

Information on Board Committees and their Activities in 2016

Risk Management Committee

In line with its oversight risk management functions, the Risk Management Committee convened a meetings on the following dates:

- 11 March 2016 - Endorsement of the Transition Team on the abolition of PNOG Development and Management Corporation (PDMC) and PNOG Alternative Fuel Corporation (PAFC) and updates on the PNOG's reorganization.
- 22 April 2016 - Endorsement to the PNOG Board of the 30 March 2016 Memo Requesting Award of Security Contract.

Audit Committee

Pursuant to its Terms of Reference and Charter, the Audit Committee performs oversight in the performance of PNOG Mother and its Subsidiaries. Thus, the Committee monitors the following and correspondingly provides updates to the PNOG Board:

1. Accomplishment Reports
2. Performance Agreement Negotiation
3. Results of the Evaluation of GCG
4. Audit Status based on COA Audit Observations and the corresponding agency/company implementation

The Audit Committee met in March 2016 to discuss the status of COA Audit Observations and Notice of Disallowances of PNOG and its Subsidiaries as of Dec. 31, 2015.

Joint Risk and Governance Committees

On May 17, June 10 and June 17, 2016, the Risk Management Committee and Governance Committee had joint meetings to discuss and evaluate the proposed lease of PAFC properties by SMC Consolidated Power Inc. and proposed lease of PAFC properties by Energy Oil and Gas Holdings Inc.