

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Apr 11, 2025
2. SEC Identification Number
CS201627300
3. BIR Tax Identification No.
009-468-103
4. Exact name of issuer as specified in its charter
SP New Energy Corporation
5. Province, country or other jurisdiction of incorporation
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City
Postal Code
1604
8. Issuer's telephone number, including area code
(0917) 560-7351
9. Former name or former address, if changed since last report
n.a.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	50,073,050,000

11. Indicate the item numbers reported herein
Item 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.

SP New Energy Corporation

SPNEC

PSE Disclosure Form 4-30 - Material Information/Transactions
*References: SRC Rule 17 (SEC Form 17-C) and
Sections 4.1 and 4.4 of the Revised Disclosure Rules*

Subject of the Disclosure
Results of the Meeting of the Board of Directors dated 11 April 2025
Background/Description of the Disclosure

Please be informed that the Board of Directors of SP New Energy Corporation (the “Company”), at its meeting held today, 11 April 2025, approved the following, among others:

a. Postponement of the 2025 Annual Stockholders’ Meeting (the “2025 Annual Meeting”) from 5 May 2025 (as set out in the Company’s By-Laws) to 26 May 2025;

b. Rescheduling of the 2025 Annual Meeting to 26 May 2025 at 4:00 PM, with 6 May 2025 as record date. It will be conducted via remote communication and will have the following agenda:

- i. Call to Order,
- ii. Certification of Notice and Quorum,
- iii. Approval of Minutes of the Special Stockholders’ Meeting held on 23 January 2025,
- iv. Annual Report of the President and Chief Executive Officer,
- v. Approval of the Audited Financial Statements for the Year Ended 31 December 2024,
- vi. Election of Directors,
- vii. Appointment of External Auditor,
- viii. Amendment of Article I [Meetings of Stockholders], Section 1 [Regular Meetings] of the Company’s By-Laws for the Purpose of Changing the Date of the Annual Stockholders’ Meeting,
- ix. Ratification of Acts, Resolutions, and Decisions of the Board of Directors and Management from 23 January 2025 up to 26 May 2025,
- x. Other Matters, and
- xi. Adjournment;

c. Amendment of Article I [Meetings of Stockholders], Section 1 [Regular Meetings] of the Company’s By-Laws for the purpose of changing the date of the annual stockholders’ meeting from “first Monday of May of each year” to “fourth Monday of May of each year”;

d. Issuance of the Audited Financial Statements for the year ended 31 December 2024;

e. Appointment of Mr. Anthony Vergel B. Velasco (“Mr. Velasco”) as Chief Audit Executive. Mr. Velasco is a highly experienced internal audit professional with over twenty-five (25) years experience in financial, operational, compliance, and information technology audits. He is a Certified Internal Auditor, Certified Information Systems Auditor, and Certified ISO-31000 Lead Risk Manager. He has a Masters in Business Administration degree in Financial Management. He is skilled in implementing risk-based audit methodologies and frameworks such as COSO, COBIT, and ISPPIA. Finally, he is a former board member of IIA-Philippines and WiSAP;

f. Reorganization of the Board Committees by (i) creating a separate committee focused on enterprise risk management and risk governance to be called Board Risk Oversight Committee, and (ii) combining the Audit Committee and Related Party Transactions

Committee to form a new committee to be called Audit and Related Party Transactions Committee, which shall be composed of the same individuals who currently comprise the Audit and Risk Management Committee and Related Party Transactions Committee, with Ms. Lydia B. Echauz as Chairperson. The restructuring will be implemented upon the creation of the Board Risk Oversight Committee and the approval of the latter’s charter;

g. Adoption of the proposed Audit and Related Party Transactions Committee Charter; and

h. Adoption of the proposed charter of the Internal Audit Department.

Other Relevant Information

Please see attached SEC Form 17-C.

Filed on behalf by:

Name	Arrenz Joseph Magnabihon
Designation	Head, Investor Relations and Corporate Communications

COVER SHEET

C S 2 0 1 6 2 7 3 0 0

S.E.C. Registration Number

S P N E W E N E R G Y C O R P O R A T I O N
(f o r m e r l y S o l a r P h i l i p p i n e s
N u e v a E c i j a C o r p o r a t i o n)

(Company's Full Name)

R o c k w e l l B u s i n e s s C e n t e r ,
O r t i g a s A v e n u e , B a r a n g a y
U g o n g , P a s i g C i t y 1 6 0 4

(Business Address of the Company)

Jo Marianni P. Ocampo-Jalbuena

Contact Person

0 9 1 7 - 5 6 0 7 3 5 1

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

SEC Form 17-C

Form Type

1st Monday of May each year

Regular Meeting

Certificate of Permit to Offer Securities for Sale (Pursuant to SEC MSRD Order No. 87, Series of 2021)

Secondary License type, if applicable

MSRD/CMD/ICTD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = Pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

1. 11 April 2025
Date of Report (Date of earliest event reported)
2. SEC Identification Number CS201627300 3. BIR Tax Identification No. 009-468-103
4. SP New Energy Corporation
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines
Province, country or other jurisdiction of incorporation
6. (SEC Use Only)
Industry Classification Code:
7. Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City 1604
Address of principal office, with postal code
8. (0917) 560-7351
Issuer's telephone number, including area code
9. N.A.
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class

Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding

Common

50,073,050,000*

**Note: The Company's voting stock is composed of 69,477,252,552 shares, broken down as follows: 50,073,050,000 common shares and 19,404,202,552 preferred "B" shares. Out of the 69,477,252,552 shares, 8,124,350,005 common shares are registered with the Securities and Exchange Commission ("SEC"). The rest of the shares were exempt from the registration requirement under the Securities Regulation Code at the time of their issuance.*

11. Indicate the item numbers reported herein:

Item 9. Other Events

Please be informed that the Board of Directors of SP New Energy Corporation (the "Company"), at its meeting held today, 11 April 2025, approved the following, among others:

- a. Postponement of the 2025 Annual Stockholders' Meeting (the "2025 Annual Meeting") from 5 May 2025 (as set out in the Company's By-Laws) to 26 May 2025;
- b. Rescheduling of the 2025 Annual Meeting to 26 May 2025 at 4:00 PM, with 6 May 2025 as record date. It will be conducted via remote communication and will have the following agenda:

- i. Call to Order,
 - ii. Certification of Notice and Quorum,
 - iii. Approval of Minutes of the Special Stockholders' Meeting held on 23 January 2025,
 - iv. Annual Report of the President and Chief Executive Officer,
 - v. Approval of the Audited Financial Statements for the Year Ended 31 December 2024,
 - vi. Election of Directors,
 - vii. Appointment of External Auditor,
 - viii. Amendment of Article I [Meetings of Stockholders], Section 1 [Regular Meetings] of the Company's By-Laws for the Purpose of Changing the Date of the Annual Stockholders' Meeting,
 - ix. Ratification of Acts, Resolutions, and Decisions of the Board of Directors and Management from 23 January 2025 up to 26 May 2025,
 - x. Other Matters, and
 - xi. Adjournment;
- c. Amendment of Article I [Meetings of Stockholders], Section 1 [Regular Meetings] of the Company's By-Laws for the purpose of changing the date of the annual stockholders' meeting from "first Monday of May of each year" to "fourth Monday of May of each year";
- d. Issuance of the Audited Financial Statements for the year ended 31 December 2024;
- e. Appointment of Mr. Anthony Vergel B. Velasco ("Mr. Velasco") as Chief Audit Executive. Mr. Velasco is a highly experienced internal audit professional with over twenty-five (25) years experience in financial, operational, compliance, and information technology audits. He is a Certified Internal Auditor, Certified Information Systems Auditor, and Certified ISO-31000 Lead Risk Manager. He has a Masters in Business Administration degree in Financial Management. He is skilled in implementing risk-based audit methodologies and frameworks such as COSO, COBIT, and ISPPIA. Finally, he is a former board member of IIA-Philippines and WiSAP;
- f. Reorganization of the Board Committees by (i) creating a separate committee focused on enterprise risk management and risk governance to be called Board Risk Oversight Committee, and (ii) combining the Audit Committee and Related Party Transactions Committee to form a new committee to be called Audit and Related Party Transactions Committee, which shall be composed of the same individuals who currently comprise the Audit and Risk Management Committee and Related Party Transactions Committee, with Ms. Lydia B. Echauz as Chairperson. The restructuring will be implemented upon creation of the Board Risk Oversight Committee and the approval of the latter's charter;
- g. Adoption of the proposed Audit and Related Party Transactions Committee Charter, a copy of which is attached hereto as an annex; and
- h. Adoption of the proposed charter of the Internal Audit Department, a copy of which is attached hereto as an annex.

[This space was intentionally left blank.]

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SP NEW ENERGY CORPORATION
Issuer

11 April 2025
Date


JO MARIANNI P. OCAMPO-JALBUENA
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

SECRETARY'S CERTIFICATE

I, **Jo Marianni P. Ocampo-Jalbuena**, of legal age, Filipino, with office address at the 14th Floor, Rockwell Business Center, Tower 2, Ortigas Avenue, Barangay Ugong, Pasig City, after having been duly sworn in accordance with the law, hereby certify that:

1. I am the duly elected and incumbent Corporate Secretary of **SP New Energy Corporation** (the "**Corporation**"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at Rockwell Business Center, Ortigas Avenue, Barangay Ugong, Pasig City.
2. At the regular meeting of the Board of Directors of the Corporation held on April 11, 2025, at which meeting a quorum was present and acting throughout, the following resolutions were duly approved and adopted:

"WHEREAS, Section 1, Article 1 of the Amended By-Laws of the Corporation provides that the annual meeting of the stockholders (the "Annual Stockholders' Meeting") shall be held on the first Monday of May each year;

"WHEREAS, in order to provide the Corporation sufficient time to fully comply with various reportorial requirements related to the holding of the Annual Stockholders' Meeting, the Management requested for the postponement of the Corporation's 2025 Annual Stockholders' Meeting to May 26, 2025;

"NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Corporation hereby approves the postponement of the Corporation's 2025 Annual Stockholders' Meeting to May 26, 2025, at 4:00 PM, through remote communication;


"RESOLVED, FURTHER, that the stockholders of the Corporation as of May 6, 2025 are entitled to notice of, and to vote at, the 2025 Annual Stockholders' Meeting;

"RESOLVED, FINALLY, that the Corporate Secretary and/or Assistant Corporate Secretary be, as she is hereby, authorized to sign, execute, and deliver, for and on behalf of the Corporation, the relevant disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange; and to perform such other acts as may be necessary and/or appropriate to fully implement the foregoing resolutions."

3. To date, the foregoing resolutions remain in full force and effect and have not been superseded.

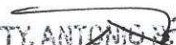
[Signature page follows]

IN WITNESS WHEREOF, I have hereunto affixed my signature this APR 11 2025 in Pasig City, Philippines.


Jo Marianni P. Ocampo-Jalbuena
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this APR 11 2025 in PASIG CITY, Philippines, affiant appeared and exhibited to me her _____ issued by the
on _____

Doc. No. 506
Page No. 103;
Book No. 3;
Series of 2025.


ATTY. ANTONIO B. BETITO
Notary for Pasig City
Commission No. 148 (2025 - 2026)
709 Mega Plaza, ADB Ave., Pasig City
Attorney's Roll No. 27614
IBP No. 498536/1/05/25/Rizal
PTR No. 2968256/1/03/25/Pasig City
MCLE Compliance No. VII-0098638 April 24, 2025

11 April 2025

PHILIPPINE NATIONAL BANK
Trust Banking Group – Fiduciary Services Division
3rd Floor, Trust Banking Group
PNB Financial Center, President Diosdado Macapagal Boulevard
Pasay City

Attention : **Ms. Maria Victoria C. Mendoza**
Senior Assistant Vice President

Mr. Walter R. Briones
Assistant Vice President

Ms. Joanna Marie L. Aviles
Stock Transfer Officer

PHILIPPINE DEPOSITORY AND TRUST CORPORATION
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

Attention : **Ms. Josephine F. Dela Cruz**
Director

Subject : **2025 Annual Stockholders' Meeting**

Ladies and Gentlemen:

Please be advised that the 2025 Annual Stockholders' Meeting of **SP NEW ENERGY CORPORATION** (the "**Company**") originally scheduled on 5 May 2025 as per the By-Laws was rescheduled by the Company's Board of Directors and will now be held on **26 May 2025** (the "**Annual Meeting**"). The Annual Meeting was rescheduled to give the Company sufficient time to fully comply with various reportorial requirements related to the holding of the meeting.

The Company is required under Securities and Exchange Commission Memorandum Circular No. 3, series of 2020 (the "**SEC Circular**"), to notify its stockholders in writing of any postponement of its annual stockholders' meetings and the reason/s therefor at least two (2) weeks prior to the date of the annual meeting as originally scheduled. In compliance with the SEC Circular, the Company is directing the Fiduciary Services Division of the Trust Banking Group of the Philippine National Bank, as the Company's stock transfer agent, to disseminate the attached Announcement to its certificated and scripless stockholders (with the assistance of the Philippine Depository and Trust Corporation, if necessary) **not later than 18 April 2025**.

Further, in order for the Company to be able to comply with Sections 7 and 17.11 of Article VII of the Consolidated Listing and Disclosure Rules of The Philippine Stock Exchange, Inc., the undersigned, on behalf of the Company, would like to request for a certified list of certificated stockholders and beneficial owners of the Company as of 6 May 2025, the record date for the Annual Meeting.

Your usual and kind attention on this matter is highly appreciated.

Very truly yours,

SP NEW ENERGY CORPORATION

By:


JO MARIANNI P. OCAMPO-JALBUENA
Corporate Secretary

Copy furnished:

SECURITIES AND EXCHANGE COMMISSION

The SEC Headquarters, 7907 Makati Avenue
Salcedo Village, Barangay Bel-Air
Makati City 1209

Attention : **Atty. Rachel Esther J. Gumbang-Remalante**
Director, Corporate Governance and Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City 1634

Attention : **Atty. Johanne Daniel M. Negre**
Officer-in-Charge, Disclosure Department

ANNOUNCEMENT

Attention : **Stockholders of SP New Energy Corporation**
Subject : **2025 Annual Stockholders' Meeting**

On behalf of **SP NEW ENERGY CORPORATION** (the "**Company**"), the undersigned wishes to inform the stockholders that on 11 April 2025, the Board of Directors of the Company approved the rescheduling of the 2025 Annual Stockholders' Meeting (the "**Annual Meeting**") from 5 May 2025 to **26 May 2025**, with 6 May 2025 as record date. It was rescheduled to give the Company sufficient time to fully comply with various reportorial requirements related to the holding of the Annual Meeting. Additional details will be disclosed in due course.

For questions or clarifications in relation to the Company's Annual Meeting, the undersigned may be reached via e-mail at jomarianni.ocampo@globalpower.com.ph or mobile phone at +63 917 560 7351.

Very truly yours,

For the Company:



JO MARIANNI P. OCAMPO-JALBUENA
Corporate Secretary



AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER

DOCUMENT NO. PM-SPNEC-IA-001

REV. NO: 00

DOCUMENT APPROVAL			
	NAME	POSITION	SIGNATURE
REVIEWED AND ENDORSED BY:	LYDIA B. ECHAUZ	Chairman, Audit and Related Party Transactions Committee	
APPROVED BY:	MANUEL V. PANGILINAN	Chairman, Board of Directors	

DEPARTMENT : INTERNAL AUDIT DEPARTMENT**TITLE : AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE
CHARTER****TABLE OF CONTENTS**

1	PURPOSE	3
2	AUTHORITY	3
3	DUTIES AND RESPONSIBILITIES	3
	3.1 With respect to the financial reporting process, disclosures, and internal control system	
	3.2 With respect to the auditing process	
	3.3 With respect to compliance	
	3.4 With respect to related party transactions	
	3.5 Other responsibilities	
4	MEMBERS	7
5	MEETINGS	8
6	REPORTING PROCEDURES	9
7	PERFORMANCE ASSESSMENT AND CONTINUOUS IMPROVEMENT	10
8	AMENDMENT OR ALTERATION OF THIS CHARTER	10

PM-SPNEC-IA-001	Title: AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	Rev. 00
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1 PURPOSE

The primary purpose of the Audit and Related Party Transactions Committee (the “ARPT Committee”) is to assist the SPNEC Board of Directors in fulfilling its oversight responsibilities for the following: (i) financial reporting process, (ii) the system of internal control, (iii) the internal and external audit processes, and (iv) the process for monitoring compliance with laws and regulations, and the Corporation’s Code of Conduct. The Committee is also responsible for reviewing all material Related Party Transactions (the “RPTs”) of the Corporation.

2 AUTHORITY

The Committee shall have the authority, duties, and responsibilities as set out herein, along with any other duties and powers that may be delegated to the Committee by the Board.

In terms of the performance of its duties and responsibilities, the Committee is empowered to:

- Have resources and authority appropriate to discharge its responsibilities as set out in this Charter, including the authority to engage external auditors for special audits, reviews, and other procedures and to obtain advice from the special counsel and other experts or consultants to assist in the conduct of an investigation, without need for Board approval;
- Seek any information it may require from any employee, director, agent, or advisor and all such persons will be directed to cooperate with the request made by the Committee;
- Meet separately with any Company officer, the Chief Audit Executive (CAE) and/or the external auditors or outside counsel to discuss any matter that the Committee or any of the foregoing persons or firms believe should be discussed privately; and
- Resolve any disagreements between Management and the auditors regarding financial reporting.
- Review material/significant RPTs¹ determine whether they are in the best interest of the Company and shareholders, and ensure that all RPTs of the Company are conducted in fair and at arms' length terms. It endorses recommendations to the Board as deemed appropriate or approves actions within its delegated authority.

¹ *Material/Significant RPT - any RPT determined by the RPT Review Team to be potentially or actually significant to the Company. The aggregate amount of RPTs under consideration within the preceding twelve (12) month period shall be among the aspects considered in determining materiality.*

PM-SPNEC-IA-001	Title: AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	Rev. 00
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3 DUTIES AND RESPONSIBILITIES

To carry out its purposes, the Committee shall have the following duties and responsibilities:

3.1 WITH RESPECT TO THE FINANCIAL REPORTING PROCESS, DISCLOSURES, AND INTERNAL CONTROL SYSTEM

- 3.1.1. Advise Management and the external auditors are expected to provide the Committee a timely analysis of significant/critical financial reporting issues and practices for their review particularly as they relate to the completeness, accuracy, and fairness of the quarterly and annual financial statements before submission to the Board with particular focus on the following matters:
 - a. any change(s) in accounting policies and practices;
 - b. compliance with accounting standards;
 - c. areas where a significant amount of judgment has been exercised and reasonableness of estimates and assumptions;
 - d. compliance with tax, legal, and regulatory requirements;
 - e. any significant audit adjustments;
 - f. impact of new accounting standards and interpretation; and
 - g. the going concerns, assumptions, and any qualifications.
- 3.1.2 Review with Management and the external auditors the results of the audit of the financial statements and evaluation of internal accounting controls, including any disagreements with Management, problems or difficulties encountered and any restrictions on the scope of external auditor's activities or access to requested information.
- 3.1.3 Understand the scope of internal and external auditors' review of internal control over financial reporting, which review shall include the identification of material errors and fraud, and obtain reports on significant findings and recommendations, actions, and measures in case of error and fraud, together with Management's responses;
- 3.1.4 Consider the effectiveness of the Company's internal control system, with Management's assurance that the Company's financial, operational, compliance and disclosure controls are adequate and effectively functioning, including information technology security and control;
- 3.1.5 Review with Legal Counsel and Compliance Officer disclosures and presentation covering litigation, claims, contingencies, or other significant legal issues that materially impact the financial statements, if applicable;

PM-SPNEC-IA-001	Title: AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	Rev. 00
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- 3.1.6 Receive an annual attestation from the Chairman of the Committee, President/Chief Executive Officer, and the Chief Audit Executive on the existence of an adequate and effective internal control system in the conduct of the Company's business;
- 3.1.7 Obtain and consider any reports or communications submitted to the Committee by the external auditors; and,
- 3.1.8 Review and approve the Management representation letter before submission to the external auditors.

3.2 WITH RESPECT TO THE AUDITING PROCESS

Internal Auditor

- 3.2.1 Recommend the appointment or replacement of the Internal Audit Head or Chief Audit Executive (CAE), who shall functionally report directly to the Committee, and ensure that Internal Audit shall be free from interference in determining its scope, performance of its work and in communicating its results;
- 3.2.2 Review and recommend the approval of the Internal Audit Charter (IA Charter) and subsequent revisions thereto, which formally define the role of Internal Audit, and the annual audit plan as well as overseeing the implementation of the IA Charter. This shall be consistent with the mandatory guidance of The Institute of Internal Auditor's International Professional Practices Framework, the scope, and nature of assurance and consulting services, as well as any changes in the financial, risk management, and governance processes of the organization. The audit plan should include the audit scope, resources, and budget necessary to implement the same and reflects the developments in the professional practice of internal auditing;
- 3.2.3 Review and approve any outsourcing of the internal audit function;
- 3.2.4 Advise the Chief Audit Executive that he or she is expected to provide the Committee summaries of and, as appropriate, significant reports to Management prepared by the Internal Audit and shall monitor Management's responsiveness to Internal Audit's findings and recommendations;
- 3.2.5 Require the Chief Audit Executive to render to the Committee an annual report on Internal Audit's activities and performance relative to the audit plans and strategies approved by the Committee, which report shall include significant

PM-SPNEC-IA-001	Title: AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	Rev. 00
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risk exposures and control issues, corporate governance issues and other matters requested by the Committee or the Board;

- 3.2.6 Require a statement from the Chief Audit Executive that the activities of Internal Audit are conducted in accordance with the International Professional Practices Framework (IPPF); which includes the Global Internal Audit Standards, Topical Requirements, and Global Guidance; if otherwise, a disclosure that Internal Audit has not yet fully achieved compliance with the IPPF.
- 3.2.7 Ensure that the internal auditors have free and full access to all the Company's records, properties, and personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work, and communicating its results subject to strict compliance with all applicable policies of SPNEC and all applicable laws and regulations;
- 3.2.8 Review and monitor Management's responsiveness to the Internal Audit's findings and recommendations through the implementation of agreed-upon remedial actions and measures;
- 3.2.9 Ensure that the Internal Audit activity has a quality assurance and improvement program and that the results of these periodic assessments are presented to the Audit Committee for the continuous improvement of the Internal Audit activity.

External Auditor

- 3.2.10 Review and evaluate procedures and criteria for the selection, appointment, annual performance evaluation, and if appropriate, the termination of services of the external auditors and recommend to the Board for approval, the appointment, reappointment, removal of the external auditors, duly accredited by the SEC, and ratified by the Shareholders. In case of removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the company website and required disclosures;
- 3.2.11 Review the external auditors' proposed nature, scope, and fees of the audit prior to the commencement of the audit and ensure proper coordination of audit effort with Internal Audit;
- 3.2.12 Review disposition of the recommendations in the external auditor's Management letter and where applicable, ensure that Management is taking appropriate corrective actions;

PM-SPNEC-IA-001	Title: AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	Rev. 00
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3.2.13 Ensure that the external auditors have unrestricted access to all records, properties, and personnel to enable them to perform their audit function;

3.2.14 Review and approve, in consultation with the Chief Finance Officer and Chief Audit Executive, all audit and non-audit services to be performed by the external auditors and the related fees to be paid for such services and ensure that non-audit services, if allowed or approved, are disclosed in the Company's Annual Report and Annual Corporate Governance Report.

3.2.15 Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Company (Statement of Independence) and evaluate any relationships or services disclosed in such Statement that may impact the objectivity, independence, or quality of services of the external auditors and take appropriate action in response to such Statement to satisfy itself of the external auditor's independence; and,

3.2.16 Ensure that the external auditors or the lead audit partner of the external auditing firm assigned to the Company are changed or rotated once every five (5) years as provided under applicable laws and regulations.

3.3 WITH RESPECT TO COMPLIANCE

3.3.1 Monitor compliance and adherence by the Company with all applicable laws and regulations pursuant to which the Company conducts its operations and business activities;

3.3.2 Obtain updates from Management and Company's Compliance Officer and/or Legal Counsel regarding compliance matters including breaches of laws and regulations, findings of any examinations by regulatory agencies and any auditor observations on a quarterly basis or more frequently, as necessary; and

3.3.3 Review the process for communicating the codes of conduct to employee personnel and Management and for monitoring compliance with said codes of conduct.

3.4 WITH RESPECT TO RELATED PARTY TRANSACTIONS

The Committee, assisted by the RPT Review Team composed of the Head of Financial Planning and Reporting, the Head of Legal and Corporate Governance, and the Head of Supply Chain Management, shall have the following duties and responsibilities:

3.4.1 Monitor on an ongoing basis existing relation/s between and among businesses and counterparties to ensure that all related parties are continuously identified,

PM-SPNEC-IA-001	Title: AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	Rev. 00
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RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs, and changes in relationships will be reflected in the relevant reports to the Board and regulators;

- 3.4.2 Evaluate, on an ongoing basis, existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators;
- 3.4.3 Evaluate all Material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with nonrelated parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:
 - a. The related party's relationship to the Company and interest in the transaction
 - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - c. The purpose and timing of the proposed RPT;
 - d. The benefits to the Company of the proposed RPT;
 - e. The availability of other sources of comparable products or services; and
 - f. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.
- 3.4.4 Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the company's RPT exposures and policies on conflicts of interest or potential conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties;
- 3.4.5 Report to the Board of Directors, on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;

PM-SPNEC-IA-001	Title: AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	Rev. 00
------------------------	--	----------------

- 3.4.6 Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

3.5 OTHER RESPONSIBILITIES

- 3.5.1 Report its activities to the Board on a regular basis and make such recommendations with respect thereto and other matters as the Committee may deem necessary or appropriate;
- 3.5.2 Conduct or authorize an investigation into any matter that falls within its scope of responsibilities;
- 3.5.3 Develop related continuing education program for members of the Committee in coordination with the Corporate Governance Committee;
- 3.5.4 Review and assess the adequacy of this Charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law and regulation;
- 3.5.5 Evaluate the Committee's performance on a regular basis; and
- 3.5.6 Perform other activities related to this Charter as requested by the Board of Directors.

4 MEMBERS

- 4.1 The Committee shall be composed of at least three (3) Board members, who shall preferably have accounting and finance backgrounds, two of whom shall be Independent Directors and another with audit experience, and only such Member-Directors shall have voting rights. The Chairman shall be an Independent Director. Each member of the Committee ("Member") shall have at least an adequate understanding of the Company's financial management systems and environment. The Members, including the Chairman thereof, shall be appointed by the Board of Directors annually.
- 4.2 The ARPT Committee shall consider succession-related issues relative to the chair and members of the Committee and draw up a plan for due consideration by the Corporate Governance Committee to effectively address any such issues, even as it recognizes the annual Board election and committee membership appointment processes inherent in the Company. Such a plan may consider the length of term each committee member and the Chair may serve, the complex nature of the role,

PM-SPNEC-IA-001	Title: AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	Rev. 00
------------------------	--	----------------

continuity of the Committee's work, and the orderly transfer of accumulated knowledge.

4.3 The Board of Directors may appoint one or more persons to serve as an advisor(s) to the Committee ("Advisors"). Advisors shall have the right to attend and speak at any meeting of the Committee but shall have no right to vote in respect of any action by the Committee.

4.4 The Chairman of the Committee or any Member or Advisor may be removed from office only by the Board of Directors.

5 MEETINGS

5.1 The Committee shall hold meetings at such times and places as it considers appropriate provided that not less than four (4) meetings shall be held each year.

5.2 Meetings of the Committee shall be convened by the Chairman of the Committee as and when he/she considers appropriate, and the Chairman shall convene a meeting upon the request of a majority number of the voting Members.

5.3 The agenda for the meeting shall be developed by the Chief Audit Executive based on the agreed calendar of activities by the Committee and inputs from Management and the Internal Audit, subject to the approval of the Chairman.

5.4 The Committee members shall be provided with an advance copy of the meeting agenda and related materials at least three (3) working days before the meeting date.

5.5 The Committee shall conduct a separate executive session with the external auditors, and the Chief Audit Executive, at least once a year to discuss any matters that the Committee or auditors believe should be discussed privately, which may include results of the audit and/or investigation, quality of management, financial and internal controls.

5.6 The Committee shall appoint a Secretary who shall prepare minutes of meetings of the Committee and keep books and records of the Committee.

5.7 A Committee meeting shall be convened by not less than three (3) calendar days' notice in writing, specifying the place, date and time for the meeting and the general nature of the businesses to be transacted at the meeting.

5.8 Notwithstanding that a meeting is called by shorter notice, it shall be deemed to have been duly convened if it is so agreed by the Members present in the meeting at which there is a quorum. A Member may consent to short notice and may waive

PM-SPNEC-IA-001	Title: AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	Rev. 00
------------------------	--	----------------

notice of any meeting of the Committee and any such waiver may be retrospective.

5.9 Each Member/Advisor shall give to the Secretary of the Committee an address and a facsimile number for the service of notices of meetings of the Committee.

5.10 Notice of a meeting of the Committee shall be deemed to be duly given to a Member/Advisor if it is given to him/her personally, in writing or orally, or sent to him/her by mail or facsimile transmission to his address or facsimile number, as appropriate, given by him/her thru the Secretary of the Committee in accordance with Section (6) above.

5.11 The quorum for a meeting of the Committee shall be a majority of the voting Members present throughout the meeting.

5.12 Members and Advisors may participate in a meeting of the Committee through teleconference or video conference by means of which all persons participating in the meeting hear each other.

5.13 Officers and employees of the Company or its subsidiaries and affiliates shall attend meetings of the Audit Committee upon the invitation of the Chair of the Audit Committee.

5.14 Resolutions at a meeting of the Committee at which there is a quorum shall be passed by a simple majority of votes of the voting members present at such meeting. Each voting member, including the Chairman of the Committee, shall have one (1) vote. In case of an equality of votes, the Chairman of the Committee shall not have a second or casting vote.

6 REPORTING PROCEDURES

6.1 The Chairman of the Committee shall render a report apprising the Board of Directors of the results of the Committee's activities every after a meeting of the Committee.

6.2 The Committee Chairman will also submit an Annual Audit Committee report to the Board and the Shareholders that will be published in the Annual Report of the Company.

7 PERFORMANCE ASSESSMENT AND CONTINUOUS IMPROVEMENT

7.1 The members of the Committee shall evaluate its performance based on best practices and expectations set out in this Charter and SEC Memorandum Circulars

PM-SPNEC-IA-001	Title: AUDIT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	Rev. 00
------------------------	--	----------------

and the ASEAN Corporate Governance Scorecard concerning Audit Committees, by filling up a self-assessment questionnaire that is developed by the Corporate Governance Committee.

7.2 The Committee shall obtain and subject itself to an independent assessment by the Board of Directors based on best practices and relative to its performance in the discharge of its responsibilities as set out in this charter.

7.3 Based on the results of the performance assessment, the Committee shall formulate and implement plans to improve its performance. These may include the identification of relevant training needs intended to keep the members up to date with corporate governance best practices, accounting, and auditing standards, as well as specific areas of concern.

8 AMENDMENT OR ALTERATION OF THIS CHARTER

This Charter shall not be amended, altered, or varied unless such an amendment, alteration or variation shall have been approved by resolutions of the Board of Directors.

REVISION HISTORY



REVISION NO	PAGE REVISED	DESCRIPTION OF REVISION	EFFECTIVITY DATE (MM/DD/YR)
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INTERNAL AUDIT CHARTER

DOCUMENT NO.: PM-SPNEC-IA-002

REV. NO.: 00

DOCUMENT APPROVAL			
	NAME	POSITION	SIGNATURE
PREPARED BY:	ANTHONY B. VELASCO	VP and Chief Audit Executive (CAE), MGen and SPNEC Internal Audit	
REVIEWED AND ENDORSED BY	LYDIA B. ECHAUZ	Chairman, Audit and Related Party Transactions Committee	
APPROVED BY:	MANUEL V. PANGILINAN	Chairman, Board of Directors	

DEPARTMENT : INTERNAL AUDIT DEPARTMENT**TITLE : INTERNAL AUDIT CHARTER****TABLE OF CONTENTS**

1	INTRODUCTION	3
2	POLICY STATEMENT	3
3	ROLE	3
4	PURPOSE, MISSION, AND SCOPE OF WORK	3
	4.1 Assurance Services	
	4.2 Consulting Services	
5	ACCOUNTABILITY	5
6	RESPONSIBILITY	5
7	AUTHORITY	6
8	INDEPENDENCE AND OBJECTIVITY	7
9	PROFESSIONALISM AND STANDARDS OF PRACTICE	7

PM-SPNEC-IA-002	Title: INTERNAL AUDIT CHARTER	Rev. 00
------------------------	--------------------------------------	----------------

1 INTRODUCTION

The Internal Audit Charter establishes the organizational status of the Internal Audit function in Solar Philippines New Energy Corporation (SPNEC), including its role, purpose, mission, authority, responsibilities, and reporting relationships.

The Internal Audit Charter shall be reviewed by the Audit Committee, as part of their oversight function, and endorse to the Board of Directors for approval. It shall be reviewed annually and subject to the same approval process for any revisions or changes thereto.

2 POLICY STATEMENT

It is the policy of SPNEC to establish and support and Internal Audit function as a fundamental part of its Corporate Governance practices.

3 ROLE

The Internal Audit activity is established by the Board of Directors (the “Board”). Its responsibilities are defined by the Board as part of their oversight role.

4 PURPOSE, MISSION, AND SCOPE OF WORK

The purpose of Internal Audit in SPNEC is to provide independent, objective assurance and consulting services designed to add value and improve the operations of SPNEC, Subsidiaries and Affiliates.

The mission of Internal Audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. Internal Audit helps accomplish its objectives by bringing a systematic and disciplined, and risk-based approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

4.1 ASSURANCE SERVICES

These engagements involve the objective assessment of evidence to provide independent opinions or conclusions regarding governance, risk management, and control processes, systems, operations, or other subject matters. The examples of assurance services are the following:

- Evaluating the reliability and integrity of information and the means used to identify, measure, classify and report such information.

PM-SPNEC-IA-002	Title: INTERNAL AUDIT CHARTER	Rev. 00
------------------------	--------------------------------------	----------------

- Evaluating the adequacy of and compliance with policies, plans, and procedures.
- Evaluating the effectiveness and efficiency in the deployment of resources.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether such is being carried out as planned.
- Evaluating the effectiveness and efficiency of the governance and risk management processes.

4.2 CONSULTING SERVICES

These engagements are advisory in nature and are generally performed at the specific request of an internal engagement client. These are intended to add value and improve the organization's risk management and control processes without the internal auditors assuming management responsibility. These include, but are not limited to the following:

- Performing advisory training, and monitoring services related to readiness and compliance with the required self-assessments and certifications regarding internal controls over financial reporting.
- Fact-finding and verification services require an independent and objective perspective from outside of the requesting unit.

The role of Internal Audit is to determine whether the structure of risk management, control, and governance processes for SPNEC, its subsidiaries and affiliates, as designed and represented by Management, is adequate and functioning effectively. This determination ensures:

- Risks are appropriately identified, managed and/or reported.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employees' actions aligns with policies, standards, procedures and applicable laws and regulations.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in the control processes.
- Significant legislative or regulatory issues are recognized and addressed appropriately.

Opportunities for improving management control, profitability, and the image of SPNEC, its subsidiaries, and affiliates, may be identified during audits and will be communicated to the appropriate level of Management.

PM-SPNEC-IA-002	Title: INTERNAL AUDIT CHARTER	Rev. 00
------------------------	--------------------------------------	----------------

5 ACCOUNTABILITY

The Chief Audit Executive shall be accountable to the Audit Committee and the Management in the performance of his/her duties and shall:

- Provide an annual assessment of the adequacy and effectiveness of SPNEC, its subsidiaries, and affiliates' processes for controlling activities and managing risks in the areas set forth under the mission and scope of work.
- Report significant issues related to the processes for controlling the activities of SPNEC, its subsidiaries, and affiliates, including potential improvements to those processes, and provide information concerning such issues and resolutions.
- Provide periodic update on the status and results of the annual internal audit plan, as well as the sufficiency of Internal Audit's resources.
- Coordinate with and provide independent assurance on other control and monitoring functions (e.g. risk management, compliance, security, legal, ethics, environmental and external audit).
- Coordinate with Management to support the Internal Audit mandate throughout the organization and promote the authority granted to the Internal Audit function.

6 RESPONSIBILITY

The Chief Audit Executive has the responsibility to:

- Effectively manage the internal audit activity for SPNEC, its subsidiaries, and affiliates.
- Develop a flexible annual internal audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by Management. Submit that plan, along with periodic updates, to the Audit Committee for review and approval.
- Communicate Internal Audit's plans and resource requirements, including significant interim changes, and the impact of limitations on financial, human, and technological resources.
- Implement the annual internal audit plan as approved, including and, as appropriate, any special tasks or projects requested by Management and the Audit Committee.
- Consider the scope of work of the internal and external assurance and consulting service providers, as appropriate, for the purpose of providing optimal audit coverage to SPNEC, its subsidiaries and affiliates at a reasonable overall cost.
- Evaluate and assess significant merging/consolidating functions, as well as new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Maintain a professional audit staff with sufficient knowledge, skills, experience and professional certifications, and other competencies to meet the requirements of this Charter.
- Issue periodic reports to the Audit Committee and Management summarizing results of audit activities, including internal audit personnel headcount, movement, and professional development.

PM-SPNEC-IA-002	Title: INTERNAL AUDIT CHARTER	Rev. 00
------------------------	--------------------------------------	----------------

- Conduct the appropriate follow-up on engagement findings and recommendations, which shall remain in an open issues file until cleared.
- Ensure there is an appropriate mechanism in place for the anonymous submission of employee concerns or complaints regarding questionable accounting or auditing matters and notify the Audit Committee of the status and disposition of reported complaints.
- Assist in the investigation of significant suspected fraudulent activities in SPNEC, (its subsidiaries and affiliates) and notify Management and the Audit Committee of the results.
- Provide a list of significant measurement goals and results to the Audit Committee.
- Establish and sustain a quality assurance and improvement program for Internal Audit, including the establishment and updating of policies and procedures, to guide the internal audit organization. The Chief Audit Executive (CAE) assures us of the operation of internal auditing activities, and communicate the results of ongoing internal assessments and external assessments conducted at least every five years.
- Report periodically on Internal Audit's purpose, authority, responsibility, and performance relative to its plan and on its conformance with the Code of Ethics and the Standards, including fraud risks, governance issues and other matters that require the attention of Senior Management and/or the Board.
- Keep the Audit Committee informed of emerging trends and successful practices in internal auditing.

7 AUTHORITY

The Chief Audit Executive and Internal Audit are authorized, in SPNEC, its subsidiaries and affiliates, to:

- Have unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Have full and free access to and communicate and interact directly with the Audit Committee.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives and issue reports.
- Obtain the necessary assistance of personnel in units within SPNEC, its subsidiaries and affiliates where they perform audits, as well as other specialized services from within or outside SPNEC, its subsidiaries and affiliates.

The Chief Audit Executive and staff of Internal Audit are not authorized to:

- Assess specific operations of a unit or department for which an Internal Audit employee was previously part of or responsible in the last twelve months.
- Perform any operational duties for SPNEC, its subsidiaries and affiliates.
- Initiate or approve accounting transactions except those pertaining to the operation of Internal Audit.

PM-SPNEC-IA-002	Title: INTERNAL AUDIT CHARTER	Rev. 00
------------------------	--------------------------------------	----------------

- Direct the activities of any SPNEC, its subsidiaries and affiliates' employees not employed by Internal Audit, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.
- Draft and/or implement internal controls, develop procedures, and install systems. The Internal Audit may, however, be consulted on the adequacy of the related controls.

8 INDEPENDENCE AND OBJECTIVITY

To ensure independence of Internal Audit, its personnel report to the Chief Audit Executive, who reports functionally to the Board through the Audit Committee and administratively to the President and Chief Executive Officer in a manner outlined in the **Accountability** section above. The Chief Audit Executive shall confirm to the Audit Committee, at least annually, the organizational independence of the internal audit activity.

The Chief Audit Executive and staff of Internal Audit shall:

- Remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to ensure maintenance of a necessary independent and objective mental attitude.
- Have no direct operational responsibility or authority over any of the activities audited and shall not engage in any other activity that may impair professional judgment.
- Exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.

9 PROFESSIONALISM AND STANDARDS OF PRACTICE

Internal Audit and its activities shall adhere to the **Global Internal Audit Standards** ("Standards"), Global Guidance and Topical Requirements of the Institute of Internal Auditors' **International Professional Practices Framework (IPPF)**. The Chief Audit Executive will report periodically to Senior Management and the Board through the Audit Committee regarding the Internal Audit's conformance to the IPPF, including requirements on the **Code of Ethics and the Standards**.

PM-SPNEC-IA-002	Title: INTERNAL AUDIT CHARTER	Rev. 00
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REVISION NO	PAGE REVISED	DESCRIPTION OF REVISION	EFFECTIVITY DATE (MM/DD/YR)
00	-	INITIAL RELEASE	