



TARLAC ELECTRIC INC.

BOARD CHARTER

The Board Charter (the "Charter") governs the relationship between the board committees and the board of directors as provided in the charters of the committees which were approved and adopted by the board. The Charter is intended to complement or supplement the Corporation Code of the Philippines, the Corporation's articles of incorporation and by-laws, issuances of the Securities and Exchange Commission (SEC) and other applicable laws, rules and regulations.

SECTION 1: BOARD COMPOSITION

1. Number of Directors — The Corporation's Board is composed of six (6) directors, two (2) of whom are Independent Directors elected by the stockholders.¹
2. Positions - The membership of the Board may be a combination of executive and non-executive directors (which include independent directors). The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.
3. Committees - The Board shall constitute the proper committees to assist it in good corporate governance. Pursuant to the Corporation's Manual on Corporate Governance, the Board must have the following committees: (a) Audit Committee (b) Board Risk Oversight Committee, and (c) Corporate Governance Committee.
4. Board Profile - The Board, in consultation with the Corporate Governance Committee (CG), shall be responsible to review the profile of its size and composition, considering the nature of its business and subsidiaries, and the desired expertise and background of the board members.
5. Independence — The Board shall have at least two (2) or an optimal number of independent directors as required by the rules of the SEC and the PSE. Provided further, that the Corporation may choose to have more independent directors in the Board than as required in the Corporation's By-Laws.

¹ Manual of Good Corporate Governance 1.2

For this purpose, an "independent director" shall mean a person who apart from his fees and shareholdings, is independent of management and substantial shareholders free from any business or 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 the Corporation.

SECTION 2: TERM OF THE BOARD

1. Term of Office - The elected members of the board of directors shall hold office for one (1) year, until their successors are elected and qualified.
2. Term limits for Independent Directors —The Independent Director shall serve for a maximum cumulative term of nine (9) years. The cumulative period shall start from the year 2021 in accordance with the rules and circulars of the SEC, after which, the independent director shall be perpetually barred from re-election as such in the same Corporation, but he/she may continue to qualify for nomination and election as a non-independent director. In the instance that the Corporation wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.
3. Resignation - Any director of the Corporation may resign at any time by giving written notice to the Chairman of the Board and the Corporate Secretary of the Corporation. The resignation of any director shall take effect as of the date of its acceptance by the Board of Directors.

SECTION 3: BOARD MEETINGS

1. Regular Meetings - Regular meetings of the Board of Directors shall be held at least once every three (3) months on such date as the Chairman may determine.
2. Special Meetings - Special meetings of the Board of Directors may be called by the Chairman, or on the written request of at least three (3) directors.

The Corporate Secretary shall schedule all regular board and committee meetings at the start of the financial year.

3. Board Attendance - Each director must attend at least 75% of all the board meetings held during the year.
4. Organizational Meetings - The Board of Directors shall meet for the purpose of organization, election of officers and the transaction of other business, as soon as practicable after each annual election of directors or on the same day, and if practical at the same place at which regular meetings of the stockholders are held.

5. Notice of Meetings - Notice of regular meetings shall be sent to each director at least three (3) business days before the date of meeting. Notice of Special Meetings, however, shall be sent to each director at least one (1) day before the date of meeting. The notice of meeting shall include the time and place of the meeting and the agenda subjects to be discussed. Each Director is free to raise at any Board meeting subjects that are not on the agenda for that meeting. Subject to any applicable notice requirements, Directors having items to suggest for inclusion on the agenda for future Board meetings should advise the Chairman well in advance of such item.
6. Quorum - A quorum at any meeting of the directors shall consist of a majority of the directors of the Corporation, provided, however, that an independent director shall always be in attendance. However, the absence of an independent director shall not affect the quorum requirements if he is duly notified of the meeting but deliberately and without justifiable cause, fails to attend the meeting. The act of a majority of the quorum as present shall be valid as a corporate act.
7. Conduct of the Meetings
 - a. Board of Directors - Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or in his absence, the Vice-Chairman, or in the absence of the latter, the President and Chief Executive Officer, or if none of the foregoing is in office and present and acting, by any other director chosen by the Board. The Corporate Secretary shall act as secretary of every meeting, and if he is unable to do so, the Chairman of the meeting shall appoint a secretary of the meeting.²
 - b. Board Committees - Members of the Board Committees should attend committee meetings at least twice a year, except for the Audit Committee which should meet at least four times (4) times every year.
8. Minutes of the Meetings — Minutes of the meeting shall be taken and recorded by the Corporate Secretary and signed by the Chairman of the Board or the person who were appointed to take notes during the meeting.
9. Attendance in Board Meeting - The members of the Board should attend its regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the Commission.

The Chairman, Chief Executive Officer or Committee Chairpersons may from time to time invite corporate officers, other employees and advisors to attend Board or committee meetings whenever deemed appropriate.

Directors are encouraged to attend all annual meetings of shareholders.

² Amended By-Laws Article III Section 10

SECTION 4: BOARD DUTIES AND RESPONSIBILITIES

1. 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 interest of its stockholders and other stakeholders.

- a. The Board of Directors is primarily responsible for the governance of the Corporation. Corollary 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.

2. Specific Duties and Functions

To ensure a high standard of best practice for the Corporation, its stockholders and other stakeholders, the Board shall:

- a. Adopt a process of selection that encourages diversity and ensures a mix of competent directors and officers, without regard to gender, race, or religion;
- b. Oversee the implementation of compensation plans and professional development programs for officers and succession planning for senior management;
- c. Oversee Management's formulation and implementation of sound strategic policies and guidelines on major capital expenditures, business strategies, plans and policies and periodically evaluate Management's overall performance;
- d. Ensure that the Corporation complies with all relevant laws, regulations and endeavor to adopt best business practices;
- e. Identify the Corporation's stakeholders in the community in which it operates or are directly affected by its operations and oversee Management's formulation and implementation of the Corporation's policy on communicating or relating with them through an effective investor relations program and other appropriate communication programs;

- f. Adopt a system of check and balance within the Board, which should be regularly reviewed for effectiveness;
- g. Provide oversight with regard to enterprise risk management;
- h. Identify key risk areas and key performance indicators and monitor these factors with due diligence;
- i. Ensure that the Corporation establishes appropriate policies and procedures in accordance with this Revised Manual and applicable laws and regulations, including, but not limited to, conflict of interest and related party transactions;
- j. Constitute Board Committees, that it deems necessary to assist the Board in the performance of its duties and responsibilities;
- k. Consider the creation and maintenance of an alternative dispute resolution system in the Corporation that can amicably settle differences or conflicts between the Corporation and its stockholders, if applicable;
- l. Keep Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing law, rules and regulation; and
- m. Notify the company's board before accepting a nomination for directorship with another company.

SECTION 5: THE CHAIRMAN OF THE BOARD

In addition to the duties provided in the By-Laws of the Corporation, the responsibilities of the Chairman in relation to the Board shall include the following:

- a. Makes certain that the meeting agenda focuses on strategic matters, including the over-all risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- b. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- c. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
- d. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
- e. Assures the availability of proper orientation for first time directors and continuing training opportunities for all directors; and
- f. Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

Likewise, the Chairman of the Board shall exercise the following functions:

- a. To preside over all the meetings of the Board of Directors and the stockholders;
- b. To initiate the development of corporate objectives and policies and formulate long range project, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;
- c. To suggest additional functions or duties to any of the officers of the Corporation;
- d. To exercise such powers as may be incidental to his office and perform each duty as the Board of Directors may assign to him.

The Chairman of the Board may assign the exercise or performance of any of the foregoing powers, duties and functions to any other officer(s) of the Corporation, subject always to their supervision and control.

SECTION 6: THE PRESIDENT

The President, elected by the Board from among its members, shall have administration and direction of the day-to-day business affairs of the Corporation. He/she shall exercise the following functions:

- a. To preside at the meetings of the Board of Directors and of the stockholders in the absence of the Chairman;
- b. Determines the corporation's strategic direction and formulates and implements its strategic plan on the direction of the business;
- c. Communicates and implements the corporation's vision, mission, values and overall strategy and promotes any organization or stakeholder change in relation to the same;
- d. Oversees the operations of the corporation and manages human and financial resources in accordance with the strategic plan;
- e. Has a good working knowledge of the corporation's industry and market and keeps up to date with its core business purpose;
- f. Directs, evaluates and guides the work of the key officers of the corporation;
- g. Manages the corporation's resources prudently and ensures a proper balance of the same;
- h. Provides the Board with timely information and interfaces between the Board and the employees;
- i. Builds the corporate culture and motivates the employees of the corporation; and
- j. Serves as the link between internal operations and external stakeholders.

SECTION 7: THE CORPORATE SECRETARY

1. General Access - The Corporate Secretary assists the Board. He/she must be available to provide his/her services to the Board.
2. Responsibilities - The Corporate Secretary is primarily responsible to the corporation and its shareholders, and not to the Chairman or President of the Corporation and has, among others, the following duties and responsibilities:
 - a. Assists the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings;
 - b. Safe keeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the corporation;
 - c. Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;
 - d. Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;
 - e. Advises on the establishment of board committees and their terms of reference;
 - f. Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings, at least five working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
 - g. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so;
 - h. Performs required administrative functions;
 - i. Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and
 - j. Performs such other duties and responsibilities as may be provided by the SEC.

SECTION 8: BOARD COMMITTEES

1. The Committees -The board may appoint committees from among its members to perform specific tasks. The board shall establish the following committees ³:
 - a. Corporate Governance Committee
 - b. Board Risk Oversight Committee
 - c. Audit Committee

³ Manual of Good Corporate Governance, Item 3

The board may, from time to time, establish or maintain additional committees as necessary or appropriate.

2. Committee Reporting— Each committee must promptly inform the Board of the actions it has taken and major developments of which it becomes aware.
3. Committee Charters - The Charters shall indicate the roles and responsibilities of the committee, its composition and how it should perform its duties. It will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.

SECTION 9: COMPENSATION OF BOARD MEMBERS

Each director shall receive a reasonable per diem for his attendance at every meeting of the Board. Subject to the approval of the stockholders owning at least a majority of the outstanding capital stock, directors may also be granted such compensation (other than per diems) provided however, that the total yearly compensation of directors, as such directors, shall not exceed ten (10%) percent of the net income before income tax of the Corporation during the preceding year.

SECTION 10: DIRECTORS' TRAINING AND DEVELOPMENT PROGRAM

1. Induction Program - Upon his or her election, each board member shall participate in an induction program that covers the Corporation's strategy, general financial and legal affairs, financial reporting by the Corporation, its compliance programs, the Code of Business Conduct and Ethics, any specific aspects unique to the Corporation and its business activities, and the responsibilities as a board member.

The Corporation shall provide a comprehensive orientation or training for first-time directors for such number of hours and in accordance with the requirements of the SEC.

2. Continuing Education Program - In order to facilitate the Directors' fulfillment of their responsibilities, the management must provide the following:
 - a. Annual review to identify areas where the board members require further training or education
 - b. Educational programs supplemental to the initial orientation to explain the Corporation's business operations

- c. Access to, or notice of, continuing educational programs that are designed to keep Directors abreast of the latest developments in corporate governance matters and critical issues relating to the operation of public company boards.
 - d. Periodic visits to operating units, plants and mine sites.
3. Costs - The costs of the induction course and any training or education shall be paid for by the Corporation.

SECTION 11: ANNUAL PERFORMANCE EVALUATION OF THE BOARD AND KEY OFFICERS

The Board of Directors will conduct an annual self-evaluation to determine whether it and its Committees are functioning effectively. The Corporate Governance Committee shall solicit comments from all Directors and report annually to the Board. The annual performance assessment must be divided into four sets:

- a. Board Appraisal
- b. Director Appraisal
- c. Committee Appraisal
- d. President Appraisal

The Committee shall conduct an annual review of the performance of the board as well as the performance of individual board and the CEO. The process and the criteria in conducting the board, committees, and the CEO assessment will be formulated by the Corporate Governance Committee.

In addition, the Compliance Officer, Risk Officer and the Internal Auditor will be evaluated by their respective board committees.

SECTION 12: SUCCESSION PLANNING FOR MANAGEMENT

The Board will evaluate potential successors and approve management succession strategies and plans for the President and other executive officers of the Corporation. The President should at all times, make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

SECTION 13: OTHER PROVISIONS

1. Conflict of Interests - A board member must report immediately to the Chairman any conflict of interest or potential conflict of interest and shall report all relevant information on this matter under the provision of the Code of Business Conduct and Ethics.
2. Confidentiality - No board member shall, during his or her membership, disclose any information of a confidential nature regarding the business of the Corporation. He/she shall not use the confidential information of the Corporation for his/her personal benefit.

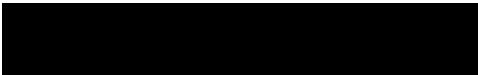
SECTION 14: CHARTER REVIEW

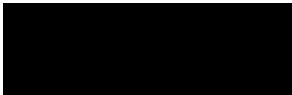
This Charter must be reviewed by the Board of Directors at least once a year or as often as deemed necessary. Any amendments and revisions to this Charter must be reviewed and approved by the Board prior to dissemination to the board members and posting it to the Corporation's website.

SECTION 15: EFFECTIVITY

The **Amended Board Charter** was approved on **15 May 2026** by the Board of Directors. It shall be published by the Corporation and shall take effect immediately.

Signed and approved:


ENGR. VIVENCIO M. ROMERO, JR.
Chairman of the Board


ENGR. VITUS M. ROMERO
Director/President


MR. VENUS M. ROMERO
Director / Vice-President


MS. MARIA VICTORIA R. SAN PASCUAL
Director


ENGR. MIRIAM S. GALVEZ
Independent Director


ENGR. AUGUSTO D. SARMIENTO
Independent Director