NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Board of Directors of **TARLAC ELECTRIC INC.** ("TEI" or the "Corporation"), has approved that the Annual Stockholders' Meeting will be conducted virtually via Microsoft Teams on **26 June 2026 (Friday)** at **10:00 a.m.,** at which meeting the following matters shall be taken up:

I. Call to Order

II. Proof of Notice of Meeting

III. Certification of Quorum

IV. Approval of the Minutes of the Annual Stockholders' Meeting held on June 27, 2025.

V. Presentation of the President's Report

VI. Ratification of the Audited Financial Statements and Annual Report for the year ended 31 December 2025.

VII. Approval of Chairman's Director Fee.

VIII. 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 25 June 2026.

IX. Election of all the Members of the Board of Directors, to serve for 2026-2027.

X. Appointment of the External Auditor

XI. Other Matters

XII. Adjournment

Stockholders may attend and participate in the meeting by remote communication, voting *in absentia* and/or appointing a proxy. The procedure and requirements for online registration for remote communication and voting *in absentia* will be explained in the guidelines attached with this notice.

Only Stockholders of Record as of 5:00 PM of 31 March 2026 shall be entitled to vote at this meeting. Votes cast remotely or *in absentia* should be received by the Corporation on or before 19 June 2026, 11:59 PM (Philippine time).

Stockholders who wish to attend by proxy shall submit the same on or before 05 June 2026 with the Office of the Corporate Secretary, through Atty. Leandro Rodel V. Atienza, located at Mabini St., Mabini, Tarlac City, or by email to corpsec@teiph.com. A proxy submitted by a corporation should be accompanied by a Corporate Secretary's certificate quoting the board resolution designating a corporate officer to execute the proxy. A sample proxy form shall be enclosed together with this Notice. Validation of proxies is set on 08 June 2026, 10:00 a.m. at TEI Head Office, Mabini St., Mabini, Tarlac City.

PLEASE NOTE THAT THE CORPORATION IS NOT SOLICITING PROXIES.

The nomination and election of the members of the Board of Directors should be in accordance with the nomination forms, procedures and requirements adopted by the Board of Directors. The required nomination form shall be enclosed together with this Notice of Annual Stockholders Meeting in the email to be sent to the official email of the stockholder and must submit his/her nominations to, the Office of Corporate Secretary at Mabini St., Mabini, Tarlac City or by email to corpsec@teiph.com, not later than 05 June 2026 at 5 o'clock in the afternoon.

All nominations shall be in writing duly signed by the nominating stockholders or their duly authorized (in writing) representatives, with the written acceptance and conformity of their nominee. The nomination must indicate whether the nominees are intended to be independent directors. Further, all nominations should include (i) the curriculum vitae of the nominee, (ii) a statement that the nominee has all the qualifications and none of the disqualifications, (iii) information on the relationship of the nominee to the stockholder submitting the nomination, and (iv) all relevant information about the nominee's qualifications, such as the nominee's age, educational attainment, full disclosure of work and/or business experience and/or affiliations. The directors and independent directors shall be elected from among TEI's stockholders. All nominees for directors and independent directors must possess the minimum requirements/qualifications and none of the disqualifications prescribed by the Securities and Exchange Commission and in TEI's Revised Manual on Corporate Governance.

The Corporation's Information Statement, Management Report, 2025 Audited Financial Statements, and SEC Form 17-A Annual Report shall be sent to the stockholders through email, no later than 05 June 2026. Electronic copies of these documents shall also be available on the Company's website. Pursuant to SEC Memorandum Circular No. 6, Series of 2020, please be informed that there will be a visual and audio recording of the meeting.

Please be guided accordingly.

[redacted]

ATTY. LEANDRO RODEL V. ATIENZA
Corporate Secretary

COVER SHEET
for
SEC FORM 20-IS

S.E.C. Registration Number

0	0	0	0	0	0	2	3	8	7	4

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
50	Every 4th Friday of June	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: **26 June 2026**
   Time: **10:00 AM**
   Place: **The meeting will be conducted via remote communication through Microsoft Teams. The Presiding Officer shall preside the Meeting in Tarlac City.**
   Meeting link: https://teams.microsoft.com/meet/41892371387300?p=ugRMyktMInH1ZIgW2l

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **05 June 2026**

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**[1]

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**

[1] As of 29 May 2026.

TARLAC ELECTRIC INC.

SEC FORM 20-IS

TABLE OF CONTENTS

PART I. INFORMATION REQUIRED IN INFORMATION SHEET 2

A. GENERAL INFORMATION 2

Item 1. Date, time, and place of meeting of security holders 2

Item 2. Dissenter's Right of Appraisal 2

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

B. CONTROL AND COMPENSATION INFORMATION 4

Item 4. Voting Securities and Principal Holders Thereof 4

Item 5. Directors and Executive Officers 7

Item 6. Compensation of Directors and Executive Officers 24

Item 7. Independent Public Accountants 26

Item 8. Compensation Plans 27

C. ISSUANCE AND EXCHANGE OF SECURITIES 27

Item 9. Authorization or Issuance of Securities Other than for Exchange 27

Item 10. Modification or Exchange of Securities 27

Item 11. Financial and Other Information 27

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters 27

Item 13. Acquisition or Disposition of Property 28

Item 14. Restatement of Accounts 28

D. OTHER MATTERS 28

Item 15. Action with Respect to Reports 28

Item 16. Matters not Required to be Submitted 35

Item 17. Amendment of Charter, Bylaws or Other Documents 35

Item 18. Other Proposed Action 35

Item 19. Voting Procedures 35

Item 20. Participation of Stockholders by Remote Communication 36

PART III. SIGNATURE 38

ANNEXES

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, 26 June 2026 at 10AM. The Meeting will be conducted via remote communication through Microsoft Teams. The Presiding Officer shall preside the Meeting in Tarlac City.

Attendees may join the Annual Stockholders' Meeting through the link provided below:

https://teams.microsoft.com/meet/41892371387300?p=ugRMyktMInH1ZIgW2l

The Notice of the Annual Stockholders' Meeting, attached hereto as *Annex B*, was published in the Daily Tribune[1] and Malaya Business Insight[2] on 28 May 2026 and 29 May 2026. In addition, the said notice was sent to the stockholders via electronic mail[3] on 27 May 2026.

This Information Statement shall be sent to the stockholders as soon as practicable, but not later than 05 June 2026.

A copy of this Information Statement, Management Report, SEC Form 17-A and other pertinent documents, as may be necessary under the given circumstance, may also be accessed by interested parties not later than 05 June 2026 at the Company website: www.tarlacelectric.com.

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

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 in any respect superior to those of outstanding 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

---

[1] *A copy of the Affidavit of Publication, with copy of the publication, is attached hereto as "Annex B-4", and can be accessed thru the following links: https://tribune.net.ph/2026/05/28/tarlac-electric-inc-notice-of-annual-stockholders-meeting for 28 May 2026 posting and https://tribune.net.ph/2026/05/28/tarlac-electric-inc-notice-of-annual-stockholders-meeting-2 for 29 May 2026 posting.*

[2] *A copy of the Affidavit of Publication, with copy of the publication, is attached hereto as "Annex B-5", and can be accessed thru the following links: https://malaya.com.ph/notices/annual-stockholders-meeting-tarlac-electric-inc/ for 28 May 2026 posting and https://malaya.com.ph/notices/annual-stockholders-meeting-tarlac-electric-inc-2/ for 29 May 2026 posting.*

[3] *The proof of sending the Notice via email is attached in this report as "Annex B-6"*

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. 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. Failure to do so shall, at the option of the Company, terminate the rights under the Revised Corporation Code governing the exercise of appraisal rights. 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 people (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

One of the matters to be acted upon during the Meeting is the approval of the Chairman's director fee[4], as disclosed under *Item 5(a)(7), Certain Relationships and Related Transactions on page 20,* and *Item 6, Compensation of Directors and Executive Officers on page 24*. On 17 April 2026, the Company's Board of Directors approved the said director fee. The Chairman did not participate in the proposal, deliberation, and approval of his director fee.

[4] *Discussed on pages 20-21*

Except as discussed in the foregoing matters, none of the current officers or directors of TEI, nor any nominees for election as director of TEI, nor 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 30 April 2026

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 29 May 2026, 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.

Ninety-seven and 6/100 percent (97.06%) of the 5,750,000 common shares are owned by Filipino stockholders.

As of 29 May 2026, the Company has 50 stockholders, 43 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	Maria Veronica M. Romero F. Tañedo St., Brgy. San Nicolas, Tarlac City *Stockholder*	N/A	Filipino/ American[5]	582,600	10.13%

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

Common	Vitus M. Romero F. Tañedo St., Brgy. San Nicolas, Tarlac City *Director, President, General Manager*	N/A	Filipino/ American[6]	582,599	10.13%
Common	Ana Cecilia R. San Pascual Unit 13-E Gilmore Townhomes, Jose O. Vera St., Brgy. Valencia, Quezon City *Stockholder*	N/A	Filipino	580,000	10.09%
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%

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

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%**

There are no beneficial owners of at least 5% of the Company's shares as of 30 April 2026, 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 29 May 2026. 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	582,599 shares, Direct Ownership	Filipino/ American[7]	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	Augusto D. Sarmiento	1 share, Direct Ownership	Filipino	-

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

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%

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 2026 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 the Dean of the College of Engineering of 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 C)*.

In line with the approval of the amendment of the Company's Articles of Incorporation, which increased the number of Board of Directors to six (6), Engr. Augusto D. Sarmiento was elected as one of the Company's independent directors during the 2025 Annual Stockholders' Meeting held on 27 June 2025, alongside the re-election of all five (5) incumbent members of the Board.

VIVENCIO M. ROMERO JR. *Chairman of the Board*	Engr. Vivencio M. Romero Jr., 70, 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, serving in these capacities until June 2025, respectively. He no longer holds membership in any of the Board Committees. Engr. Vivencio M. Romero, Jr. is also a director and/or officer of the following non-reporting companies and associations as 30 April 2026: **Company** — **Position** Tarlac Power Corporation — Chairman, President and General Manager Me-Ka Corporation — Director, Vice-President and General Manager ETM Incorporated — Director and Vice-President V.M.R. Incorporated — Director and Vice-President Sto. Niño Solar Power Corporation — Chairman, President and General Manager BENVIV Land Inc — Director and Treasurer Bizmark Promo Specialists Inc — Director
VITUS M. ROMERO *President and General Manager* *Director* *Member, Corporate Governance Committee*	Engr. Vitus M. Romero, 57, Filipino/American[8], 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. In November 2021, he was elected Chairman of the Company's Board Corporate Governance Committee (CGC), a position he held until June 2025, after which he was elected as a member of the CGC. In addition, he served as a member of the Board Risk Oversight Committee from July 2022 to June 2025. He is also a director and/or officer of the following non-reporting companies as of 30 April 2026: **Company** — **Position** Tarlac Power Corporation — Director

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

	Me-Ka Corporation — Director ETM Incorporated — Director V.M.R. Incorporated — Director Sto. Niño Solar Power Corporation — Director 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, Board Risk Oversight Committee*	Mr. Venus M. Romero, 58, 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. In November 2021, he was elected Chairman of the Company's Board Risk Oversight Committee (BROC), a position he held until June 2025, after which he was elected as a member. In addition, he served as a member of the Board Corporate Governance Committee from July 2022 to June 2025. He is also a director and/or officer of the following non-reporting companies as of 30 April 2026: **Company** — **Position** Tarlac Power Corporation — Director and Vice-President Me-Ka Corporation — Chairman and President ETM Incorporated — Chairman and President V.M.R. Incorporated — Chairman and President Sto. Niño Solar Power Corporation — Director and Vice-President 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, Board Audit Committee*	Ms. Maria Victoria R. San Pascual, 68, 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 also served as a consultant until 2021. 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 30 April 2026: **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, Board Audit Committee* *Member, Board Risk Oversight Committee* *Member, Board Corporate Governance Committee*	Engr. Miriam S. Galvez, 60, 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, 2023, 2024 and 2025 Annual Stockholders' Meetings. 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, and a member of the Board Corporate Governance Committee in June 2025. 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 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 served as Chairperson of the College of Engineering Graduate Program. She has been re-appointed as the Dean of the College of Engineering for Academic Year 2024-2025. See attached *Annex "C-1"* for the Certification on the Qualification and Disqualification of Independent Directors and *Annex "C-2"* for the written consent from the College of Engineering Graduate Program of Tarlac State University relative to Engr. Galvez's association with TEI.

AUGUSTO D. SARMIENTO *Independent Director* *Chairman, Board Risk Oversight Committee* *Chairman, Board Corporate Governance Committee* *Member, Board Audit Committee*	Engr. Augusto D. Sarmiento, 66, Filipino was elected as independent director on 27 June 2025. He was also elected as Chairman of the Board Risk Oversight Committee and Board Corporate Governance Committee, and as a member of the Board Audit Committee in June 2025. He earned his Bachelor of Science in Electrical Engineering degree from the Holy Angel University in 1980 and completed his Master of Business Administration from University of Pangasinan-PHINMA in 2013. He is both a Registered Electrical Engineer and a Professional Electrical Engineer. With decades of experience in the electric industry, Engr. Sarmiento began his career with Dagupan Electric Corporation (DECORP) as Cadet Engineer in 1981. He was subsequently promoted as Line Supervisor in 1983, Senior Supervising Engineer QCO in 1986, and Assistant Area Manager-QCO in 1996. He later served as Operations Manager in 2001, Network Operations Manager in 2004 and as DECORP's Chief Operating Officer from 2019 until his retirement in 2024. At present, he is also the Chairman of the Board of Lahat Uunlad Multi-purpose Cooperative. See attached *Annex "C-3"* for the Certification on the Qualification and Disqualification of Independent Directors.

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 30 April 2026 are as follows:

VIVENCIO M. ROMERO JR. *Chairman of the Board*	Engr. Vivencio M. Romero Jr., 70, 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, serving in these capacities until June 2025, respectively. He no longer holds membership in any of the Board Committees. 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 8*, of this report.
VITUS M. ROMERO *President and General Manager* *Director* *Member, Corporate Governance Committee*	Engr. Vitus M. Romero, 57, Filipino/American[9], 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. In November 2021, he was elected Chairman of the Company's Board Corporate Governance Committee (CGC), a position he held until June 2025, after which he was elected as a member of the CGC. In addition, he served as a member of the Board Risk Oversight Committee from July 2022 to June 2025. He is also a director and/or officer of the non-reporting companies as disclosed in *Item 5, page 8-9* 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.

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

VENUS M. ROMERO *Vice President and ITCS Head Director* *Member, Board Risk Oversight Committee*	Mr. Venus M. Romero, 58, 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. In November 2021, he was elected Chairman of the Company's Board Risk Oversight Committee (BROC), a position he held until June 2025, after which he was elected as a member. In addition, he served as a member of the Board Corporate Governance Committee from July 2022 to June 2025. He is also a director and/or officer of the non-reporting companies as disclosed in *Item 5, page 9,* 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, 58, 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 Head, Compliance Officer, and Data Protection Officer*	Ms. Floriza D. Forlales, 46, Filipino, is the Company's Compliance Head and Compliance Officer. She joined the Company in 2002 as Corporate Accountant. She was appointed as Chief Accountant in January 2008 and as Regulatory Compliance Officer in 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 is responsible for ensuring the Company's full adherence to regulatory requirements set by the Securities and Exchange Commission and other relevant government agencies. In her role as Regulatory Compliance Officer, she oversees the Company's compliance with industry regulations issued by the Energy Regulatory Commission, the Department of Energy, and other applicable authorities. As Data Protection Officer, she is responsible for 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. Ms. Forlales has also been a director of the Private Electric Power Operators Association (PEPOA) since June 2025.
LEANDRO RODEL V. ATIENZA *Corporate Secretary*	Atty. Leandro Rodel V. Atienza, 39, 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.
FREDERICK RODEL V. ATIENZA *Asst. Corporate Secretary*	Atty. Frederick Rodel V. Atienza, 34, Filipino, was elected as Asst. Corporate Secretary on 28 June 2024. He is a Partner at Atienza Law Firm.

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	52	Filipino	Substation Operations and Maintenance Head
Alvin T. Mercado	51	Filipino	System Planning and Design Head
Jayson T. Fider	38	Filipino	Lines Operations and Maintenance Head
Anna Bianca R. Morales	38	Filipino	Acting Retail Services Head
Frederick C. Calma	57	Filipino	Metering Services Head
Nelson L. Gutierrez	49	Filipino	Technical Services Head
Angeline Rina M. Ramos	39	Filipino	Consumer Services Head
Lorna J. Ragasa	49	Filipino	Accounting Head
Wendy V. Abad	34	Filipino	Human Resources Head
Jinalyn D. Quiazon	44	Filipino	General Services Head
Henry John G. Sacaguing	62	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 has been 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 has been 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 and engineering design.

JAYSON T. FIDER
Lines Operations and Maintenance Head

Engr. Jayson T. Fider has been 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.

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 operate 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 has been 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 meter laboratory's operations with the Company's overall direction.

ANGELINE RINA M. RAMOS
Consumer Services Head

Ms. Angeline Rina M. Ramos has been the Consumer Services Head since June 2022. She joined the Company in 2010 as Administrative Assistant, appointed as Accounts Management Head in 2013, as Consumer Welfare Desk Officer (CWD Officer) in 2014, as Acting Asst. Manager 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.

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 a 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, including safety and security[10], and helps the Company identify needs, develop action plans and facilitate changes to improve organization performance, employee acquisition, engagement, retention, morale and communication. She also designs, facilitates, and conducts organizational

[10] *Effective 01 April 2026*

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

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

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. Roy Y. Yutuc
6. Engr. Alvin T. Mercado
7. Engr. Jayson T. Fider
8. Ms. Anna Bianca R. Morales
9. Engr. Frederick C. Calma
10. Engr. Nelson L. Gutierrez
11. Ms. Angeline Rina M. Ramos
12. Ms. Lorna J. Ragasa
13. Ms. Wendy V. Abad
14. Ms. Jinalyn D. Quiazon
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 people 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 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[11]

In December 2022, TEI's Board of Directors, through Board Resolution No. 2022/12/03, approved the Company's Related Party Transaction Policy (RPT Policy) which aimed to maintain the integrity and transparency of the Company's related party transactions. The relevant application and policies which include the duties and responsibilities of the Board and the Management, as well as the review and approval process of the related party transactions, to ensure that the same are compliant with the existing laws, rules and regulations and are conducted on an arm's length basis are discussed in Section 5 of the RPT Policy. A copy of the RPT Policy is posted on the Company's website and can be accessed through this link: https://tarlacelectric.com/related-party-transactions-policy

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 director's fees. Summarized below are the Company's related party transactions in the last two (2) years:

Names of Related Party	Position or Interest in the Company	Type of Transaction	Amount of Transaction Value in 2025	Amount of Transaction Value in 2024
Vitus M. Romero	Director, President and General Manager	Rental Agreement	₱300,000.00	₱300,000.00
Vivencio M. Romero, Jr.	Chairman	Director's Fee	4,585,000.00	-*

**Values for 2024 is presented under Salaries and Wages*

There is no outstanding balance related to the above transactions as of 31 December 2025.

In determining the rental rates for the spaces listed above, the Company has taken into account the location, prevailing market rates in the area, and the terms of its existing rental agreements with third parties to ensure that the

[11] *For 2025 transaction, please refer to "Annex A"*

transactions are at arm's-length. On the other hand, the Board proposed, deliberated on, and approved the director's fee without the participation of the Chairman[12].

Also, below is the Company's summary of transactions for the year ended 31 December 2025 and the corresponding outstanding balances as of 31 December 2025 and 2024 with related parties under common ownership:

Related Party	Type of Transaction	Amount of Transactions		Outstanding Balance	
		2025	2024	2025	2024
Tarlac Power Corporation (TPC)	Purchase of electric energy	160,738,912	192,106,934	9,798,172	21,696,974
Meka Corp.	Purchase of Supplies	267,857	15,128,107	-	-
	Lease of lot and transportation equipment	12,248,195	12,648,856	423,720	560,680
ETM Inc..	Purchase of Supplies	5,236,607	16,940,240	-	1,662,321
	Lease of lot and transportation equipment	14,273,626	10,872,909	385,200	385,200

As a regulated entity, the Company needs to ensure that transactions requiring the Energy Regulatory Commission's (ERC) approval are authorized prior to their implementation, such as its power purchase agreements. The Company's purchase of electric energy from Tarlac Power Corporation (TPC) is in accordance with the approved Power Supply Agreement[13] by the Energy Regulatory Commission (ERC). As such, the Company's power supply agreement with Tarlac Power Corporation is considered at arm's length since the agreement has been reviewed and approved by the ERC.

On the other hand, the transactions with Meka Corporation and ETM Inc. for the purchase of supplies and lease of lot and transportation equipment were carried out under the same terms and procedures as those applied to transactions with third parties. The Company regularly conducts comparable search, in terms of price, terms and other relevant conditions, with other suppliers to ensure that all transactions with related parties are evaluated fairly and within the arm's-length range.

The foregoing related party transactions have been incorporated under Note 22 of the 31 December 2025 Audited Financial Statements.

[12] *Approved by the Board of Directors on 17 April 2026*
[13] *PSA until April 2026 only.*

In 2025, the Company started conducting a Competitive Selection Process (CSP) for its capital expenditure programs in compliance with the Procurement Guidelines promulgated by ERC.

In April 2026, the Company executed a Renewable Energy Supply Agreement (RESA) with Sto. Nino Solar Power Corporation (SNSPC), a related party under common ownership, for a 9.6MW supply for a period of twenty (20) years. The pre-filing of the application for approval by the ERC is currently in progress.

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[14]

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.

[14] *Information required by Part I(C) of SEC Form 17-A, Annual Report, as of and for the year ended 31 December 2025 is available on the Company's website and may be accessed thru this link: https://tarlacelectric.com/sec-form-17-a-annual-report-as-of-and-for-the-year-ended-31-december-2025*

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

Date of Report	Particulars
07 January 2026	Application for the approval of the Company's Power Supply Agreement (PSA) with Trustpower Corporation docketed as ERC Case No. 2026-001 RC
14 January 2026	Initial Order issued by the National Privacy Corporation (NPC) relative to TEI's Breach Notification Report dated 09 November 2023 under NPC BN No. 23-268
18 March 2026	Order issued by the Energy Regulatory Commission in ERC Case No. 2011-081 RC, entitled *"In the Matter of the Application for Approval of the Energy Supply Contract (ESC) Between Tarlac Electric Inc. (TEI) and San Miguel Energy Corporation,* approving the recovery of the difference between the provisionally implemented rates and the final approved rates.
27 March 2026	Promulgation of the Decision issued by the Energy Regulatory Commission (ERC) under ERC Case No. 2026-001 RC, entitled *"In the Matter of the Application for Approval of the Power Supply Agreement (PSA) Between Tarlac Electric Inc. (TEI) and Trustpower Corporation (Trustpower) with Prayer for Confidential Treatment."*
08 April 2026	Joint filing of the application for the approval of the Power Supply Agreement (PSA) with the Energy Regulatory Commission (ERC) docketed as ERC Case No. 2026-048 RC, entitled *"In the Matter of the Application for Approval of the Power Supply Agreement (PSA) Between Tarlac Electric Inc. (TEI) and Sual Power Inc. (SPI) with Motion for Confidential Treatment of Information and Prayer for Provisional Authority and/or Interim Relief."*
27 April 2026	Order issued by the Energy Regulatory Commission (ERC) setting the hearing for the Company's Amended Application under ERC Case No. 2022-074 RC, entitled *"In the Matter of the Application for Confirmation of True-Up Calculation of Actual Weighted Average Tariff (AWAT) Against the Maximum Average Price (MAP) Implemented During the Lapsed Regulatory Period."*

27 April 2026	Filing of the Company's application for the confirmation of its True-Up calculation of Pass-Through costs adjustments with the Energy Regulatory Commission (ERC) under ERC Case No. 2026-034 CF, entitled *"In the Matter of the Application for Confirmation of True-Up Calculations of Pass-Through Costs Adjustment Implemented for the Billing Period from January 2023 to December 2025."*

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*[1]	2024	3,167,684.30	985,829.90	495,100.00
	2025	-	-	4,585,500.00[2]
	2026*	-	-	4,200,000.00[3]
Vitus M. Romero *President and General Manager*	2024	4,912,380.96	1,517,991.18	534,029.41
	2025	5,075,831.33	1,286,099.66	1,039,839.93
	2026*	5,777,174.26	1,544,425.10	1,143,823.92
Venus M. Romero *Vice-President and IT and Communications Services Head*	2024	4,141,468.13	1,282,347.71	699,856.95
	2025	4,716,461.15	1,182,282.88	753,851.35
	2026*	4,895,939.80	1,308,842.69	829,236.49
Maria Elisa B. Abaya *Treasurer and Treasury Head*	2024	2,382,637.96	532,931.00	110,475.67
	2025	2,542,447.27	627,888.44	202,839.80
	2026*	2,621,018.61	700,682.85	223,123.78
All Other Officers and Directors as a Group	2024	1,839,985.67	583,044.04	950,644.46
	2025	2,098,980.32	522,063.15	1,105,601.00
	2026*	2,179,347.72	582,609.97	1,318,211.11

**Estimated compensation for the ensuing year*
[1] In December 2024, the Company's Board of Directors approved the Director's Fee for management consultancy rendered by Engr. Romero. Engr. Romero did not participate in the proposal, deliberation and approval of the director's fee.
[2] Presented as Director's Fee under Note 19, Cost and Operating Expenses by Nature, of the 2025 Audited Financial Statements.
[3] The estimated annual director fee is based on a monthly rate of ₱ 350,000.00, as approved by the Board of Directors on 17 April 2026. In accordance with applicable laws and governance best practices, the Chairman did not participate in the proposal, deliberation, or approval of the director fee.

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.

Except for the Chairman, Directors are not paid any compensation, in whatever form, other than per diem for services rendered in their capacity as directors of the Company.

Below are Directors' summary of compensations for 2025 and estimated compensations for 2026:

Name	Position	Compensation for 2025	Estimated Compensation for 2026
Vivencio M. Romero, Jr.	Chairman of the Board	₱4,585,000.00[1,2]	₱4,200,000.00[4]
Vitus M Romero	President and General Manager/ Director	380,000.00[3]	380,000.00
Venus M. Romero	Vice-President and ITCSD Head/Director	375,000.00[3]	380,000.00
Maria Victoria R. San Pascual	Director	400,000.00[2]	400,000.00
Miriam S. Galvez	Independent Director	415,000.00[2]	415,000.00
Augusto D. Sarmiento	Independent Director	220,000.00[2]	440,000.00

[1]In December 2024, the Company's Board of Directors approved the Director's Fee for management consultancy rendered by Engr. Romero. Engr. Romero did not participate in the proposal, deliberation and approval of the director's fee.
[2]Presented as Director's Fee under Note 19, Cost and Operating Expenses by Nature, of the 2025 Audited Financial Statements.
[3]Presented as part of Salaries and Wages under Note 19, Cost and Operating Expenses by Nature, of the 2025 Audited Financial Statements
[4] The estimated annual director fee is based on a monthly rate of ₱ 350,000.00, as approved by the Board of Directors on 17 April 2026. In accordance with applicable laws and governance best practices, the Chairman did not participate in the proposal, deliberation, or approval of the director fee.

Other Arrangements

In January 2025, the Company entered into a Management Consultancy Agreement with Engr. Vivencio M. Romero, Jr. The Company's Board of Directors approved the related remuneration as disclosed in *Item 5(a)(7), Certain Relationships and Related Transactions on page 20* and *Item 6, Compensation of Directors and Executive Officers on page 24*. Engr. Romero did not participate in the proposal, deliberation and approval of the said director's fee.

There are no other arrangements made or entered into between the Company and any of its directors.

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 20 years. Mr. Edcel U. Costales is TEI's audit partner for 2025. P&A Grant Thornton has been re-appointed 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 **2025 with comparative figures for 2024 and 2023 are shown below**:

Nature	Fees paid to P&A For the years ended 31 December		
	2025	2024	2023
Audit of Financial Statements	875,000.00	825,000	775,000

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 2023 to 31 December 2025.

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, if any. For 2025, P&A has not rendered any non-audit services to the Company.

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

One of the matters to be acted upon during the Meeting is the approval of the Chairman's remuneration under the Management Consultancy Agreement, as disclosed under *Item 5(a)(7), Certain Relationships and Related Transactions on page 20*, and *Item 6, Compensation of Directors and Executive Officers on page 24.* The Company's Board of Directors approved the remuneration on 17 April 2026. The Chairman did not participate in the proposal, deliberation and approval of the said director's fee.

No other 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

NOT APPLICABLE. 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

The discussion on the Company's financial statements and other information is presented in the Management Report attached herewith as *Annex "A".*

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 2025 Annual Meeting of Stockholders (ASM) held on 27 June 2025;

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

   The agenda discussed during the ASM on 27 June 2025 is presented below, whereas the respective Minutes of Meeting are attached in this report as *Annex D.*

   A. AGENDA FOR THE 2025 ANNUAL STOCKHOLDERS MEETING HELD ON 27 JUNE 2025

   I. Call to Order / Calling of the Roll.
   II. Secretary's Proof of Notice of Meeting.
   III. Certification of Quorum.
   IV. Approval of the minutes of the annual stockholders' meeting held on June 28, 2024 and special stockholder's meeting on October 18, 2024.
   V. Presentation of the President's Report.
   VI. Ratification of the Audited Financial Statements for the year ended 31 December 2024.
   VII. Approval of Chairman's Director Fee.
   VIII. 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 26 June 2025.
   IX. Election of the Members of the Board of Directors.
   X. Appointment of the External Auditor
   XI. Other Matters
   XII. Adjournment

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

	REQUIREMENT	DISCLOSURE
(a)	The minutes of the most recent regular meeting which shall include, among others:	(left intentionally blank)
(a) 1	A description of the voting and vote tabulation procedures used in the previous meeting	The Company's stockholders' voting mechanism is provided under the Company's By-laws and in the Requirements and Procedure for Electronic Voting *In Absentia* and Participation by Remote Communication, attached hereto as *Annex B-1*. During the annual stockholders meeting held on 27 June 2025, only stockholders of record as of 31 March 2025 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 Requirements and Procedure for Electronic Voting *In Absentia* and Participation by Remote Communication, attached hereto as *Annex B-1*.
(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 meetings, however, no questions were raised, as reflected in the Minutes of Meetings attached to this report. Please refer to *Annex D* for the Minutes of 2025 ASM.
(a) 3	The matters discussed and resolutions reached	The matters discussed and resolutions reached during the Annual Stockholders' Meeting held on 27 June 2025 is documented in the Minutes of Annual Stockholders' Meeting attached hereto as *Annex D*.

<table>
<tr>
<td>(a) 4</td>
<td>A record of the voting results for each agenda item</td>
<td>
For the Annual Stockholders' Meeting held on 27 June 2025:

I. Approval of the Minutes of the Annual Stockholders' Meeting held on 28 June 2024 – approved by stockholders owning 5,563,750 shares or 96.76% of the outstanding capital stock
II. Ratification of the Audited Financial Statements for the year ended 31 December 2024 - approved by stockholders owning 5,563,750 shares or 96.76% of the 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 26 June 2025 - approved by stockholders owning 5,563,750 shares or 96.76% of the outstanding capital stock
IV. Appointment of External Auditors - approved by stockholders owning 5,563,750 shares or 96.76% of the outstanding capital stock
V. 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>5,243,750</td><td>91.20%</td></tr>
<tr><td>Vitus M. Romero</td><td>5,243,750</td><td>91.20%</td></tr>
<tr><td>Venus M. Romero</td><td>5,243,750</td><td>91.20%</td></tr>
<tr><td>Maria Victoria R. San Pascual</td><td>5,243,750</td><td>91.20%</td></tr>
<tr><td>Miriam S. Galvez, Independent Director</td><td>5,243,750</td><td>91.20%</td></tr>
<tr><td>Augusto D. Sarmiento Independent Director</td><td>5,163,750</td><td>89.80%</td></tr>
</table>

The foregoing voting results is likewise documented in the Minutes of Annual Stockholders' Meeting attached hereto as Annex D.
</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>
For the Annual Stockholders' Meeting held on 27 June 2025:

Stockholders holding 5,563,750 shares or 96.76% of the outstanding capital stock were present or represented during the 2025 annual stockholders' meeting held on 27 June 2025.

The list of directors, officers and stockholders with their proxies, if applicable, who attended the 2025
</td>
</tr>
</table>

		Annual Stockholders' Meeting is presented in *pages 1 to 3* of the Minutes of Meeting attached hereto as *Annex D.*
(b)	A list of material information on the current stockholders, and their voting rights	The list of material information on the Company's current stockholders is disclosed in the Minutes of Annual Stockholders' Meeting attached in this report as *Annex D.* The voting right of the stockholders is discussed in the Company's Amended By-Laws and Articles of Incorporation attached hereto as *Annex E* and *Annex E-1.* A discussion on voting procedure is also discussed in *Item 19* of this report, *in pages 35 to 36.* The investors' rights and protection, including the voting right of all stockholders, are disclosed in the Company's Manual of Good Corporate Governance. A copy of the Manual, as amended, is available on the Company's website and may be accessed by following this link: https://tarlacelectric.com/manual-of-good-corporate-governance
(c)	A detailed, descriptive, balanced and comprehensible assessment of the corporation's performance, which shall include information on any material change in the corporation's business, strategy, and other affairs	A detailed, descriptive, balanced and comprehensible assessment of the Company's performance, business, strategy, and other affairs is discussed in the Management Report attached hereto as *Annex A*.

(d)	A financial report for the preceding year, which shall include financial statements duly signed and certified in accordance with this Code and the rules the Commission may prescribe, a statement on the adequacy of the corporation's internal controls or risk management systems, and a statement of all external audit and non-audit fees	The Company's Audited Financial Statement along with the required Supplementary Information, and external audit and non-audit fees are attached hereto as *Annex A-1*. The Company's effort in ensuring the adequacy of its internal controls or risk management systems is documented in its Annual Corporate Governance Report (ACGR). The Company's 2024 ACGR is available on its website and may be accessed through this link: https://tarlacelectric.com/2024-annual-corporate-governance-report The 2025 ACGR will be submitted to the Honorable Commission on or before 30 June 2026.
(e)	An explanation of the dividend policy and the fact of payment of dividends or the reasons for nonpayment thereof	The Company's dividend policy is discussed on *page 10* of the Management Report attached hereto as *Annex A.*
(f)	Director or trustee profiles which shall include, among others, their qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representations in other corporations	The relevant information pertaining to the Company's Board of Directors is disclosed in *pages 7 to 11* of this report.

(g)	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.	Please see attached *Annex F*, SEC Form 17-C on Certification of BOD Attendance
(h)	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 G* for a copy of the said policy and *Annexes G-1 to G-6* for the Board's 2025 performance assessment.
(i)	A director or trustee compensation report prepared in accordance with this Code and the rules the Commission may prescribe	The compensation of the Directors is disclosed in *Item 6*, *page 25,* of this report.
(j)	Directors disclosures on self-dealing and related party transactions.	Please refer to *Item 5(a)7*, in *pages 20 and 22* of this report.
(k)	The profiles of directors nominated or seeking election or reelection.	Please refer to I*tem 5(a)1* in *pages 7 to 11* of this report.

2. Ratification of the Audited Financial Statements and Annual Report for the year ended 31 December 2025

   Rationale: To apprise the stockholders of the financial position and results of the Company's operations in 2025.

   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 2025. The Company's audited financial statements for 2025 is incorporated herein as *Annex "A-1".*

3. Approval of Chairman's Director Fee.

   Rationale: To compensate the significant responsibilities, functions, and role carried by the Chairman of the Board. This fee reflects the time commitment, oversight duties, and strategic guidance provided in ensuring the Company's governance and long-term success. Establishing a clear and transparent compensation structure for the Chairman also aligns with best practices in corporate governance, promotes accountability, and ensures that the Company remains competitive in attracting and retaining qualified leadership.

   The amount approved by the Board is disclosed in *Item 5(a)(7), Certain Relationships and Related Transactions* on *page 20* and *Item 6, Compensation of Directors and Executive Officers* on *page 24*.

4. 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 25 June 2026.

   Rationale: To ensure continuity, transparency, and accountability in corporate governance. This ratification formally affirms that all actions taken and decisions made during the period were carried out in good faith, within the scope of authority granted by the stockholders, and in furtherance of the Company's best interests.

   These acts and resolutions of the Board of Directors~~,~~ the committees of the Board of Directors, and Management are covered by resolutions duly passed and approved by the Board of Directors and/or its committees, such as:

   a. 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;

   b. Treasury matters, including borrowings, opening of accounts and bank transactions; and

   c. Housekeeping matters, including the appointment of signatories and amendments thereof

   The list of acts of the Board of Directors from 27 June 2025 to 15 May 2026 is attached hereto as *Annex "H".*

5. Election of all the Members of the Board of Directors, to serve for 2026-2027.

   Rationale: To ensure that the Company's leadership remains accountable to its stockholders and that the Board is composed of individuals who possess the qualifications, integrity, and expertise necessary to guide the Company's strategic direction. The election of the members of the Board of Directors is a fundamental exercise of shareholder rights and a foundation of corporate governance.

6. Appointment of the External Auditor

   Rationale: To ensure the integrity, accuracy, and reliability of the Company's financial statements. By engaging an independent auditing firm, the Company demonstrates its commitment to transparency, accountability, and compliance with applicable laws and regulations.

Item 16. Matters not required to be submitted

- Presentation of the President's Report.

The President, Engr. Vitus M. Romero, will report on the Company's performance for 2025 and the outlook for 2026, covering operating results, financial condition, as well as the Company's plans and forecasts. This presentation is for informational purposes only and does not require stockholder approval or voting.

There are no other 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

No action is to be taken with respect to Item 17 during the Annual Stockholders' Meeting.

Item 18. Other Proposed Action

There are no other matters requiring stockholder action at the 2026 Annual Stockholders' Meeting.

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.

Stockholders of record as of 31 March 2026 may attend and participate in the meeting by remote communication, voting in absentia and/or appointing a proxy[15]. The procedure and requirements for online registration for remote communication and voting in absentia, in accordance with Sections 23 and 57 of the Revised Corporation Code, were explained in the guidelines attached in this report as *Annex B-1.*

(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.

---

[15] *The proxy form for individual stockholders is attached hereto as "Annex B-2", whereas the proxy form for corporate stockholders is attached hereto as "Annex B-3".*

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

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 05 June 2026 at 05:00 p.m.

Details of the requirements and procedures are provided in *Annex B-1*.

TEI will provide without charge printed copies of its Information Statement, Management Report, Annual Report or SEC Form 17-A, and other relevant documents 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

These reports are 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 29 May 2026.

By:

[redacted]

ATTY. LEANDRO RODEL V. ATIENZA
Corporate Secretary

MANAGEMENT REPORT

1. FINANCIAL STATEMENTS

The Company's Audited Financial Statement and Supplementary Information as of and for the year ended 31 December 2025 is attached in this report as *Annex "A-1". whereas the Unaudited Condensed Interim Financial Statement as of and for the period ended 31 March 2026 is attached herewith as Annex "A-2"*.

2. MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's Audited Financial Statements as of and for the year ended 31 December 2025, as well as the notes thereto included in this report as *Annex "A-1"*, whereas the discussion and analysis as of and for the period ended 31 March 2026 should be read in conjunction with the related Unaudited Condensed Interim Financial Statements attached in this report as *Annex "A-2"*.

The Management's Discussion and Analysis (MD&A) for 2026 versus 2025, and 2025 versus 2024, was included in the Company's SEC Form 17-A[1], Annual Report, under *Item 6,* while the MD&A as of and for the period ended 31 March 2026 was included in the Company's SEC Form 17-Q[2], Quarterly Report, under *Part II Annex B.*

The MD&A for the relevant periods are likewise attached in this report as follows:

- *Annex "A-3"* – MD&A as of and for the year ended 31 December 2025; and
- *Annex "A*-4" – MD&A as of and for the period ended 31 March 2026

2.1. Key Performance Indicators (KPIs)

The relevant KPIs of the Company as of and for the year ended 31 December 2025, 2024 and 2023 and for the interim period ended 31 March 2026 are shown in the succeeding page. The said KPIs were included in the Company's SEC Form 17-A[1], Annual Report as of and for the year ended 31 December 2025, and the Company's SEC Form 17-Q[2], Quarterly Report, as of and for the interim period ended 31 March 2026.

---

[1] *A copy of TEI's SEC Form 17-A, Annual Report, as of and for the year ended 31 December 2025 is available on the Company's website and may be accessed thru this link: https://tarlacelectric.com/sec-form-17-a-annual-report-as-of-and-for-the-year-ended-31-december-2025*

[2] *A copy of TEI's SEC Form 17-Q as of and for the period ended 31 March 2026 is attached in this form as Annex A-2.*

	31 March 2026	2025	2024	2032
Return on Equity *Net Profit divided by Average Equity*	0.01	0.16	0.12	0.14
Return on Assets *Net Profit divided by Average Assets*	0.01	0.09	0.06	0.07
Debt to Equity Ratio *Total Liabilities divided by Total Equity*	0.72	0.73	0.79	0.81
Current Ratio *Total Current Assets divided by Total Current Liabilities*	1.09	1.13	1.16	1.09
Average Collection Period *Average Accounts Receivable divided by Average Sales per day (Sale of Electricity divided 365 days)*	51 days	51 days	50 days	55 days

2.2. *Capital Expenditures Commitments*

The list of the Company's capital expenditure projects is attached herewith as *Annex "A-5".*

2.3. *Key Variable and Other Qualitative and Quantitative Factors*

The following identified liquidity risks of the Company were included in the Company's SEC Form 17-A[3], Annual Report, as of and for the year ended 31 December 2025, and SEC Form 17-Q[4], Quarterly Report.

LIQUIDITY RISKS

The Company considers the following items to pose a risk on its ability to meet its obligations as they fall due: close of business due to pandemic, labor strike, typhoon or any force majeure event, and non-payment or delays in payment by its customers.

The Company manages its liquidity risks by carefully monitoring scheduled debt servicing payments as well as cash outflows due in a day-to-day business. Liquidity needs are monitored periodically, on a day-to-day, week-to-week basis, as well as on the basis of a rolling 30-day projection.

[3] *A copy of TEI's SEC Form 17-A, Annual Report, as of and for the year ended 31 December 2025 is available on the Company's website and may be accessed thru this link: https://tarlacelectric.com/sec-form-17-a-annual-report-as-of-and-for-the-year-ended-31-december-2025*

[4] *A copy of TEI's SEC Form 17-Q as of and for the period ended 31 March 2026 is attached in this form as Annex A-2..*

As of 31 December 2025, the Company's financial liabilities have contractual maturities as presented on the succeeding page.

		Current		Non-current	
	Notes	Within 6 Months	6-12 Months	1 to 5 years	Later than 5 years
Trade Payables	15	P 329,529,537	-	-	-
Accrued Expenses and other Payables	16	176,775,198	-	69,731,974	-
Interest- bearing loans and borrowings	12	153,119,464	-	-	-
Advances from Customers	14, 16	116,015,192		264,491,370	-
Refundable Deposits	13	-	-	-	471,618,603
Lease Liability	7	1,490,372	1,490,372	2,173,208	-
		P 776,929,763	**1,490,372**	**336,396,552**	**471,618,603**

As of 31 March 2026, the Company's financial liabilities have contractual maturities as follows:

	Current		Non-current	
	Within 6 Months	6-12 Months	1 to 5 years	Later than 5 years
Trade Payables	₱ 394,732,434	-	-	-
Accrued Expenses and other Payables	212,041,878	-	69,731,974	
Interest- bearing loans and borrowings	92,340,461	942,256	-	
Advances from Customers	101,788,415	-	275,560,251	
Lease Liability	1,368,928	1,249,874	1,485,487	
Refundable Deposits	4,850,462			467,729,577
	₱ 807,122,578	**2,192,130**	**346,777,712**	**467,729,577**

COMMITMENTS AND CONTINGENCIES

The breakdown of the Company's provisions as disclosed in its SEC Form 17-A[5], Annual Report, as of and for the year ended 31 December 2025, is presented below.

(Amounts in PHP)	**Power Cost Over Recoveries** (Note 26.1)	**DWSA** (Note 26.2)	**Total**
Balance at January 1, 2025	123,686,538	9,825,738	133,512,276
Reversal of provision	(75,001,503)	-	(75,001,503)
Balance at December 31, 2025	**48,685,035**	**9,825,738**	**58,510,773**
Balance at January 1, 2024	176,732,011	9,825,738	186,557,749
Reversal of provision	(53,045,473)	-	(53,045,473)
Balance at December 31, 2024	123,686,538	9,825,738	133,512,276
Balance at January 1, 2023	36,594,890	9,825,738	46,420,628
Provision	140,137,121	-	140,137,121
Balance at December 31, 2023	176,732,011	9,825,738	186,557,749

The breakdown as of 31 March 2026 as disclosed in its SEC Form 17-Q[6], Quarterly Report, is presented below:

	Power Cost Over (Under) Recoveries (Note 24.1)	**DWSA (Note 24.2)**	**Total**
Balance at January 1, 2026	**₱ 48,685,035**	**₱ 9,825,738**	**₱ 58,510,773**
Provisions	**-**		**-**
Reversal of provisions	**-**	**-**	**-**
Balance at March 31,2026	**₱ 48,685,035**	**₱ 9,825,738**	**₱ 58,510,773**
Balance at January 1, 2025	₱ 123,686,538	₱ 9,825,738	₱ 133,512,276
Provisions	-	-	-
Reversal of provisions	(75,001,503)	-	(75,001,503)
Balance at December 31, 2025	₱ 48,685,035	₱ 9,825,738	**₱ 58,510,773**

[5] A copy of TEI's SEC Form 17-A, Annual Report, as of and for the year ended 31 December 2025 is available on the Company's website and may be accessed thru this link: https://tarlacelectric.com/sec-form-17-a-annual-report-as-of-and-for-the-year-ended-31-december-2025

[6] A copy of TEI's SEC Form 17-Q as of and for the period ended 31 March 2026 is attached in this form as Annex A-2.

OTHER QUALITATIVE AND QUANTITATIVE FACTORS

The Company does not foresee that it will have any cashflow or liquidity problems within the next twelve (12) months from the date of this report.

The Company is not aware of any event that will trigger direct or contingent financial obligations that are material to the Company, including default or acceleration of any obligations other than those disclosed in this Management Report under commitments and contingencies.

The Company does not have any off-balance sheet transactions, arrangements, obligations, including contingent obligations, and other relationships with unconsolidated entities or other persons created during the relevant period.

The Company does not have any material commitments for capital expenditures other than those described under *Annex "A-5"*, Planned *Capital Expenditures Program,* of this report.

The Company is not aware of any trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales, revenues, and income from continuing operations.

The Company does not have any significant elements of income or loss that did not arise from its continuing operations.

The Company does not have any seasonal aspects that had a material effect on the financial conditions or results of operations.

3. BRIEF DESCRIPTION OF BUSINESS

Tarlac Electric Inc. ("TEI" or "the Company") is a domestic corporation duly organized under and by virtue of the laws of the Republic of the Philippines. It is a private electric distribution utility which holds a congressional franchise under Republic Act No. 10795 for a period of twenty-five (25) years from 18 October 2016. TEI's Franchise grants it the authority to construct, operate, and maintain the electric power requirements of the City of Tarlac in the Province of Tarlac. On 17 November 2017, the Energy Regulatory Commission ("ERC") issued TEI a Certificate of Public Convenience and Necessity ("CPCN") for the operation of electric service within its franchise area.

TEI's authorized capital stock is at One Billion Pesos (₱1,000,000,000.00), divided into Ten Million (10,000,000) common shares with a par value of One Hundred Pesos (₱100.00).

On 28 June 2021, the SEC approved TEI's application for the registration of Five Million Seven Hundred Fifty Thousand (5,750,000) common shares of which One Million Seven Hundred Fifty Thousand (1,750,000) common shares were issued and offered for sale to the general public by way of primary offering at an initial price of Three Hundred Eighty Pesos (₱380.00) per share. All of the One Million Seven Hundred Fifty Thousand (1,750,000) common shares offered for sale to the general public were fully subscribed as of 09 July 2021, with Two Hundred Twenty-Five Thousand (225,000) shares having

been sold to retail investors, and One Million Five Hundred Twenty-Five Thousand (1,525,000) common shares to institutional investors.

The Company has a franchise area of two hundred seventy-five square kilometers (275 sqkm) and currently services six (6) consumer classes, consisting of the following: Residential, Small Commercial, Secondary, Primary, Sixty-Nine Kilovolt (69kV), and Streetlights. Primary and 69KV customers include contestable customers who have already switched to the Retail Competition and Open Access (RCOA) and Green Energy Option Program (GEOP).

As of 30 April 2026, TEI provides the electric power needs of around one hundred thousand five hundred twenty-eight (100,528) customers in the City of Tarlac.

The Company is not dependent on any one or group of customers for at least twenty percent (20%) of its distribution revenues. The loss of a single customer or a few customers will not have a material adverse effect on TEI.

The Company has two (2) power suppliers, namely, GNPower Mariveles Energy Center Ltd. Co. (formerly, GNPower Mariveles Coal Plant Ltd. Co. or GMCP) ("GMEC") and Tarlac Power Corporation ("TPC").

Below are the details of TEI's power supply contracts:

Supplier	Contracted Capacity	Duration of Contract
TPC	14.88MW[7]	April 2011 – April 2026
GMEC	46.4MW[8]	26 February 2014 – 25 February 2029

In 2023, TEI requested a renegotiation with its suppliers to reduce its contracted capacity. GMEC, in its letter dated 13 March 2024, agreed to reduce TEI's contracted capacity by 20% or by 11.6MW. A manifestation was filed with the Energy Regulatory Commission on 31 May 2024 relative to the reduction effective 01 June 2024.

TEI also procures its electricity from the Wholesale Electricity Spot Market ("WESM") where it has been a direct member since 10 March 2014.

TEI is dependent on the above-named suppliers for its electric power supply, as procurement from other suppliers requires prior approval from the ERC. In addition, the Company must secure power supply agreements with eligible renewable energy suppliers to meet its Renewable Energy Certificate (REC) obligations under the Renewable Portfolio Standards (RPS).

In line with these, the Company commenced a Competitive Selection Process (CSP) in January 2025 for a 10 MW renewable energy supply for ten (10) years starting 26 December 2025. However, the same was declared a failure on 24 June 2025. Consequently, the Company proceeded with direct negotiations with Trustpower Corporation (Trustpower) for the supply of 10MW renewable energy for a period of ten (10) years which shall take effect immediately from effective date and from such date, shall remain in force and effect for ten (10) contract years or one hundred (120) billings

[7] *Allowable annual contracted demand is 178.56MW; PSA until April 2026 only.*
[8] *Effective 01 June 2024*

from the date of ERC's final approval. The application for the approval of the Power Supply Agreement (PSA), docketed as ERC Case No. 2026-001 RC, has already been approved by the ERC on 26 March 2026[9].

Moreover, another CSP has been initiated for a 10 MW open technology power supply, with escalation of up to 25 MW, for a period of fifteen (15) years, commencing on 26 December 2026. Said CSP was declared a success upon the conclusion of the bid opening conducted on 21 November 2025. The PSA was awarded to Sual Power Inc. (SPI), having offered the lowest responsive bid, on 26 December 2025. The bid of SPI also includes the provision of RECs based on the actual capacity delivered. The PSA was signed by the parties on 14 January 2026, and the application for its approval with ERC was filed and docketed as ERC Case No. 2026-048 RC[10].

Furthermore, on 17 April 2026, TEI signed a Renewable Energy Supply Agreement (RESA) with Sto. Niño Solar Power Corporation (SNSPC), a related party under common ownership, for 9.6 MW renewable energy for a period of twenty (20) years. The RESA is exempt from CSP under Section 2.3.4 of DOE DC2023-06-0021 and Section 5 of ERC Resolution No/ 16, Series of 2023. The prefiling of the application for the approval of the RESA with ERC is currently underway.

Finally, the Company intends to conduct a CSP during the last quarter of 2026 for a 15 MW intermediate/mid-merit, open-technology power supply contract with a term of ten (10) years. The resulting PSA is scheduled to commence on 26 February 2029.

On the other hand, TEI maintains an existing contract with the National Grid Corporation of the Philippines ("NGCP") for transmission and metering services, which is set to expire on 25 December 2028. As NGCP is the sole provider of these services, the Company remains fully dependent on it to meet its transmission and metering requirements.

The Company is neither limited to nor dependent on any single supplier of materials and services. In 2025, it initiated a CSP for its capital expenditure programs, in compliance with the Procurement Guidelines issued by the ERC.

The Company has no existing subsidiaries. Nonetheless, it entered into the following related party transactions as of and for the interim period ended 30 April 2026[11]:

- A lease agreement for office spaces with its President and General Manager, and Director, Mr. Vitus M. Romero. The rental fee as billed is One Hundred Thousand Pesos (₱ 100,000.00). There is no outstanding balance as of 30 April 2026;

- Director's fee in the amount of One Million Five Hundred Thousand Pesos (₱ 1,500,000.00) for the services rendered by Engr. Vivencio M. Romero, Jr., in his capacity as Chairman of the Board. There is no outstanding balance as of 30 April 2026.

---

[9] A copy of the related SEC Form 17-C, reported under legal proceedings is available on the Company's website and may be accessed thru this link https://tarlacelectric.com/sec-form-17-c_erc-case-no-2026-001-rc-approval-psa-tei-and-trustpower-27-march-2026 :
[10] A copy of the related SEC Form 17-C reported under legal proceeding is available on the Company's website and may be accessed thru this link: https://tarlacelectric.com/sec-form-17-c_-joint-application-with-spi-psa-10april2026
[11] The amount of transactions presented herein are based on the amount billed by related parties as 31 May 2026 and may not include purchases and/or rental fees as of and for the interim period ended 31 May 2026 that were not yet billed as of report date.

- The table below shows the transactions with related parties under common ownership as of 30 April 2026:

Related Party	Type of Transaction	Amount of Transactions
Tarlac Power Corporation (TPC)	Purchase of electric energy	-
Meka Corp.	Purchase of Supplies	-
	Lease of lot and transportation equipment	4,246,126
ETM Inc..	Purchase of Supplies	-
	Lease of lot and transportation equipment	6,263,802

The related party transactions as of and for the year ended 31 December 2025 were reflected in Note 22 of the related Audited Financial Statements[12], whereas the balances as of and for the interim period ended 31 March 2026 were presented under Note 21 of the Unaudited Interim Condensed Financial Statements[13].

The Company's Related Party Transactions Policy is disclosed in the Definitive Information Statement, page 20.

[12] *See attached Annex "A-1"*
[13] *See attached Annex "A-2"*

4. MARKET PRICE OF AND DIVIDENDS ON ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

A. Market Price of and Dividends on Issuer's Common Equity and Related Stockholders Matters

(1) Market Information

(a) Principal Market

The shares of the Company are not traded on any stock exchange.

(2) Holders

As of 30 April 2026, the Company has a total of Five Million Seven Hundred Fifty Thousand (5,750,000) issued and outstanding common shares divided among its fifty (50) stockholders.

Below are the top twenty (20) stockholders of the Company's common shares as of 30 April 2026:

	Name of Stockholder	No. of Shares Held	% to Total Outstanding Shares
1.	Maria Veronica M. Romero	582,600	10.13%
2.	Vitus M. Romero	582,599	10.13%
3.	Ana Cecilia R. San Pascual	580,000	10.09%
4.	Dagupan Electric Corporation	400,000	6.96%
5.	J-Ten Equities, Inc.	400,000	6.96%
6.	ABWR888 Holdings	380,000	6.61%
7.	Mavwin Properties, Inc.	300,000	5.22%
8.	Rodolfo Vivencio K. Romero	290,000	5.04%
9.	Frances Bernadette K. Romero	290,000	5.04%
10.	New Move Realty, Inc.	200,000	3.48%
11.	Anna Marie M. Duldulao	166,866	2.90%
12.	Aileen M. Zurbano	166,667	2.90%
13.	Anne M. Lacsamana	166,667	2.90%
14.	RDGuzman Inc.	160,000	2.78%
15.	Alejandro Emilio B. Romero	139,850	2.43%
16.	Paul Martin B. Romero	139,850	2.43%
17.	Marga Isabel B. Romero	139,850	2.43%
18.	Angela Marie B. Romero	139,850	2.43%
19.	EDM Construction and General Services Corp.	65,000	1.13%
20.	Anna Bianca R. Morales	50,000	0.87%

(3) Dividends

On 18 September 2020, the Company adopted a dividend policy pursuant to which stockholders may be entitled to receive, upon declaration by the Company's Board of Directors, dividends equivalent to approximately thirty to forty percent (30-40%) of the prior year's net income after tax, primarily in cash, based on the Company's net income after tax, subject to the availability of the unrestricted retained earnings and except: (i) when justified by definite corporate expansion projects or programs approved by the Board of Directors; (ii) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without their consent, and such consent has not yet been secured; or (iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation such as when there is a need for special reserve for probable contingencies.

However, the Board of Directors, in its discretion, may decide to declare dividends to be payable in properties or shares.

The Company will conduct a periodic review of the available unrestricted balance of retained earnings for purposes of earmarking surplus profit for future capital expenditures or for distributing the same as special cash or stock dividends.

The Board of Directors may, at any time, modify the dividend policy or declare special dividends, depending on capital expenditure plans and/or any terms of financing facilities entered into to fund current and future operations and projects.

Under the Revised Corporation Code, the Company may not make any distribution of dividends other than out of its unrestricted retained earnings.

The Board of Directors will review the amount of dividends periodically in light of the following factors:

1. The Company's earnings, cash flow, return on equity and retained earnings;

2. The Company's results and financial condition at the end of the year in respect of which the dividend is to be paid and its expected financial performance;

3. The Company's projected levels of capital expenditures and other investment programs;

4. Restrictions on payments of dividends that may be imposed on it by any future financing arrangements and current or prospective debt service requirements; and

5. Such other factors as the Board of Directors deems appropriate.

The declaration of dividends shall also take into account the need to maintain a level of capitalization that is commercially sound and sufficient to ensure that the Company can operate on a stand-alone basis.

(a) Dividends Declared

On 17 April 2026 the BOD approved through Board Resolution No. 2026/04/03 the declaration of cash dividends of ₱18.68 per share or the total amount of One Hundred Seven Million Four Hundred Ten Thousand Pesos (₱107,410,000.00) from the unrestricted retained earnings of the Corporation as of 31 December 2025 to all its stockholders of record as of 30 April 2026.

The BOD likewise authorized through Board Resolution No. 2026/04/03 the distribution of the cash dividends between 01 May 2026 to 31 August 2026.

This declaration was reported by TEI under SEC Form 17-C[14] attached hereto as *Annex "A-6"*.

On 16 May 2025 the BOD approved through Board Resolution No. 2025/05/03 the declaration of cash dividends of ₱12.81 per share or the total amount of Seventy-Three Million Six Hundred Fifty-Seven Thousand Five Hundred Pesos (₱73,657,500.00) from the unrestricted retained earnings of the Corporation as of 31 December 2024 to all its stockholders of record as of 31 May 2025

The BOD likewise authorized through Board Resolution No. 2025/05/03 the distribution of the cash dividends on or before 31 July 2025.

The said declaration of cash dividends was reported by TEI under SEC Form 17-C. A copy of the report is attached herewith as *Annex "A-6.1"*.

The cash dividends declared in 2025 have been fully paid as of 31 December 2025.

The table below outlines the dividends declared between 2022 and 2026:

Date of Declaration	Record Date	Dividend per Share	Total
2026			
17 April 2026	30 April 2026	₱18.68	**₱107,410,000.00**
2025			
16 May 2025	31 May 2025	₱12.81	**₱73,657,500.00**
2024			
17 May 2024	01 August 2024	₱13.34	**₱76,705,000.00**
2023			
15 September 2023	01 December 2023	₱14.08	**₱80,960,000.00**
2022			
21 October 2022	15 November 2022	₱9.79	**₱56,292,500.00**

[14] *The related SEC Form 17-C report is available on the Company's website and may be accessed thru this link: https://tarlacelectric.com/sec-form-17-c_-declaration-of-cash-dividends-17-april-2026*

(b) Appropriated Retained Earnings

On 15 December 2025, TEI's BOD approved the reversal of the appropriations for 2025 projects amounting to Three Hundred Million Pesos (P300,000.000.00), and likewise approved the appropriations of Three Hundred Seventy Million Pesos (P370,000,000.00) for the following 2026 projects:

	Project Name	Amount
1	Cresendo Substation	₱100,000,000.00
2	Sub-transmission Line Extension and Upgrading	200,000,000.00
3	Annual Network Requirements	70,000,000.00
	Total	**₱370,000,000.00**

(4) Sales of Unregistered or Exempt Securities

There are no recent sales of unregistered or exempt securities from 2020 to 30 April 2026.

B. Description of the Issuer's Securities

On 07 July 2020, the SEC approved TEI's application for reclassification of its shares from two (2) classes of common shares to a single class with a par value of One Hundred Pesos (₱100.00) each and the inclusion of additional restrictions to the transfer of shares in the Company.

On 28 June 2021, the Securities and Exchange Commission (SEC) approved the Company's Registration Statement of 5,750,000 common shares, out of which, 1,750,000 common shares were offered and sold to the general public by way of primary offering at an initial price of ₱380 per share pursuant to Sections 8 and 12 of the Securities Regulation Code.

As of 31 March 2026, the book value of the Company's common shares was ₱421.78 per share.

The Company has no debt securities, stock options, securities subject to redemption or call, warrants and other securities other than the common shares described above.

5. CORPORATE GOVERNANCE

Following the Company's adoption of its Corporate Governance Manual (the "Manual) on 16 January 2021, the Company elected its Independent Director, Ms. Miriam S. Galvez and Mr. Augusto D. Sarmiento on 27 June 2025 thereby raising the number of independent directors to two (2).

The Company has established its Audit Committee on March 2021, Corporate Governance Committee on November 2021 and Board Risk Oversight Committees on July 2022.

The members of the Audit Committee are Ms. Miriam S. Galvez, who is also the Chairman of the Committee, Mr. Augusto D. Sarmiento, and Ms. Maria Victoria R. San Pascual.

The members of the Corporate Governance Committee are Mr. Augusto D. Sarmiento, who is also the Chairman of the Committee, Mr. Vitus M. Romero, and Ms. Miriam S. Galvez.

The members of the Board Risk Oversight Committee are Mr. Augusto D. Sarmiento, who is also the Chairman of the Committee, Mr. Venus M. Romero, and Ms. Miriam S. Galvez.

Evaluation System

The Company has adopted the following measures to ensure and determine the Board of Directors and top-level management's compliance with the Manual:

1. All directors, executive officers, and department heads are tasked with ensuring the thorough dissemination of the Manual to all employees, potential investors, and all other stakeholders of the Company.
2. The Company shall post the Manual on its website, which shall be immediately accessible to all stakeholders at any time of day.
3. The Board shall conduct and accomplish an annual self-assessment of its performance, including the performance of its Chairman, committee chairmen, and individual members, using the criteria set by the Company's Corporate Governance Committee. Moreover, each committee shall regularly report to the Board all significant developments or matters that are within its responsibilities.
4. The Board shall develop a rating system to measure the performance of the Board and Management in accordance with the criteria provided in the Manual and other rules and regulations on good corporate governance.
5. A director shall, before his assumption of duty, be required to attend trainings and seminars on corporate governance to be conducted by a recognized and reputable training provider.

Compliance Measures

1. The Compliance Officer shall be specifically tasked with the responsibility of ensuring compliance with the Manual of Good Corporate Governance, particularly:
   a. Ensuring proper on boarding of new directors (*i.e.*, orientation on the Corporation's business, charter, articles of incorporation and by-laws, among others);
   b. Monitoring, reviewing, and evaluating compliance by the Company, its officers and directors with the relevant laws, rules and regulations and all governance issuances of regulatory agencies;
   c. Reporting violations of the aforementioned rules to the Board and recommending the imposition of appropriate disciplinary action;
   d. Ensuring the integrity and accuracy of all documentary submissions to regulators;
   e. Appearing before the SEC when summoned in relation to compliance with the Code;
   f. Collaborating with other departments to properly address compliance issues which may be subject to investigation;
   g. Identifying possible areas of compliance issues and works towards the resolution of the same;
   h. Ensuring the attendance of board members and key officers to relevant trainings; and
   i. Performing such other duties and responsibilities as may be provided by the SEC.
2. In cases of non-compliance with the Manual, Compliance Officer shall, after proper investigation, notice and hearing, determine and recommend to the Board, the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent repetition of the violation.
3. The Board shall at all times adopt its policies on disclosure and transparency, communication, and accountability in conducting the affairs of the Company.

Deviation from Corporate Governance Practices

As of 30 April 2026, the following policies and procedures were approved by the BOD:

1. Board Diversity Policy[15]
2. Board Assessment Policies and Procedures[16]
3. Codes of Business Conduct and Ethics[17]
4. Corporate Disclosure Policies and Procedures[18]
5. Related Party Transaction Policy [19]
6. Anti-Bribery and Anti-Corruption Policy[20]
7. Whistleblowing Policy[21]
8. Alternative Dispute Resolution Policy[22]

[15] *Board Resolution No. 2021/12/04*
[16] *Board Resolution No. 2022/12/03*
[17] *Ibid.*
[18] *Ibid.*
[19] *Ibid.*
[20] *Board Resolution No. 2023/05/03*
[21] *Ibid.*
[22] *Ibid.*

The Company is still in the process of establishing other policies and procedures required under its Corporate Governance Manual, nonetheless, there are no major deviations noted, except as those reported in its 2024 Annual Corporate Governance Report[23]. The 2025 Annual Corporate Governance Report shall be submitted to the Honorable Commission on or before 30 June 2026.

Improvement of Corporate Governance Practices

The Company is taking further steps to enhance adherence to principles and practices of corporate governance. To this end, and in consonance with the Company's desire to constantly improve its corporate governance standards to inspire public confidence in the Company, the Manual is mandated to be under constant review, with three (3) committees, namely, the Corporate Governance Committee, Board Risk and Oversight Committee, and Audit Committee, being required to review and submit amendments to the Manual at least annually.

On 20 June 2025, the Board approved the amendments in the Company's Manual of Good Corporate Governance[24]. The amended Manual is available on the Company's website and may be accessed through the following link:

The Company's directors and officers continue to undertake regular training and seminars in order to apprise themselves of the updates and changes in governance. The details of the said seminars and other efforts undertaken by the Company to ensure that its directors and officers are well-informed and that all of its government practices are up to date will be reflected in the Company's 2025 Annual Corporate Governance Report.

Approval and Re-Appointment of External Auditor

1. The Audit Committee is tasked to recommend the appointment and/or re-appointment of the external auditor to the Board of Directors.
2. In a meeting called for this specific purpose, the Board will assess the performance of the external auditor (in the case of re-appointment) and track record (in the case of first-time engagement with an external auditor).
3. Subsequent to Board approval, the decision to select a specific external auditor will be subject to ratification by the shareholders in a shareholder' meeting. This ratification emphasizes that the external auditor is accountable to the shareholders of the company and not just to the management.
4. The audit fee shall then be discussed with the external auditor and will be indicated in a properly-executed audit engagement letter which also sets forth the scope of the audit, the responsibilities of TEI management and that of the external auditor, among others.
5. In case of non-audit services to be rendered by the external auditor, the Audit Committee shall first determine whether there is a significant impairment of the former's independence and objectivity, prior to recommending such non-audit

[23] *A copy of the related 2024 Annual Corporate Governance Report is available on the Company's website and may be accessed thru this link https://tarlacelectric.com/2024-annual-corporate-governance-report*
[24] *Board Resolution No. 2025/06/06*

service to the Board.
6. P&A Grant Thornton currently acts as the Company's independent or external auditor.

Assessment of the External Auditor's Integrity and Independence

1. The Audit Committee has the responsibility of assessing the integrity and independence of external auditors, taking into consideration, the requirements of the Philippine Code of Ethics for Professional Accountants, and other regulatory requirements that may be promulgated in relation to ethical aspects.
2. This assessment of external auditor's integrity and independence on the part of the Audit Committee shall be conducted on an annual basis.

Assessment of the External Auditor's Engagement Performance

1. The Audit Committee is tasked to perform an assessment of the performance of the external auditor in carrying out the annual audit of TEI's financial statements.
2. In assessing external auditor's performance, the Audit Committee shall be guided by the following questions. The external auditor shall be given a rating from 1 to 5, with 1 being the Very Poor and 5 being Very Satisfactory:
   a. Was the lead audit engagement partner accessible to the audit committee and TEI management?
   b. Did the lead audit engagement partner devote sufficient attention and leadership to the audit, including supervision of audit staff?
   c. Did the audit engagement team possess sufficient understanding of TEI's business and industry and have access to their audit firm's specialized expertise during the audit (e.g. PFRS 15 on revenue; PFRS 16 on leases)?
   d. Was the audit scope, audit man-hours, and cost of the audit reasonable and sufficient for the size, complexity, and risks of the TEI?
   e. Was the audit scope, audit man-hours, and cost of the audit reasonable and sufficient for the size, complexity, and risks of the TEI?
   f. Did the lead audit engagement partner explain accounting and auditing issues in an understandable manner?
   g. Were the results of the audit explained to the Audit Committee and/or management in an audit exit conference?
   h. Was the audit completed on time?