registration Number

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Company Name

TARLAC ELECTRIC INC.

Principal Office (No./Street/Barangay/City/Town/ Province)

MABINI ST., TARLAC CITY, TARLAC

Form Type	Department requiring the report	Secondary License Type, If Applicable
20-IS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
corporate@teiph.com	(045) 606 - 1834	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
49	Every 3rd Friday of May	12 / 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
FLORIZA D. FORLALES	fforlales@teiph.com	(045)606-1834	0920-951-0075

Contact Person's Address

Mabini St., Tarlac City, Tarlac

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement

   [x] Definitive Information Statement

2. Name of Registrant as specified in its charter: **Tarlac Electric Inc.**

3. **Tarlac City, Tarlac, Philippines**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: **23874**

5. BIR Tax Identification Code: **004-070-881**

6. **Mabini St., Tarlac City, Tarlac, Philippines** **2300**
   Address of principal office Postal Code

7. Registrant's telephone number, including area code: **(045) 606-1834**

8. Date, time and place of the meeting of security holders

   Date: **28 June 2024**
   Time: **10:00 A.M.**
   Place: **The meeting will be conducted via remote communication through Microsoft Teams**. **The Presiding Officer shall preside the Meeting in Tarlac City.**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **06 June 2024**

10. In case of Proxy Solicitations: **NOT APPLICABLE**

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to Corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares	**5,750,000**

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes _ No **X**

If yes, disclose the name of such Stock Exchange and the class of securities listed therein: **NOT APPLICABLE**

TARLAC ELECTRIC INC.

SEC FORM 20-IS

TABLE OF CONTENTS

PART I. INFORMATION REQUIRED IN INFORMATION SHEET

A. GENERAL INFORMATION

Item 1. Date, time, and place of meeting of security holders

The annual meeting of the stockholders (the "Meeting") of Tarlac Electric Inc. ("TEI" or the "Company") will be held on Friday, 28 June 2024 at 10AM. The Meeting will be conducted via remote communication through Microsoft Teams. The Presiding Officer shall preside the Meeting in Tarlac City.

The mailing address of the Company is at Mabini St., Tarlac City.

This Information Statement shall be sent to the stockholders as soon as practicable, but not later than 06 June 2024.

A copy of this Information Statement and Management Report may also be accessed by interested parties not later than 06 June 2024. at the Company website: www.tarlacelectric.com.

Item 2. Dissenters' Right of Appraisal

A stockholder of the Company has the right to dissent and demand payment of the fair value of his shares in the following instances: (a) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences superior in any respect to those of outstanding shares or any shares of any class, or of extending or 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 of the Philippines ("Revised Corporation Code"); (c) in case of investment of corporate funds in any other corporation or business or for any purpose other than the Company's primary purpose; and (d) in case of merger or consolidation.

The stockholder concerned must have voted against the proposed corporate action in order to avail himself of the appraisal right. As provided in the Revised Corporation Code, the procedure in the exercise of the appraisal right is as follows:

a. The dissenting stockholder files a written demand within thirty (30) days after the date on which the vote was taken in which he registered a negative vote. Failure to file the demand within the 30-day period constitutes a waiver of the right. Within ten (10) days from demand, the dissenting stockholder shall submit the stock certificates to the corporation for notation that such shares are dissenting shares. From the time of the demand until either the abandonment of the corporate action in question or the purchase of the shares by the corporation, all rights accruing to the shares shall be suspended, except the stockholder's right to receive payment of the fair value thereof.

b. If the corporate action is implemented, the corporation shall pay the stockholder the fair value of his shares upon surrender of the corresponding certificate/s of stock. Fair value is determined by the value of the shares of the corporation on

the day prior to the date on which vote is taken on the corporate action, excluding any appreciation or depreciation in value in anticipation of the vote on the corporate action.

c. If the fair value is not determined within sixty (60) days from the date of the vote, it will be determined by three (3) disinterested persons (one chosen by the corporation, another chosen by the stockholder, and the third one chosen jointly by the two thus chosen). The findings of the majority of the appraisers will be final, and their award will be paid by the corporation within (30) days following such award. Upon such payment, the stockholder shall forthwith transfer his shares to the corporation. No payment shall be made to the dissenting stockholder unless the corporation has unrestricted retained earnings sufficient to cover such payment.

d. If the stockholder is not paid within thirty (30) days from such award, his voting and dividend rights shall be immediately restored.

There are no matters or proposed actions included in the Agenda of the Meeting that may give rise to a possible exercise by stockholders of their appraisal rights.

Item 3. Interest of Certain Persons in or Opposition to Matters to be acted upon

None of the current officers or directors of TEI, and/or nominees for election as director of TEI, or any associate of any of the foregoing persons has any substantial interest, direct or indirect, by security holdings or otherwise, in any of the matters to be acted upon in the Meeting, other than in the election to TEI's Board of Directors (the "Board" or the "Board of Directors").

None of the directors of the Company has informed the Company in writing that he or she intends to oppose any action to be taken by the Company at the Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

Class of Voting Shares as of 31 May 2024

The Company has an authorized capital stock of Php1,000,000,000.00 comprised of 10,000,000 common shares with par value of Php100.00 per common share.

As of **31 May 2024**, the Company has 5,750,000 issued and outstanding common shares entitled to vote at the Meeting. Every stockholder shall be entitled to one (1) vote for each share of stock held as of the established record date.

With respect to the election of directors, a stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit, provided the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

The 5,750,000 common shares are 100% owned by Filipino stockholders.

As of **31 May 2024**, the Company has 49 stockholders, 42 of whom are individuals with at least one share each. The following table sets out the list of the Company's stockholders of record holding more than 5% of its common shares:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Outstanding Shares
Common	Vitus M. Romero F. Tañedo St., Brgy. San Nicolas, Tarlac City *Director, President, General Manager*	N/A	Filipino/ American[1]	582,600	10.13%
Common	Maria Veronica M. Romero F. Tañedo St., Brgy. San Nicolas, Tarlac City *Stockholder*	N/A	Filipino/ American[1]	582,600	10.13%
Common	Ana Cecilia R. San Pascual Unit 13-E Gilmore Townhomes, Jose	N/A	Filipino	580,000	10.09%

	O. Vera St., Brgy. Valencia, Quezon City *Stockholder*				
Common	Dagupan Electric Corporation 3/F Veria I Bldg. 62 West Avenue, Q.C. *Stockholder*	N/A	Filipino	400,000	6.96%
Common	J-Ten Equities, Inc. 1905 Robinsons Equitable Tower, ADB cor Poveda St., Pasig City *Stockholder*	N/A	Filipino	400,000	6.96%
Common	ABWR888 Holdings 50 Perez Ave. San Sebastian Village, Tarlac City *Stockholder*	N/A	Filipino	380,000	6.61%
Common	Mavwin Properties, Inc. 1905 Robinsons Equitable Tower, ADB cor Poveda St., Pasig City *Stockholder*	N/A	Filipino	300,000	5.22%
Common	Rodolfo Vivencio K. Romero Sta. Monica Heights Subd., San Rafael, Tarlac City *Stockholder*	N/A	Filipino	290,000	5.04%
Common	Frances Bernadette K. Romero Sta. Monica Heights Subd., San Rafael, Tarlac City *Stockholder*	N/A	Filipino	290,000	5.04%
	TOTAL			**3,805,200**	**66.18%**

[1]Dual citizen, re-acquired Filipino citizenship pursuant to the Citizenship Retention and Re-acquisition Act of 2003 (R.A. 9225)

There are no beneficial owners of at least 5% of the Company's shares as of **31 May 2024**, other than those set out in the table above.

Security Ownership of Management

The following table sets forth the number of shares owned of record and/or beneficially owned by the directors and executive officers of the Company, and the percentage of shareholdings of the said directors and executive officers, as of **31 May 2024**. On the aggregate, the Company's current directors and executive officers hold 658,830 (11.46%) shares of the Company.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Vivencio M. Romero, Jr.	23,999 shares, Direct Ownership	Filipino	0.42%
Common	Vitus M. Romero	582,600 shares, Direct Ownership	Filipino/ American[1]	10.13%
Common	Venus M. Romero	2,800 shares, Direct Ownership	Filipino	0.05%
Common	Maria Victoria R. San Pascual	2,800 shares, Direct Ownership	Filipino	0.05%
Common	Miriam S. Galvez	1 share, Direct Ownership	Filipino	-
Common	Maria Elisa B. Abaya	24,000 shares, Direct Ownership	Filipino	0.42%
Common	Floriza D. Forlales	20,000 shares, Direct Ownership	Filipino	0.35%
Common	Leandro Rodel V. Atienza	2,630 shares, Direct Ownership	Filipino	0.05%

[1]Dual citizen, re-acquired Filipino citizenship pursuant to the Citizenship Retention and Re-acquisition Act of 2003 (R.A. 9225)

Voting Trust Owners of 5% or more of the Company's Shares

There are no voting trust holders in respect of more than five percent (5%) of the Company's voting shares.

Changes in Control

There are no contracts, agreements, or arrangements with respect to the issued and outstanding shares which will result in a change in control of the Company.

Record Date

All stockholders of record as of 31 March 2024 shall be entitled to vote in the Meeting.

NO PROXY SOLICITATION IS BEING MADE.

Item 5. Directors and Executive Officers

(a) (i) Directors and Officers

1. Directors

The following are the names, ages, citizenship, periods of service, and a brief description of the business experience for the last five (5) years of each of the incumbent directors/independent directors of the Company. Except for Engr. Miriam S. Galvez, who is a Chairperson of the College of Engineering Graduate Program of the Tarlac State University, no directors or officers of the Company are connected with any government agencies or its instrumentalities (*please see Certification attached to this report as Annex H)*. All the incumbent members of the Board of Directors of TEI, have been nominated for re-election at the Meeting:

VIVENCIO M. ROMERO JR. *Chairman* *Member, Audit Committee* *Member, Corporate Governance Committee*	Engr. Vivencio M. Romero Jr., 68, Filipino, has been the Chairman of the Board of Tarlac Electric Inc. since 1992. He was the President and General Manager of the company from 1992 to 2018. He joined the company in 1982 as Assistant Operations Manager. He was elected as member of the Board Audit Committee and Board Corporate Governance Committee in March 2021 and November 2021, respectively. Engr. Vivencio M. Romero, Jr. is also a director and/or officer of the following non-reporting companies and associations as **31 May 2024**: **Company** — **Position** Tarlac Power Corporation — Chairman and President Me-Ka Corporation — Director, Vice-President and General Manager ETM Incorporated — Director and Vice-President V.M.R. Incorporated — Director and Vice-President Dagupan Electric Corp. — Director since January 2016 Private Electric Power Operators Association — Director and Treasurer since 2006 Sto. Niño Solar Power Corporation — Chairman and President

<table>
<tr>
<td>VITUS M. ROMERO
President and General Manager
Director
Chairman, Corporate Governance Committee
Member, Board Risk Oversight Committee</td>
<td>Engr. Vitus M. Romero, 55, Filipino/American[1], is the President and General Manager of TEI. He was elected to the position of President in May 2018. Prior to his election as President, he was elected General Manager at the annual stockholders' meeting in 2016, a position he holds up to this day. He joined the company in 2006 and was appointed as the Head of the Retail Services Group which oversees the Consumer and Technical Services Departments. He was also elected as a Director in April 2007. He was elected as Chairman of the Company's Board Corporate Governance Committee in November 2021, and as member of the Board Risk Oversight Committee in July 2022.

He is also a director and/or officer of the following non-reporting companies as of <u>31 May 2024</u>:

<table>
<tr><th>Company</th><th>Position</th></tr>
<tr><td>Tarlac Power Corporation</td><td>Director</td></tr>
<tr><td>Me-Ka Corporation</td><td>Director and Asst. Vice-President</td></tr>
<tr><td>ETM Incorporated</td><td>Director</td></tr>
<tr><td>V.M.R. Incorporated</td><td>Director</td></tr>
<tr><td>Sto. Niño Solar Power Corporation</td><td>Director</td></tr>
</table>

As President and General Manager, he is directly responsible for the overall management of the Company's operations, including monitoring of the Company's overall performance to meet targets and implementing of BOD decisions and policies.</td>
</tr>
<tr>
<td>VENUS M. ROMERO
Vice President and ITCS Head
Director
Member, Corporate Governance Committee
Chairman, Board Risk Oversight Committee</td>
<td>Mr. Venus M. Romero, 56, Filipino, was elected Vice President in May 2018. Aside from being a member of the Board of Directors, he has been the Head of the Information Technology Communications Services Department since 1991. He was elected as a Director in April 1997. He was elected as Member of the Company's Board Corporate Governance Committee in November 2021 and as Chairman of the Board Risk Oversight Committee in July 2022.

He is also a director and/or officer of the following non-reporting companies as <u>31 May 2024</u>:

<table>
<tr><th>Company</th><th>Position</th></tr>
<tr><td>Tarlac Power Corporation</td><td>Director and Vice-President</td></tr>
<tr><td>Me-Ka Corporation</td><td>Director</td></tr>
<tr><td>ETM Incorporated</td><td>Chairman and President</td></tr>
<tr><td>V.M.R. Incorporated</td><td>Chairman and President</td></tr>
<tr><td>Sto. Niño Solar Power Corporation</td><td>Director and Vice-President</td></tr>
</table>
</td>
</tr>
</table>

	As ITCS Head, he is directly responsible for the overall strategic planning and management of the Company's Information and Operations Technology, including the implementation and maintenance of computer systems, backup of databases, files, records and development and maintenance of computer systems, hardware, and infrastructure. He also leads the Company's effort to meet cybersecurity standards, such as policies, governance, risk assessment, compliance, and deployment of advanced cybersecurity technologies. Furthermore, he oversees the implementation of the Company's project in compliance with the industry's roadmap to Smart Grid.
MARIA VICTORIA R. SAN PASCUAL *Director* *Member, Audit Committee*	Ms. Maria Victoria R. San Pascual, 66, Filipino, was elected to the Board of Directors on May 2017. She was also the Corporate Secretary from 2005 to June 2019. Prior to those positions, she was the Administrative Manager from 1983-1995. She has been a consultant of the Company since 2018. She was elected as Member of the Company's Board Audit Committee in March 2021. At present, she is also a director and/or officer of the following non-reporting companies as of **31 May 2024**: **Company** — **Position** Me-Ka Corporation — Director and Treasurer ETM Incorporated — Director and Treasurer V.M.R. Incorporated — Director and Treasurer Sto. Niño Solar Power Corporation — Director
MIRIAM S. GALVEZ *Independent Director* *Chairperson, Audit Committee* *Member, Board Risk Oversight Committee*	Engr. Miriam S. Galvez, 58, Filipino, was elected as Independent Director on 27 January 2021 to serve for the remaining term of the resigning director, Mr. Virgilio M. Romero, and was re-elected as Independent Director at the 2022 and 2023 Annual Stockholders' Meeting. She was also elected as Chairperson of the Board Audit Committee in March 2021, and as member of the Board Risk Oversight Committee in July 2022. She is a Registered Electrical Engineer. She earned her Masters in Engineering Education Major in Electrical Engineering degree in 1990 and Doctor of Education degree in 2006 from the Central Luzon Polytechnic College (now NEUST). She has been a faculty member of Tarlac State University since 1991, served as Dean of the College of Engineering and Technology from 2014 to August 2022 and is currently the Chairperson of the College of Engineering Graduate Program.

	See attached *Annex "C"* for the Certification on the Qualification and Disqualification of Independent Directors and *Annex "C-1"* for the written consent from the College of Engineering Graduate Program of Tarlac State University relative to Engr. Galvez's association with TEI.

2. Executive Officers

The name, age, citizenship, position, and a brief description of the business experience for the last five (5) years of each of the executive officers and all other officers of TEI as of **31 May 2024** are as follows:

VIVENCIO M. ROMERO JR. *Chairman* *Member, Audit Committee* *Member, Corporate Governance Committee*	Engr. Vivencio M. Romero Jr., 68, Filipino, has been the Chairman of the Board of Tarlac Electric Inc. since 1992. He was the President and General Manager of the company from 1992 to 2018. He joined the company in 1982 as Assistant Operations Manager. He was elected as member of the Board Audit Committee and Board Corporate Governance Committee in March 2021 and November 2021, respectively. Engr. Vivencio M. Romero, Jr. is also a director and/or officer of the non-reporting companies and associations as disclosed in *Item 5, page 7*, of this report.
VITUS M. ROMERO *President and General Manager* *Director* *Chairman, Corporate Governance Committee* *Member, Board Risk Oversight Committee*	Engr. Vitus M. Romero, 55, Filipino/American[1], is the President and General Manager of TEI. He was elected to the position of President in May 2018. Prior to his election as President, he was elected General Manager at the annual stockholders' meeting in 2016, a position he holds up to this day. He joined the company in 2006 and was appointed as the Head of the Retail Services Group which oversees the Consumer and Technical Services Departments. He was also elected as a Director in April 2007. He was elected as Chairman of the Company's Board Corporate Governance Committee in November 2021, and as member of the Board Risk Oversight Committee in July 2022. He is also a director and/or officer of the non-reporting companies as disclosed in *Item 5, page 8,* of this report.

	As President and General Manager, he is directly responsible for the overall management of the Company's operations, including monitoring of the Company's overall performance to meet targets and implementing of BOD decisions and policies.
VENUS M. ROMERO *Vice President and ITCS Head* *Director* *Member, Corporate Governance Committee* *Chairman, Board Risk Oversight Committee*	Mr. Venus M. Romero, 56, Filipino, was elected Vice President in May 2018. Aside from being Vice President, he has been the Head of the Information Technology Communications Services Department since 1991. He was elected as a Director in April 1997. He was elected as Member of the Company's Board Corporate Governance Committee in November 2021 and as Chairman of the Board Risk Oversight Committee in July 2022. He is also a director and/or officer of the non-reporting companies as disclosed in Item 5, page 8, of this report. As ITCS Head, he is directly responsible for the overall strategic planning and management of the Company's Information and Operations Technology, including the implementation and maintenance of computer systems, backup of databases, files, records and development and maintenance of computer systems, hardware, and infrastructure. He also leads the Company's effort to meet cybersecurity standards, such as policies, governance, risk assessment, compliance, and deployment of advanced cybersecurity technologies. Furthermore, he oversees the implementation of the Company's project in compliance with the industry's roadmap to Smart Grid.
MARIA ELISA B. ABAYA *Treasurer and Treasury Head*	Ms. Maria Elisa Abaya, 55, Filipino, is the company's Treasurer and Treasury Head. She was appointed as Treasurer in May 2019. Prior to her appointment as Treasurer, she held the position of Administrative Services Head from July 2006 to May 2019. She joined the company in 1991 and held various accounting and audit positions. As Treasury Head, she ensures that the Company has efficient liquidity planning and controls related to the company's financial activities.

FLORIZA D. FORLALES *Compliance Officer and Data Protection Officer*	Ms. Floriza D. Forlales, 44, Filipino, is the Compliance Officer. She joined the Company in 2002 as a Corporate Accountant. She was appointed as Chief Accountant on January 2008 and as Regulatory Compliance Officer on April 2017. She was appointed as the Company's Compliance Officer on 15 January 2021, and as Data Protection Officer on 01 March 2024.. As Compliance Officer, she ensures the Company's full compliance to industry regulations and other reportorial requirements as maybe required by the government and its instrumentalities. As Data Protection Officer, she ensures the Company's full compliance to the Data Privacy Act of 2012, its Implementing Rules and Regulations, issuances by the National Privacy Commission (NPC) and other applicable laws and regulations relating to privacy and data protection. She also serves as the main point of contact between the Company and the relevant data protection authorities.
LEANDRO RODEL V. ATIENZA *Corporate Secretary*	Atty. Leandro Rodel V. Atienza, 37, Filipino, has been the Company's legal counsel since 2014. He was elected as the Corporate Secretary of the Company in 2019. He has been the Managing Partner of Atienza Law Firm since 2015.

[1]Dual citizen, re-acquired Filipino citizenship pursuant to the Citizenship Retention and Re-acquisition Act of 2003 (R.A. 9225)

3. Term of Office of a Director

Under the Amended By-Laws of TEI, each director elected by the stockholders shall hold office for one year from the date of his election as such until his successor is duly elected and qualified.

4. Significant Employees

The following persons are the significant employees of the Company who are expected to make significant contributions to the business of TEI:

NAME	AGE	CITIZENSHIP	POSITION
Roy Y. Yutuc	49	Filipino	Substation Operations and Maintenance Head
Alvin T. Mercado	49	Filipino	System Planning and Design Head
Anna Bianca R. Morales	35	Filipino	Acting Retail Services Head

Frederick C. Calma	55	Filipino	Metering Services Head
Nelson L. Gutierrez	47	Filipino	Technical Services Head
Wendy V. Abad	31	Filipino	Human Resources Head
Jinalyn D. Quiazon	42	Filipino	General Services Head
Angeline Rina M. Ramos	37	Filipino	Consumer Services Head
Jayson T. Fider	36	Filipino	Lines Operations and Maintenance Head
Lorna J. Ragasa	47	Filipino	Accounting Head
Henry John G. Sacaguing	60	Filipino	Consultant, Network Services

The business experience of the directors and executive officers are for at least the past five (5) years from the date of this report.

ROY Y. YUTUC
Substation Operations and Maintenance Head

Engr. Roy Y. Yutuc is the Substation Operations and Maintenance Head since 2012. He joined the Company in 1997 as a Junior Electrical Engineer.

As Substation Operations and Maintenance Head, he is responsible for the overall management and safety of the distribution system, substation operations and maintenance.

ALVIN T. MERCADO
System Planning and Design Head

Engr. Alvin T. Mercado is the System Planning and Design Head since 2012. He joined the Company in 1997 as a Junior Electrical Engineer.

As System Planning and Design Head, he is directly responsible for the overall management of the Company's system planning, engineering design.

ANNA BIANCA R. MORALES
Acting Retail Services Head

Ms. Anna Bianca R. Morales was appointed as Acting Retail Services Head in June 2022. She was appointed as Acting Consumer Services Head in January 2020 and as Consumer Services Head in November 2021. She joined the Company in 2014 as a Management Trainee and headed the Treasury Department in July 2016.

As Acting Retail Services Head, she closely monitors the departments that involve retail activities, Consumer, Metering and Technical Services. She ensures that retail activities are operating efficiently, from customer experience to metering and meter lab activities.

She is also a director and the President of ABWR888 Holdings, Inc.

She is the niece of the following directors of TEI: Mr. Vivencio M. Romero, Jr., Mr. Vitus M. Romero, Mr. Venus M. Romero, and Mrs. Maria Victoria R. San Pascual.

FREDERICK C. CALMA
Metering Services Head

Engr. Frederick C. Calma is the Metering Services Head since 2019. He joined the Company in 1994 as a Meter Engineer, a position he held until 2015. He was the Company's Procurement Officer from 2000 to 2012. He was also appointed as Complaint and Inspection Head from 2015 to 2017 and Project Scheduler from 2017 to 2018.

As Metering Services Head, he is responsible for ensuring the effective and efficient installation of meters, metering equipment and service drops for new connections and for the monitoring and maintenance of existing connections including changing, transferring and rehabilitation of billing meters, metering equipment and service drops.

NELSON L. GUTIERREZ
Technical Services Head

Engr. Nelson L. Gutierrez was appointed as Technical Services Head on January 16, 2021. Prior to his appointment as Technical Services Head, he was the Meter Laboratory Head from 2015 to 2020. He joined the Company in 2012 as New Connection and Complaints Head until 2013 then Power Metering Head from 2013 to 2015.

As Technical Services Head, he ensures the efficiency and alignment of the distribution mapping, facility monitoring, pole attachment management and meterlab's operations with the Company's overall direction.

WENDY V. ABAD
Human Resources Head

Ms. Wendy V. Abad has been appointed as Human Resource Head last September 18, 2023. She joined the Company in 2014 as System Planning Engineer. She was appointed as Management Trainee for Human Resources Department in 2018 and as Risk Officer in October 2023.

As Human Resources Head, she handles all human resource-related operations and helps the Company identify needs, develop action plans and facilitate change to improve organization performance, employee acquisition, engagement, retention, morale and communication. She also designs, facilitates, and conducts organizational development interventions, and training programs such as leadership and management, strategic planning, team building, coaching, crafting corporation vision, mission and values, customer service, trainers' training, sales presentation, presentation and facilitation skills and personal financial management.

JINALYN D. QUIAZON
General Services Head

Ms. Jinalyn D. Quiazon is the General Services Head since December 2019. She joined the Company in June 2019 as a Management Trainee. Prior to joining the Company, she has had extensive experience in procurement since 2007 at her previous employment in manufacturing companies.

As General Services Head, she manages and oversees overall activities of procurement, warehousing and inventory, security, and property management sections.

ANGELINE RINA M. RAMOS

Consumer Services Head

Ms. Angeline Rina M. Ramos is the Consumer Services Head since June 2022. She joined the Company in 2010 as Administrative Assistant and was appointed as Consumer Welfare Desk Officer (CWD Officer) **and Acting Administrative Head in 2015, and as Assistant Consumer Services Head in 2016.**

As Consumer Services Head, she ensures that the Company is responsibly performing administrative functions directly involving consumer welfare from new meter application, meter reading, billing, collection, disconnection, and reconnection, and is able to establish quality relationships with customers. Her department ensures that all customer related concerns are met with efficient operational procedures.

LORNA J. RAGASA
Accounting Head

Ms. Lorna J. Ragasa was appointed as Accounting Head last January 19, 2024. She was previously the Acting Internal Audit Head and Chief Risk Officer appointed in June 2022. Prior to her current position, she held several positions in the Accounting Department as she rose from the ranks and was appointed as Assistant Accounting Head in 2018. She joined the Company in 1997 as Accounting Assistant.

As Accounting Head, she is responsible for the efficient and effective implementation of controls and procedures involving the recording of financial transactions, and timely preparation of financial statement and related analysis and reports.

JAYSON T. FIDER
Lines Operations and Maintenance Head

Engr. Jayson T. Fider is the Lines Operations and Maintenance Head since June 2022. He joined the Company in 2011 as Electrical Engineer Lines Operations and Maintenance and was appointed as Line Maintenance Engineer in 2018.

As Lines Operations and Maintenance Head, he is responsible for the overall efficient management and safety of the distribution and sub-transmission line system.

HENRY JOHN G. SACAGUING
Consultant, Network Services

Engr. Henry John Sacaguing is a Consultant for Network Services Group. He was the Network Services Head of the Company prior to his retirement on 30 October 2023 being appointed to the position in April 2016. He also served as the Lines Operations and Maintenance Head from 1998. He joined the Company in 1983 as Electrical Lineman.

The Company is highly dependent on the services of the following key personnel:

1. Engr. Vitus M. Romero
2. Mr. Venus M. Romero
3. Ms. Maria Elisa B. Abaya
4. Ms. Floriza D. Forlales
5. Engr. Alvin T. Mercado
6. Engr. Roy Y. Yutuc
7. Engr. Frederick C. Calma
8. Engr. Nelson L. Gutierrez
9. Ms. Anna Bianca R. Morales
10. Ms. Jinalyn D. Quiazon
11. Ms. Wendy V. Abad
12. Ms. Angeline Rina M. Ramos
13. Engr. Jayson T. Fider
14. Ms. Lorna J. Ragasa
15. Engr. Henry John G. Sacaguing

The Company has no specific arrangement to ensure that the foregoing personnel will remain with the TEI. Neither does the Company implement a non-compete to the said persons in case of their termination from employment.

5. Family Relationships

TEI's Chairman, Engr. Vivencio M. Romero Jr., President, General Manager and Director, Engr. Vitus M. Romero, Vice-President, ITCSD Head and Director, Mr. Venus M. Romero and its Director, Ms. Maria Victoria R. San Pascual are all brothers and sister.
The Acting Retail Services Head, Ms. Anna Bianca R. Morales, is related to the foregoing Directors within the third degree of consanguinity.
Aside from the foregoing, there are no other family relationships between other directors, executive officers, or other persons nominated or chosen by the Company to become directors or executive officers.

6. Involvement of Directors and Officers in Certain Legal Proceedings

Within the past five (5) years, there has been no bankruptcy petition filed by or against any business of which any of the foregoing named directors or executive officers have been a general partner or executive officer at the time of the bankruptcy or within two (2) years prior to that time.

None of the foregoing directors or executive officers have been convicted by final judgment in any criminal proceeding nor involved in any pending criminal proceeding, whether domestic or foreign in the past five (5) years from the date of this report.

None of the foregoing directors or executive officers have been subject to any order, judgment, or decree by any domestic or foreign court of competent jurisdiction, permanently or temporarily barring, suspending, or otherwise limiting his involvement in any type of business, securities, commodities, or banking activities in the past five (5) years from the date of this Report.

On 20 February 2023, the Securities and Exchange Commission issued a letter reprimanding the following directors, officers and stockholders relative to the show cause letter it issued dated 11 October 2022 for the late filing of SEC Form 23-A:

Name	Position	SRC Case No.
Floriza D. Forlales	Accounting Head and Compliance Officer	MSRD-SRD-117-2022
Henry John G. Sacaguing	Network Services Group Head	MSRD-SRD-118-2022
Leandro Rodel V. Atienza	Corporate Secretary	MSRD-SRD-119-2022
Maria Elisa B. Abaya	Treasurer and Treasury Head	MSRD-SRD-120-2022
Maria Veronica M. Romero	Stockholder	MSRD-SRD-121-2022
Maria Victoria R. San Pascual	Director	MSRD-SRD-122-2022
Miriam S. Galvez	Independent Director	MSRD-SRD-123-2022
Venus M. Romero	Vice President and ITCS Head; Director	MSRD-SRD-124-2022
Vitus M. Romero	President and General Manager; Director	MSRD-SRD-125-2022
Vivencio M. Romero, Jr.	Chairman of the Board	MSRD-SRD-126-2022

Aside from the foregoing, none of the foregoing directors or executive officers have been found by a domestic or foreign court or tribunal of competent jurisdiction in a civil action, domestic or foreign Exchange, or other market or self-regulatory organization to have violated a securities or commodities law or regulation in the past five (5) years from the date of this Report.

7. Certain Relationships and Related Transactions

In the last two (2) years, the Company, in the ordinary course of business, has entered into the following related party transactions with its directors, executive officers, nominees, stockholders, or any of their

spouses, parents, children, siblings, and in-laws, consisting of lease arrangements for office spaces and consultancy services:

Names of Related Party	Position or Interest in the Company	Type of Transaction	Amount of Transaction Value in 2023	Amount of Transaction Value in 2022
Vitus M. Romero	President and General Manager	Rental Agreement	₱300,000.00	₱300,000.00
Maria Veronica M. Romero	Stockholder	Rental Agreement	₱1,012,050.00	₱1,349,400.00

There is no outstanding balance related to the above transactions as of 31 December 2023.

Below is the Company's summary of transactions for the year ended 31 December 2023 and the corresponding outstanding balances as of 31 December 2023 and 2022 with related parties under common ownership:

Related Party	Type of Transaction	Amount of Transactions		Outstanding Balance *(in thousands)*	
		2023	**2022**	**2023**	**2022**
Tarlac Power Corporation (TPC)	Purchase of electric energy	262,824,293	232,532,177	8,685,797	18,406,708
Meka Corp.	Purchase of Supplies	2,769,214	12,981,686	-	4,475,361
	Lease of lot and transportation equipment	11,423,875	10,684,950	560,680	574,697
ETM Inc..	Purchase of Supplies	-	2,138,393	-	-
	Lease of lot and transportation equipment	10,347,567	10,188,007	385,200	394,830

The foregoing related party transactions have been incorporated under Note 22 of the 31 December 2023 Audited Financial Statements.

There are no material transactions which were negotiated by the Company with parties whose relationship with the Company fall outside the definition of "related parties" under Philippine Accounting Standards 24, Related Party Disclosures, but with whom the Company has relationship that enables such parties to negotiate terms that may not be available from other, more clearly independent parties on an arm's length basis.

8. Parent Company

(a) List all parents of the registrant showing the basis of control and as to each parent, the percentage of voting securities owned or other basis of control by its immediate parent if any.

Not applicable.

(b) Resignation or Refusal to Stand for Re-election by Members of the Board of Directors

No director has resigned, or otherwise declined to stand for re-election to the Board since the last annual meeting of the Company's stockholders because of disagreement with TEI on matters relating to its operations, policies, and practices.

9. Legal Proceedings[1]

The Company has no on-going legal proceedings involving it and any of its properties, whether material or non-material.

The Company has not undergone any bankruptcy, receivership, or other similar proceeding in the past three (3) years from the date of this report.

The Company reported the following matters under SEC Form 17-C, Item 5 Legal Proceedings:

- **On 23 January 2023, the ERC issued an Order granting TEI's Motion for Partial Reconsideration under ERC Case No. 2018-092 RC entitled, "In the Matter of the Application for Approval of Its RY 2018-2019 Contingency and Emergency Capital Expenditure Projects", promulgated by ERC on October 12, 2022.**

- **On 23 January 2023, in compliance with Resolution No. 26, Series of 2009, TEI filed an application with ERC docketed as ERC Case No. 2023-010 RC entitled "In the Matter of the Application for Authority to Implement Capital Expenditure Program for Regulatory Years (RY) 2021 and 2022.**

- **On 22 May 2023 TEI filed an application for the approval of its true-up calculation of automatic pass-through costs from January 2020 to December 2022 with the Energy Regulatory Commission (ERC) per ERC Case No. 2023-033 CF, dated 22 May 2023, entitled "In the Matter of the Application for Confirmation of True-Up Calculation of Automatic Pass-Through Costs Implemented for the Billing Period from January 2020 to December 2022".**

- **On 29 June 2023 TEI received Show Cause Orders issued by the Energy Regulatory Commission. The show cause orders alleged that TEI fails to comply with the Order of the Honorable Commission to submit complete documents and data for fuel audit**

[1] *Information required by Part I(C) of "Annex C, as amended"*

and that it fails to validate the reasonability of pass-through generation charges, resulting in the failure to supply electricity in the least cost manner due to TEI's alleged non-compliance to the Commission's letter dated 05 January 2023 in relation to its implementation of its Power Supply Agreement (PSA) with GNPower Mariveles Energy Center Ltd., Co. (GMEC) under ERC Case No. 2007-121 RC for January to October 2022, promulgated last May 22, 2023.

Also, the following items were reported after 31 December 2023:

- **On 22 January 2024, TEI received a Notice of Violation issued by the Department of Environment and Natural Resources. The notice is served upon for having violated the provisions of PD 1586 or the "Environmental Impact Statement (EIS) System Law", RA 6969 or the "Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990", RA 8749 or the "Philippine Clean Air Act of 1999", and their respective Implementing Rules and Regulations.**

- **On 01 March 2024, TEI paid the deficiency taxes including interest and compromise penalties amounting to Twenty Million One Hundred Twenty-Three Thousand Seventy-Six Pesos and 04/100 (P20,123,076.04) for the taxable year ended 31 December 2019, pursuant to subject matters covering the Final Decision on Disputed Assessment dated 27 February 2024, received by TEI on 28 February 2024.**

Item 6. Compensation of Directors and Executive Officers

The figures set forth in the table below shall be understood to be in Philippine Peso.

NAME AND PRINCIPAL POSITION	YEAR COVERED	SALARY	BONUS	OTHER ANNUAL COMPENSATION
Vivencio M. Romero, Jr. *Chairman of the Board*	2022	5,311,559.36	427,113.80	456,500.00
	2023	2,914,987.47	936,659.18	497,300.00
	2024*	3,180,018.39	1,030,325.10	547,030.00
Vitus M. Romero *President and General Manager*	2022	4,128,477.45	1,169,121.16	728,655.40
	2023	4,505,510.08	1,369,677.08	568,809.92
	2024*	4,930,450.53	1,506,644.79	625,690.91
Venus M. Romero *Vice-President and IT and Communications Services Head*	2022	3,465,324.80	1,015,823.21	695,305.57
	2023	3,787,325.78	1,151,251.66	789,957.54
	2024*	4,155,806.03	1,266,376.83	868,953.29
Henry John G. Sacaguing *Network Services Group Head*[1]	2022	2,295,491.21	688,675.45	257,897.60
	2023	2,097,008.98	748,461.69	317,238.69
	2024*	-	-	-
Maria Elisa B. Abaya *Treasurer and Treasury Head*	2022	1,848,472.39	542,122.10	216,810.66
	2023	1,918,597.69	754,502.30	88,391.99
	2024*	2,236,399.41	829,952.53	97,231.19
All Other Officers and Directors as a Group	2022	1,543,514.09	388,665.64	174,039.01
	2023	1,683,227.23	512,518.10	102,214.96
	2024*	1,859,401.80	563,769.91	112,436.46

**Estimated compensation for the ensuing year*
[1]Retired on 30 October 2023

COMPENSATION OF DIRECTORS

Standard Arrangements

The Directors receive a per diem of Twenty-Five Thousand Pesos (₱25,000.00) for each meeting attended.

Pursuant to the Company's Manual on Corporate Governance, which was approved by the Company on 16 January 2021, the Company shall have three (3) committees namely, the Corporate Governance Committee, Board Risk Oversight Committee, and Audit Committee. The Committee chairpersons shall be entitled to a per diem of Twenty Thousand Pesos (₱20,000.00) for each meeting attended while committee members shall be entitled to a per diem of Fifteen Thousand Pesos (₱15,000.00) for each meeting attended.

No other compensation, in any form, is paid to them for the services they provide as directors of the Company.

Below are Directors' summary of compensations for 2023 and estimated compensations for 2024:

Name	Position	Compensation for 2023	Estimated Compensation for 2024
Vivencio M. Romero, Jr.[1]	Chairman of the Board/Director	₱4,348,946.65*	₱4,757,373.49*
Vitus M Romero[2]	President and General Manager/ Director	400,000.00*	370,000.00
Venus M. Romero[2]	Vice-President and ITCSD Head/Director	365,000.00*	340,000.00
Maria Victoria R. San Pascual[2]	Director	385,000.00	360,000.00
Miriam S. Galvez[2]	Independent Director	420,000.00	410,000.00

TABLE MM: DIRECTORS' COMPENSATION

**Included in the Executive Compensation*

[1]The Company's Chairman of the Board, Engr. Vivencio M. Romero, Jr. received a total compensation of Four Million Three Hundred Forty-Eight Thousand Nine Hundred Forty-Six and 65/100 Pesos (₱4,348,946.65) inclusive of per diem amounting to Four Hundred Thirty Thousand Pesos (₱430,000.00) in 2023.

Other Arrangements

In 2018, the Company entered into a Consultancy Agreement to review and document the Company's internal controls and related processes with Ms. Maria Victoria R. San Pascual, a member of the Company's Board of Director for a period of one (1) year renewable every year. The Company paid a consultancy fee of one million two hundred thousand pesos (₱1,200,000.00) in 2021. The contract was no longer renewed after 31 December 2021.

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS

Employment Contract with Executive Officer

There are no employment contracts between the Company and its executive officers.

Compensatory Plan or Arrangement

The Company has no existing compensatory plan or arrangement with any of its named executive officers, that will result from the resignation, retirement, or any other termination of such executive officer, a change-in-control of the Company, or a change in said executive officers' responsibilities following a change in Company control that will exceed an aggregate sum of Two Million Five Hundred Thousand Pesos (₱2,500,000.00).

WARRANTS AND OPTIONS OUTSTANDING: REPRICING

There are no outstanding warrants or options held by the Company's President, named executive officers, and all its officers and directors as a group.

Item 7. Independent Public Accountants

The auditing firm of Punongbayan & Araullo ("P&A Grant Thornton") has been TEI's Independent Accountant for the last 18 years. Mr. Edcel U. Costales is TEI's audit partner for 2023. P&A Grant Thornton is being recommended for re-appointment as external auditor for the current year.

Based on representations of P&A Grant Thornton, P&A Grant Thornton complies with Paragraph (3)(b)(ix) of Part I of the Revised Securities Regulation Code Rule 68 on the long association of personnel (including partner rotation) with an audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the Board of Accountancy and the Philippine Regulatory Commission and such other standards as may be adopted by the Commission.

The aggregate fees, exclusive of 15% fixed out of pocket expenses, billed by P&A Grant Thornton for the audit of the Company's financial statements for 2023 with comparative figures for 2022 and 2021 are shown below:

Nature	Fees paid to P&A For the years ended 31 December		
	2023	**2022**	**2021**
Audit of Financial Statements	775,000	710,000.00	675,000.00

The Company has had no disagreements with its independent auditors on any matter of accounting principles or practices, financial statements disclosure, or auditing scope or procedure from the periods ended 31 December 2021 to 31 December 2023.

TEI's Audit Committee has an existing policy to review and to pre-approve the audit and non-audit services rendered by TEI's independent auditors as disclosed in *Annex I, Disclosures,* of this report.

The Audit Committee has reviewed the nature of non-audit services rendered by P&A Grant Thornton, and the corresponding fees and concluded that these are not significant to impair the independence of the auditors. In 2023, P&A provided professional services to TEI in relation to its compliance with the requirements of the SEC with respect to the submission of the 2023 quarterly and annual summary of application of proceeds from the Company's initial public offering. Also, P&A provided assistance in the Company's tax assessment for 2019.

P&A Grant Thornton representatives are not expected to be present during the Meeting. However, should representatives of P&A Grant Thornton attend, they shall have an opportunity to make a statement and respond thereafter to appropriate questions that may arise during the stockholders' meeting.

Item 8. Compensation Plans

NOT APPLICABLE. No action is to be taken during the Meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange

NOT APPLICABLE. No action is to be taken during the Meeting with respect to authorization or issuance of any securities.

Item 10. Modification or Exchange of Securities

No action is to be taken during the Meeting with respect to the issuance or authorization for issuance of one class of securities in exchange for outstanding securities of another class.

Item 11. Financial and Other Information

No action is to be taken with respect to any matter with respect to the authorization or issuance of securities other than for exchange and modification or exchange of securities.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

NOT APPLICABLE. No action is to be taken during the Meeting with respect to any transaction involving (i) merger or consolidation of TEI into or with any other person or of any other person into or with TEI (ii) acquisition by TEI or any of its security holders of securities of another person, (iii) acquisition by TEI of any other going business or of the asset thereof, (iv) sale or other transfer of all or any substantial part of the assets of TEI or (v) liquidation or dissolution of TEI.

Item 13. Acquisition or Disposition of Property

NOT APPLICABLE. No action is to be taken during the Meeting with respect to any acquisition or disposition of any property requiring the approval of Stockholders.

Item 14. Restatement of Accounts

NOT APPLICABLE. No action is to be taken during the Meeting with respect to any restatement of any asset, capital, or surplus account of TEI.

D. OTHER MATTERS

Item 15. Action with Respect to Reports

1. Approval of the minutes of the 2023 Annual Meeting of Stockholders held on 23 June 2023;

   Rationale: To allow the stockholders to confirm that the proceedings during the ASM were recorded accurately and truthfully.

   A summary of the minutes discussed and matters approved by the stockholders during the 2023 Annual Meeting of Stockholders held on 23 June 2023 is provided below:

I. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON 28 JUNE 2022

The Chairman submitted for approval the Minutes of the Annual Stockholders' Meeting held on June 28, 2022. Copies of the minutes were previously distributed to the Stockholders and posted on the website of the Corporation.

The Corporate Secretary presented the proposed resolution, as follows:

"Resolved, to approve the minutes of the annual stockholders' meeting held on June 28, 2022."

The Chairman asked the stockholders if there were questions on the proposed resolution.

No questions were asked on the proposed resolution. The Corporate Secretary proceeded in reporting and certifying that stockholders owning 5,640,000 shares of the Corporation have voted to approve the proposed resolution. The proposed resolution was thus adopted and approved.

II. PRESENTATION OF THE PRESIDENT'S REPORT

The Chairman introduced the next item on the agenda which was the presentation of the President's Report by the Company's President and General Manager, Engr. Vitus M. Romero.

The President and General Manager presented the following report:

The Company registered a net profit of P270M for the year ended December 31, 2022, which was higher by 53.4% compared to 2021. This resulted from total revenues of P4.7B, energy sales of 480,839 MWh from 90,201 customers and a system loss of 4.80%. The Company's profit before tax and unaudited distribution net income before tax were P360M and P347M, respectively, and the Company's total assets as of December 31, 2022, was P3.4 Billion.

The increase in the Company's net profit for 2022 compared to 2021 was due to the net over recoveries on pass-through charges and increase in energy sales

during the year. Generation rate in 2022 has significantly increased due to high fuel cost and WESM prices, resulting to higher generation revenue which contributed to the increase in total revenues for the year. The growth of 3.8% in energy sales likewise contributed to the increase in revenues.

The Financial Highlights for the year ended December 31, 2022 was also presented, to wit:

Results of Operations: Revenues

The Company's revenues come from pass-through charges, distribution revenues and from other sources.

Pass-through charges amounting to P3.7B refer to generation, transmission and system loss. These charges increased by 59% compared to 2021 mainly due to higher rates resulting from high fuel cost, and growth in energy sales.

In 2022, the Company's distribution revenues, amounting to P881M, increased by 3% primarily due to the increase in its energy sales. Distribution revenue consisting of distribution, supply and metering charges, pertains to the Company's main source of revenue. The Company's distribution charges are based on its last approved rate application for the 4th regulatory year of its 2nd regulatory period under the Performance-Based Regulation (PBR) which ended on June 30, 2014. The Company cannot implement any changes in its distribution charges without ERC's prior approval.

Other revenues amounting to P69M pertain to net subsidies and other non-electric revenues such as pole rental, service charges and penalties on unpaid bills. Said revenues increased by 68% in 2022.

Costs and Operating Expenses:

The Company's Costs and Operating Expenses in 2022 amounted to P4.3B, which was higher by 38% compared to 2021. 86% of the Company's Cost and Operating Expenses pertains to net purchased power, composed of generation and transmission costs, with a significant increase of 45%. The increase in net purchased power was primarily due to high fuel cost, particularly the significant increase in the price of coal in the world market. The Company's base power supplier, GMEC, is a coal plant, whereas the Company's peaking supplier, TPC, is oil-based. WESM prices in 2022 likewise remained high. These circumstances resulted in an increase of 45% in the Company's net power cost in 2022.

The said increase in power cost also resulted to higher generation rates resulting to significantly higher local franchise tax of 29% and utilities expenses of 41%.

Salaries and employee benefits representing 4% of the Company's cost and operating expenses had no significant movement.

Outsource services remained at 3% of the Company's cost and operating expenses. An increase of 21% was noted due to the additional contractual services hired by the Company for its projects and maintenance activities.

Other accounts which had significant movement from 2021 to 2022 were the following:

Professional fees decreased by 45%. The unusually high professional fees in 2021 was due to the professional services hired by the Company for the registration of its shares with the Securities and Exchange Commission. Said services were no longer required in 2022.

Transportation and travel increased by 28%. Government agencies and other offices started to conduct meetings, public consultations, trainings, and seminars. These contributed primarily to the increase in transportation and travel for the year.

Unaudited Distribution Net Income

The 3% increase in distribution revenue primarily resulted from the growth in energy sales for the year. There has been no change in the Company's distribution rates.

The increase in other income and expenses was mainly due to higher generation rates, contributing to a higher base in the computation of surcharges on past due accounts.

The increase in distribution revenue and net other income, coupled with the increase in operating costs and expenses, resulted to an increase in the unaudited distribution net income before tax of 12%.

Key Performance Indicators

The Company's profitability was stable as shown in its net profit margin per year of 5-7%, return on equity of 15% to as high as 23% and return on assets of 6-8%. The increase in the Company's profitability ratio primarily resulted from the increase in energy sales and the higher generation rates during the year.

In 2022, there has been a minimal decline in the Company's liquidity, registering current ratio and debt-equity ratio at 1.2:1 and 47:53, respectively. Nonetheless, said liquidity ratios remained to be at acceptable levels.

The improved average collection period was primarily due to increased accessibility in paying customers' bills resulting from the Company's engagement with third-party payment centers as well as online payment facilities such as EC Pay, Gcash and BDO Online.

The Earnings Per Share and Book Value per Share for 2022 were P46.94 and P313.23 per share, respectively.

In addition, the President presented the Company's operations highlights for 2022.

Generation and Retail Rate

Graphs showing the Company's generation rate and retail rate for the past 3 years were presented. The irregularity in the trend for the summer of 2020 can be noted. This was due to the lockdown implemented from March 16 to May 15 – demand

went down, supply reserves went up, thus prices went down. Whereas generation rates and retails rates for 2022 were significantly higher than the previous years, as a result of higher fuel cost and continuing high WESM prices.

The graphs presented show the direct relationship of the Company's Generation Rate to its Retail Rate.

A table showing the retail rate for a residential customer consuming 120kWh per month was likewise presented showing the lowest rates for the year in green font, while the highest rates are shown in red font.

Number of Customers:

As of December 31, 2022, the Company had a total of 90,201 customers. Ninety-four percent (94%) or 84,695 of which were Residential Customers. The remaining six present (6%) was composed of Small Commercial, Secondary, Primary, 69 kV and Streetlights. The Company's number of customers increased by 3.21% from 2021.

Energy Sales Mix

In 2022, the percentage of residential customer to total sales has slightly gone down from around 40% to 38% despite the increase in the number of customers and a slight increase in energy sales to non-residential customers.

In 2022, a growth of 3.75% was noted.

Energy Sales (MWh)

A graph showing the monthly MWh sales of the Company for 2020, 2021 and 2022 was presented. The noted dip in March 2020 resulted from the 2-month lockdown implemented due to the Pandemic, whereas the decline in November to December 2020 was due to the outages experienced in the franchise area due to Typhoon Ulysses. Comparing the behavior of the 2022 and 2021 energy sales, it was observed that the behavior of the monthly energy sales has already normalized.

System Loss Comparison

The Company has efficiently maintained a low system loss in the previous years, registering an even lower rate of 4.80% for 2022.

Lastly, the President gave the Company's outlook for 2023

In 2023, the prices of coal and fuel are expected to be lower but will not reach the prices prior to 2021 and WESM prices will likely be high, thus generation rate is expected to still be high. There will be no changes in the Company's distribution rates during the year.

As such, it is expected that the Company's collection efficiency will still be affected, nonetheless, the Company is committed in continuously improving its collection efficiency while trying to accommodate the needs of its customers.

The Company resumed with its capital expenditure projects in 2021. The construction of its Three-Storey Main Headquarters although incurred delays is expected to be finished by third quarter of 2023.

San Vicente Substation is expected to be operational by the end of the year.

Regulatory compliances:

The Company has filed for the approval of its capital expenditures projects for regulatory years 2021 and 2022 and is expected to complete the filing of its capital expenditure projects for RYs 2023 and 2024 by the 3rd quarter of the year.

The Company has filed for the confirmation of true-up calculation of actual weighted average tariff (AWAT) vs. its last approved maximum average price (MAP) until RY 2021. The application is for P499M under recoveries.

The Company also filed for the confirmation of its calculation for the over/under recovery of its pass-through costs from January 2020 to December 2022. The application is for a net under recovery of P94M.

The Company is in the process of preparing the data and information for its reset process for the 4th regulatory period under the performance-based regulation.

After the President's report, the President solicited questions from the stockholders. There being none, the Chairman, proceeded to the next item in the agenda.

III. RATIFICATION OF THE AUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

The Chairman manifested that the Report of the President also included a summary of the financial condition of the Corporation based on its audited financial statements. The Chairman proceeded with the approval of the Audited Financial Statements of the Company as of December 31, 2022, which was filed with the Bureau of Internal Revenue and the Securities and Exchange Commission.

The Corporate Secretary presented the proposed resolution as follows:

"Resolved, to note the Corporation's Annual Report for the year 2022 and to approve the audited financial statements of the Corporation as of December 31, 2022."

The Chairman asked the stockholders if there were questions on the proposed resolution.

There being no questions, the Corporate Secretary was asked to present the voting results.

The Corporate Secretary reported that stockholders owning 5,640,000 shares of the Corporation have voted to approve the proposed resolution. Therefore, the resolution was approved.

IV. RATIFICATION OF THE ACTS AND RESOLUTIONS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND MANAGEMENT FROM THE DATE OF THE LAST ANNUAL STOCKHOLDERS' MEETING UP TO 22 JUNE 2023

The Chairman introduced the next item on the agenda which was the ratification of the Acts and Resolutions of the Board of Directors, Board Committees and Management from the Date of the Last Annual Stockholders' Meeting up to June 22, 2023.

The Corporate Secretary presented the proposed resolution as follows:

"Resolved, to ratify each and every act and resolution, from the Date of the Last Annual Stockholders' Meeting up to June 22, 2023 (the "Period"), of the Board of Directors (the "Board"), Board Committees exercising powers delegated by the Board, and each and every act, during the Period, of the officers of the Corporation performed pursuant to the resolutions of the Board, the Board Committees as well as pursuant to the By-Laws of the Corporation."

The Chairman asked the stockholders if there were questions on the proposed resolution.

There being no questions, the Corporate Secretary was asked to present the voting results.

The Corporate Secretary reported that stockholders owning 5,640,000 shares of the Corporation have voted to approve the proposed resolution. Therefore, the resolution was approved.

V. RE-ALLOCATION OF THE PROCEEDS FROM THE INITIAL PUBLIC OFFER.

The Chairman introduced the next item on the agenda which was the proposed re-allocation of the proceeds obtained from the Initial Public Offer of the Corporation.

The Company's President, Mr. Vitus M. Romero discussed the proposed re-allocation.

As of March 31, 2023, the balance of the offering proceeds was Forty Million Two Hundred Seventy Thousand Four Hundred Ninety-Three Pesos and Fifty-Nine Centavos (P40,270,493.59). Said amount was originally allocated to the following:

- Upgrade to Full SCADA Implementation;
- Construction of Ayala Substation;
- Acquisition of Additional Cyber Security and Threat Protection;
- Additional Privacy Branch Exchange (PBX) Hardware and Licenses and Radio Communication System;
- Installation of Fiber Optic Loop;
- 69KV Line Rehabilitation and Upgrading to 795 mcm ACSR Conductor and Conversion to Ring-Type System; and
- Installation of 69KV Disconnect Switches and Fault Indicators

The proposed re-allocation was as follows:

The amount of Ten Million Pesos (P10,000,000.00) for the construction of the Company's San Vicente Substation;

With the impending completion of San Vicente Substation, the Company found it necessary to re-allocate portion of the balance of the offering proceeds as of March 31, 2023 to the said project.

The amount of Ten Million Pesos (P10,000,000.00) for the purchase of wires, poles and other line materials for the rehabilitation, maintenance and/or extension of distribution lines;

The amount of Five Million Pesos (P5,000,000.00) for the upgrading, replacement and/or installation of additional distribution transformers;

Items 2 and 3 were necessary to address the continuous growth in the Company's demand and number of customers, and the need to constantly upgrade the Company's distribution system to ensure safe and reliable delivery of service

The amount of Ten Million Pesos (P10,000,000.00) for the following information technology projects:

SCADA at Mabini Office
Servers at Mabini and San Rafael Offices
Purchase of Uninterruptible Power Supply (UPS) for Mabini Office; and finally

The balance of Five Million Two Hundred Seventy Thousand Four Hundred Ninety-Three Pesos and Fifty-Nine Centavos (P5,270,493.59) for the construction of the Company's main building

With the impending completion of the main office building, the Company found it necessary to re-allocate portion of the balance of the offering proceeds to the construction and the related information technology projects.

The re-allocation would have no effect on the implementation of the projects where the re-allocation was coming from. Said projects would still be implemented as scheduled.

After the presentation, the Chairman asked the Corporate Secretary to present the proposed resolution.

The Corporate Secretary presented the proposed resolution as follows:

"Resolved, to approve the re-allocation of the proceeds of the Initial Public Offer as follows:"

1. The amount of Ten Million Pesos (P10,000,000.00) for the construction of the Company's San Vicente Substation;

2. The amount of Ten Million Pesos (P10,000,000.00) for the purchase of wires, poles and other line materials for the rehabilitation, maintenance and/or extension of distribution lines;

3. The amount of Five Million Pesos (P5,000,000.00) for the upgrading, replacement and/or installation of additional distribution transformers;

4. The amount of Ten Million Pesos (P10,000,000.00) for the Company's information technology projects; and

5. The balance of Five Million Two Hundred Seventy Thousand Four Hundred Ninety-Three Pesos and Fifty-Nine Centavos (P5,270,493.59) for the construction of the Company's main building.

The Chairman asked the stockholders if there were questions on the proposed resolution.

There being no questions, the Corporate Secretary was asked to present the voting results.

The Corporate Secretary reported that stockholders owning 5,640,000 shares of the Corporation have voted to approve the proposed resolution. Therefore, the resolution was approved.

VI. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Chairman proceed to the next item on the agenda which was the Election of the Board of Directors for the year 2023 to 2024. The Chairman asked the Corporate Secretary to present the nominees qualified to be elected as members of the Board and the election results.

The Corporate Secretary presented the list of nominees and certified that the nominees were qualified to be elected as directors of the Corporation. The nominees and the proposed resolution were presented as follows:

"Resolved, to elect the following nominees as directors of the Corporation to serve as such, beginning today until their successors are elected and qualified:"

Engr. Vivencio M. Romero, Jr.
Engr. Vitus M. Romero,
Mr. Venus M. Romero
Ms. Maria Victoria R. San Pascual
Engr. Miriam S. Galvez

The Corporate Secretary likewise reported the results of election and showed the tabulation of votes with all of the nominees receiving a total of 5,639,680 votes each. Thus, the Corporate Secretary certified that all the nominees have received enough number of votes to be elected to the Board of Directors for the year 2023-2024.

VII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairman then introduced the next item on the agenda which was the appointment of external auditor. He asked the Corporate Secretary to present the proposed resolution.

The Corporate Secretary presented the proposed resolution as follows:

"Resolved, as endorsed by the Board of Directors, to approve the election of P&A Grant Thornton, as external auditor of the Corporation for the year 2023."

The Corporate Secretary reported and certified that stockholders owning 5,640,000 shares of the Corporation have voted to approve the proposed resolution. Thus, the resolution was approved.

VIII. OTHER MATTERS

The Chairman asked the Corporate Secretary if there were any other matters that require consideration of the Stockholders.

The Corporate Secretary reported none.

IX. ADJOURNMENT

There being no other matters to be discussed, the Chairman adjourned the Annual Stockholders' Meeting at 10:39 a.m.

Requirements under Section 49 of the Revised Corporation Code of the Philippines

	REQUIREMENT	DISCLOSURE
(a) 1	A description of the voting and vote tabulation procedures used in the previous meeting	The Company's stockholder voting mechanism is provided under the Company's By-laws and SEC Form 20-IS. During the annual stockholders meeting held on 23 June 2023, only stockholders of record as of 31 March 2023 were entitled to notice and vote at the said meeting. The holders of the common shares of stock of the Company voted on matters scheduled to be taken up during the meeting with each share being entitled to cast 1 vote. The Corporate Secretary counted and validated the votes in accordance with the Revised Corporation Code.
(a) 2	A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given	The stockholders were given the opportunity to ask questions during the meeting, but no questions were asked.
(a) 3	The matters discussed and resolutions reached	Please refer to Item 15 (1) of page 25.
(a) 4	A record of the voting results for each agenda item	I. Approval of the Minutes of the Annual Stockholders' Meeting held on 28 June 2022 – *approved by stockholders owning 5,640,000 shares or 98.09% of the total outstanding capital stock* II. Approval of the Audited Financial Statements for the year ended 31 December 2022 - *approved by stockholders owning 5,640,000 shares or 98.09% of the total outstanding capital stock* III. Ratification of the Acts and Resolutions of the Board of Directors, Board Committees and Management from the date of the last Annual Stockholders' Meeting up to 22 June 2023 - *approved by stockholders owning 5,640,000 shares or 98.09% of the total outstanding capital stock* IV. Re- allocation of the proceeds from the initial public offer. *approved by stockholders owning 5,640,000 shares or 98.09% of the total outstanding capital stock*

<table>
<tr><td></td><td></td><td>V. Appointment of External Auditors - approved by stockholders owning 5,640,000 shares or 98.09% of the total outstanding capital stock
VI. Election of the Members of the Board of Directors – approved as follows:
<table>
<tr><th>Name of Person</th><th>Number of Votes</th><th>% Votes to the Outstanding Capital Stock</th></tr>
<tr><td>Vivencio M. Romero, Jr.</td><td>5,639,680</td><td>98.08%</td></tr>
<tr><td>Vitus M. Romero</td><td>5,639,680</td><td>98.08%</td></tr>
<tr><td>Venus M. Romero</td><td>5,639,680</td><td>98.08%</td></tr>
<tr><td>Maria Victoria R. San Pascual</td><td>5,639,680</td><td>98.08%</td></tr>
<tr><td>Miriam S. Galvez, Independent Director</td><td>5,639,680</td><td>98.08%</td></tr>
</table></td></tr>
<tr><td>(a) 5</td><td>A list of director or trustees, officers and stockholders or members who attended the meeting</td><td>Stockholders holding 5,640,000 shares or 98.09% of the outstanding capital stock were present or represented during the 2023 annual stockholders’ meeting held on 23 June 2023.

The list of directors, officers and stockholders with their proxies, if applicable, who attended the 2023 Annual Stockholders’ Meeting is attached herewith as Annex G.</td></tr>
<tr><td>(b)</td><td>A list of material information on the current stockholders, and their voting rights;</td><td>Please refer to Items 2 and 4.</td></tr>
<tr><td>(c)</td><td>A director attendance report indicating the attendance of each director at each of the meetings of the board and its committees and in regular or special meetings.</td><td>Please see attached Annex F, SEC Form 17-C on Certification of BOD Attendance</td></tr>
</table>

(d)	Appraisals and performance report for the board and the criteria and procedure for assessment; and	The Company's Board Performance Assessment Policies and Procedures was approved by the Board of Directors on 16 December 2022. See attached *Annex J* for a copy of the said policy and *Annexes J-1 to J-5* for the Board's 2023 performance assessment.
(e)	Directors disclosures on self-dealing and related party transactions.	Please refer to Item 5 (a) 7 of page 17.

2. Presentation of the President's Report

Rationale: To present to the stockholders the Company's operating performance, financial condition and outlook.

The President, Engr. Vitus M. Romero, will report on the Company's 2023 performance and the outlook for 2024.

3. Ratification of the Audited Financial Statements for the year ended 31 December 2023

Rationale: To apprise the stockholders of the financial position and results of the Company's operations in 2023.

The audited financial statements refer to the Company's statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and the related notes to financial statements as of and for the year ended 31 December 2023. The Company's audited financial statements for 2023 is incorporated herein as *Annex "A"* and will be made available on the Company website.

Item 16. Matters not required to be submitted

There are no matters or actions to be taken up in the Meeting that will not require the vote of the stockholders as of the record date.

Item 17. Amendment of Charter, Bylaws or Other Documents

The approved amendment of Article 4, Section 1 of the Amended Articles of Incorporation of the Corporation changing the date of the Annual Stockholders Meeting from the 3rd Friday of May of each calendar year to 4th Friday of June of each calendar year is under process.

On 08 May 2024, SEC issued its clearance (Monitoring Sheet, attached herewith as Annex "K") relative to the Company's application to amend Article 4, Section 1 of its By-Laws which provides:

> 1. **Annual Meetings – The regular annual meetings of the stockholders of the corporation shall be held after the year 1963 on the 4th Friday of June of each calendar year, for the purpose of electing directors and for the transaction of such other business as may be properly brought before the meeting.**

No proposed amendments to the Company's Articles of Incorporation, By-Laws or other documents are proposed for the 2024 Annual Stockholders' Meeting.

Item 18. Other Proposed Action

The following are other proposed actions to be submitted for approval during the Meeting:

(1) Ratification of all the acts and proceedings of the Board of Directors *(See Annex B for the 2023 Minutes of Meeting)*, the committees of the Board of Directors, and Management from the date of the last annual stockholders' meeting held on 23 June 2023 until the annual stockholders' meeting on 28 June 2024 which are covered by resolutions duly passed and approved by the Board of Directors and/or its committees, such as:

- Approval of contracts, projects, investments and other acts which have been covered by disclosures to the SEC and/or applications or submission to the Energy Regulatory Commission and/or other government agencies;
- Treasury matters, including borrowings, opening of accounts and bank transactions; and
- Housekeeping matters, including the appointment of signatories and amendments thereof

(2) Ratification of the Audited Financial Statements for the year ended 31 December 2023

(3) Election of members of the Board of Directors for the year 2024-2025

(4) Appointment of P&A Grant Thornton as external auditor of TEI for the year 2024

Item 19. Voting Procedures

(a) Manner of Voting

In all items for approval, each share of stock entitles its registered owner to one (1) vote.

On 17 March 2024, the Board of Directors of the Company approved and authorized voting in absentia and through remote communication, in accordance with Sections 23 and 57 of the Revised Corporation Code. The ballots containing the votes will be sent through electronic mail. The detailed instructions for voting through remote communication are set forth in *Annex D*.

(b) Voting Requirements

For the election of members of the Board, nominees who receive the highest number of votes shall be declared elected pursuant to Section 23 of the Revised Corporation Code.

For other matters submitted to the stockholders for approval, a vote by a majority of the shares present or represented during the Meeting shall be necessary to approve the proposed action.

(c) The Method by which the Votes will be Counted

A stockholder may vote electronically *in absentia* by their registration documents to ballots@teiph.com. The Corporation will send an email to the stockholder, which shall be sent to the email address of the stockholder indicated in the registration form, containing instructions for voting in absentia and remote attendance for the meeting. The ballots submitted shall then be counted by the Corporate Secretary. The results of the voting shall be announced during the meeting.

Item 20. Participation of Stockholders by Remote Communication

In support of the continuing efforts of the government to contain the spread of COVID-19 and to ensure the safety and welfare of its stockholders, directors, officers and employees, the Company will dispense with physical attendance of stockholders at the meeting and will allow attendance only by remote communication.

In order for the Company to properly conduct validation procedures, stockholders who wish to participate in the meeting via remote communication and/or vote *in absentia* must send their registration documents to corpsec@teiph.com, on or before 15 May 2024 at 11:59 p.m.

Details of the requirements and procedures are provided in *Annex D*.

TEI will provide without charge printed copies of its Annual Report on SEC Form 17-A to its stockholders upon receipt of a written request addressed to Atty. Leandro Rodel V. Atienza, Corporate Secretary, at Tarlac Electric Inc., Mabini St., Tarlac City

This Information Statement is also posted at the Company's website: www.tarlacelectric.com

Tarlac Electric Inc.
Mabini St., Tarlac City

Attention: Vitus M. Romero
President and General Manager

PART III.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Tarlac on 04 June 2024.

By:

ATTY. LEANDRO RODEL V. ATIENZA
Corporate Secretary