GOVERNANCE SELF ASSESSMENT FORM
(January 1 to December 31, 2011)

MERALCO is committed to adhering to the highest standards of good governance consistent with international corporate best practices. Part of the process for ensuring that these standards are maintained is a regular self-assessment by MERALCO's Board of Directors of its performance.

This questionnaire is intended to assess the performance of the Board as a whole, during the period 1 January to 31 December 2011 (CY 2011). The questionnaire shall also serve as a self-evaluation of the performance of the individual directors during the covered period.

INSTRUCTIONS

Please go over each statement carefully and answer using the following scale:

Scale	Category
1	Not at all Satisfied; Poor (NS)
2	Slightly Satisfied; Needs improvement (SS)
3	Satisfied; Meets requirements (S)
4	Moderately Satisfied; Exceeds requirements (MS)
5	Very Satisfied; Outstanding (VS)

Note: You may check (✓) the appropriate box to indicate your answer.

I. THE BOARD Please rate the performance of Board based on the following criteria:					
A. BOARD STRUCTURE	**1** NS	**2** SS	**3** S	**4** MS	**5** VS
1. The Board has a proper mix of directors with the appropriate skills, knowledge and experience to enable them to effectively participate in Board deliberations. *(SCG/MCG)*					
2. The Board has a process of selection that ensures an optimum mix of directors and officers who can perform competently and professionally and add value to the Company. *(SCG/MCG)*					
3. The powers, roles, responsibilities and accountabilities between the Board and management are clearly defined, segregated and understood. *(SCG/MCG)*					
4. The Board has the necessary committees in place to assist the Board in the performance of its duties and responsibilities. *(SCG/MCG)*					
5. The Board formulates and reviews, as well as updates, the Company's corporate vision and mission, values and purpose, strategic objectives, policies and procedures that serves as a guide to the Company's activities. *(SCG/MCG)*					

B. BOARD DUTIES AND RESPONSIBILITIES	1 NS	2 SS	3 S	4 MS	5 VS
6. The Board sets sound strategic objectives and business plans aimed at sustaining the Company's long-term viability. *(SCG/MCG)*					
7. The Board oversees management's implementation of sound strategic policies and guidelines on major capital expenditures, business strategies, operational budgets, plans and policies. *(SCG/MCG)*					
8. The Board regularly and periodically monitors the Company's corporate performance against such strategic objectives and business plans. *(SCG/MCG)*					
9. The Board regularly and periodically monitors the management's compliance with policies set by the Board and its performance based on approved targets and objectives. *(SCG/MCG)*					
10. The Board oversees the implementation of the Company's human resource and personnel development programs and provides for a succession plan for senior management. *(SCG/MCG)*					
11. The Board oversees the implementation of policies for the performance evaluation and compensation of the officers of the Company *(SCG/MCG)*					
12. The Board ensures that the Company complies with all relevant laws and regulations and endeavors to adopt accepted best business practices. *(SCG/MCG)*					
13. The Board ensures the establishment of appropriate corporate governance policies and procedures. *(SCG/MCG)*					

	1	2	3	4	5
	NS	SS	S	MS	VS
14. The Board provides oversight with regard to enterprise risk management and identifies key risk areas and key performance indicators and monitor these factors with due diligence. *(SCG/MCG)*					
15. The Board adopts a system of check and balance within the Board and regularly reviews its system of checks and balances for effectiveness. *(SCG/MCG)*					
16. The Board has adopted a Code of Ethics which shall govern the conduct of the Board, the officers and employee of the Company. *(SCG/MCG)*					
17. The Board ensures the continuing soundness, effectiveness and adequacy of the Company's control environment. (SCG/MCG)					
C. MEETINGS					
18. The Board schedules and holds regular meetings and convenes special meetings when required by business exigencies. *(SCG/MCG)*					
19. The Board meetings are duly minuted. *(SCG/MCG)*					
20. At least one independent director is always in attendance in all Board meetings. *(*SCG*/MCG)*					
21. There is active solicitation of views and opinions of the members of the Board in the process of arriving at a decision. *(SCG/MCG)*					

II. DUTIES AND RESPONSIBILITIES OF THE INDIVIDUAL DIRECTORS Please evaluate your performance as an individual director of the Board based on the following criteria:					
	1	**2**	**3**	**4**	**5**
	NS	SS	S	MS	VS
22. I understand the mission, vision and values of the Company. *(SCG/MCG)*					
23. I act in a manner characterized by transparency, accountability, integrity and fairness fully aware that the office of a director is one of trust and confidence. *(SCG/MCG)*					
24. I devote sufficient time and attention necessary to properly discharge and effectively perform my duties and responsibilities as a member of the Board. *(SCG/MCG)*					
25. I keep myself updated on developments in the Company, including its financial and operational performance. *(SCG/MCG)*					
26. I ensure that my personal interest do not conflict with the interest of the Company. *(SCG/MCG)*					
27. I exercise independent judgment. *(SCG/MCG)*					
28. I have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the SEC, and where applicable, the requirements of other regulatory agencies. *(SCG/MCG)*					
29. I observe confidentiality of non-public information acquired by reason of my position as a director. (SCG/MCG)					

	1	2	3	4	5
	NS	SS	S	MS	VS
30. I attend all board meetings except when prevented by justifiable cause. (SCG/MCG)					
31. I actively participate in board discussions and deliberations. (SCG/MCG)					

MERALCO

BOARD COMMITTEE PERFORMANCE ASSESSMENT FORM
(January 1 to December 31, 2011)

Assessment Objective:

This questionnaire is intended for the members of the Board of Directors to assess the performance of the different Board Committees during the period 1 January to 31 December 2011 (CY 2011).

The MERALCO Board of Directors has organized Board Committees to assist in the performance of its duties and responsibilities and in ensuring compliance with the principles of good corporate governance.

Part of the process of ensuring that the Committees effectively discharge their functions is the conduct of an annual assessment of their performance by the Board of Directors.

INSTRUCTIONS

Please go over each statement carefully and answer using the following scale:

Scale	Category
1	Not at all Satisfied; Poor (NS)
2	Slightly Satisfied; Needs improvement (SS)
3	Satisfied; Meets requirements (S)
4	Moderately Satisfied; Exceeds requirements (MS)
5	Very Satisfied; Outstanding (VS)

Note: You may check (✓) the appropriate box to indicate your answer.

	1	2	3	4	5
I. PERFORMANCE OF NOMINATION AND GOVERNANCE FUNCTIONS	NS	SS	S	MS	VS
1. The Committee screens, identifies and recommends qualified individuals for nomination and election as Directors as well as those nominated for election to other positions requiring appointment by the Board. (SCG/MCG/CH)					
2. It assists the Board in assessing the effectiveness of the Board's processes and procedures in the election or replacement of Directors or Committee members and in designing the appropriate continuing education programs for them. (SCG/MCG/CH)					
3. It assists the Board in overseeing the development and implementation of policies and programs that will improve MERALCO's corporate governance principles and structures. (CH)					
4. It conducts an annual review of the Charters of all Board Committees and recommends the needed changes including Committee assignments and Chairmanships. (MCG/CH)					
5. It recommends the mechanism in evaluating the performance of the Board, Board Committees and Management and oversees the conduct of these evaluations. (MCG/CH)					
6. It reviews and monitors the structure, size and composition of the Board and recommends improvements to ensure its compliance to the applicable laws, regulations, listing rules and company policies. (CH)					
7. ***OVERALL EFFECTIVENESS OF THE COMMITTEE VIS-À-VIS ITS CHARTER REQUIREMENTS***					

Note:

CH *– Board Committee Charter*
SCG *– SEC Revised Code of Corporate Governance*
MCG *– MERALCO Revised Manual of Corporate Governance*

	1	2	3	4	5
	NS	SS	S	MS	VS
II. PERFORMANCE OF AUDIT & RISK MANAGEMENT FUNCTIONS					
8. The Committee assists the Board in fulfilling its oversight function through the review and evaluation of the financial reporting process and adequacy and effectiveness of the system of internal controls, including financial reporting control and information technology security. (SCG/MCG/CH)					
9. It assists the Board in performing oversight responsibility over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. (SCG/MCG/CH)					
10. It assists the Board in performing oversight responsibility over the Company's internal auditing functions and the appointment of the Internal Auditor. (SCG/MCG/CH)					
11. It assists the Board in performing oversight responsibilities in the selection and appointment process and performance of the External Auditor. (SCG/MCG/CH)					
12. It assists the Board in coordinating, monitoring and facilitating compliance of the Company with applicable laws, regulations, rules and company policies. (SCG/MCG/CH)					
13. OVERALL EFFECTIVENESS OF THE COMMITTEE VIS-À-VIS ITS CHARTER REQUIREMENTS					

Note:

***CH** – Board Committee Charter*
***SCG** – SEC Revised Code of Corporate Governance*
***MCG** – MERALCO Revised Manual of Corporate Governance*

	1	2	3	4	5
	NS	SS	S	MS	VS
III. PERFORMANCE OF COMPENSATION AND BENEFITS FUNCTIONS					
14. The Compensation and Benefits Committee assists the Board in overseeing the formulation of the compensation and retirement philosophy of the Directors and Officers consistent with the Company's culture, strategy and the business environment in which it operates. (SCG/MCG/CH)					
15. It assists the Board in the development of the Company's over-all compensation, retention and retirement policies and programs based on the approved philosophy and budget. (MCG/CH)					
16. It provides guidance to the Board in reviewing management succession plan of the Company. (MCG/CH)					
17. It assists the Board in overseeing the operation of the Meralco Pension Fund by reviewing and monitoring its performance and financial condition and recommending to the Board members of its Board of Trustees. (CH)					
18. OVERALL EFFECTIVENESS OF THE COMMITTEE VIS-À-VIS ITS CHARTER REQUIREMENTS					

Note:

***CH** – Board Committee Charter*
***SCG** – SEC Revised Code of Corporate Governance*
***MCG** – MERALCO Revised Manual of Corporate Governance*

	1	2	3	4	5
	NS	SS	S	MS	VS
IV. PERFORMANCE OF FINANCE FUNCTIONS					
19. The Finance Committee assists the Board in reviewing financial matters involving the management and operation of the Company. (MCG/CH)					
20. It advises the Board on all major financing transactions, principal agreements and capitalization requiring Board approval and makes appropriate recommendations for their consideration. (MCG/CH)					
21. OVERALL EFFECTIVENESS OF THE COMMITTEE VIS-À-VIS ITS CHARTER REQUIREMENTS					

Note:

***CH** – Board Committee Charter*
***SCG** – SEC Revised Code of Corporate Governance*
***MCG** – MERALCO Revised Manual of Corporate Governance*

NOMINATION AND GOVERNANCE COMMITTEE SELF ASSESSMENT FORM
(January 1 to December 31, 2011)

Assessment Objective:

This questionnaire is intended for each member of the Nomination and Governance Committee to assess their respective performances covering the period 1 January to 31 December 2011 (CY 2011).

This Board Committee Self- Assessment is intended to assess the discharge of its responsibilities as prescribed in the Revised Manual of Corporate Governance, By-Laws and the Board Charter, and determine ways to enhance the board committee's future effectiveness.

The assessments focus on three (3) key areas:

1. Committee Composition
2. Committee Responsibilities
3. Operating Practices

INSTRUCTIONS

Please go over each statement carefully and answer using the following scale:

Scale	Category
1	Not at all Satisfied; Poor (NS)
2	Slightly Satisfied; Needs improvement (SS)
3	Satisfied; Meets requirements (S)
4	Moderately Satisfied; Exceeds requirements (MS)
5	Very Satisfied; Outstanding (VS)

Note: You may check (✓) the appropriate box to indicate your answer.

	1	2	3	4	5	COMMENTS/SUGGESTIONS
	NS	SS	S	MS	VS	
A. Committee Composition						
1) The nomination and governance committee has at least three (3) voting Directors. (CH/MCG/SCG)						
2) At least one of the Committee members is an Independent Director. (CH/MCG/SCG)						
B. Committee Responsibilities						
3) It reviews and recommends, for Board approval, recommendations to improve the company's compliance to the Revised Corporate Governance Code, the company's Revised Manual of Corporate Governance and other corporate governance rules and applicable laws. (CH/MCG)						
4) It reviews annually the Charters of all Board Committees and recommends appropriate changes or improvements to the Board. (CH/MCG)						
5) It reviews annually the prescribed Full Business Interest Disclosure of all incoming Directors and officers. (CH/MCG)						
6) It recommends to the Board mechanisms for evaluating performance of the Board, the Board Committees, and Management. (MCG)						
7) It oversees the conduct of performance evaluation of the Board, Board Committees, and Management. (SCG/MCG)						
8) It oversees the development of corporate governance principles, structure, best practices and rules for adoption by the Company, and assists the Board in the implementation thereof. (CH)						
9) It designs an orientation program for new Directors and related continuing education program for existing Directors. (CH)						

CH – Board Committee Charter
MCG- MERALCO Manual of Corporate Governance
SCG – SEC Revised Code of Corporate Governance

	1 NS	2 SS	3 S	4 MS	5 VS	COMMENTS/SUGGESTIONS
B. Committee Responsibilities						
10) It assesses the effectiveness of the Board's processes and procedures in the election or replacement of Directors. (CH/MCG/SCG)						
11) It recommends Committee assignments, including Committee Chairmanships, to the full Board for approval. (CH/MCG)						
12) It recommends to the Board qualified nominees for election as Directors and Committee members. (CH/MCG)						
13) It prepares the final list of candidates for the Board of Directors to be elected by the stockholders during the annual membership meeting. (CH/MCG/BL)						
14) There is a schedule of all planned NGC meetings for the year, which maps how the committee's responsibilities are addressed over the year. (CH)						
C. Operating Practices						
I. Meetings						
15) The NGC members' meet frequently or at least not less than four (4) times every year and allow sufficient time to properly discuss and resolve issues. (CH)						
16) A t least three (3) calendar days' notice is given in writing, specifying the place, date and time for the meeting and the general nature of the businesses to be transacted at the meeting. (CH)						
17) Members consent and quorum is ensured in case of urgent meetings with short notice. (CH)						

CH – Board Committee Charter
MCG- MERALCO Manual of Corporate Governance
SCG – SEC Revised Code of Corporate Governance

	1	2	3	4	5	COMMENTS/SUGGESTIONS
	NS	SS	S	MS	VS	
C. Operating Practices						
I. Meetings						
18) The committee chair drives agenda setting, calling on support from management as needed. (CH)						
19) All relevant discussions, issues and agreements during the meetings are minuted and reviewed and concurred by committee members. (CH)						
II. Education and Knowledge						
20) Members receive regular information/training to assist them with keeping current on company business and regulatory, industry, and financial reporting developments. (CH)						
III. Committee Reports and Performance Evaluation						
21) The committee chair reports after each meeting to the board on the committee's activities, major issues discussed, and recommendations for board actions. (CH)						
22) It conducts self-assessment of the Committee's performance and reviews, with the Board, its performance results and the areas for improvements. (CH)						
Please state below your additional comments or suggestions to further improve the effectiveness of the Committee:						

Accomplished by:

Printed Name and Signature

CH – Board Committee Charter
MCG- MERALCO Manual of Corporate Governance
SCG – SEC Revised Code of Corporate Governance

FINANCE COMMITTEE SELF ASSESSMENT FORM
(January 1 to December 31, 2011)

Assessment Objective:

This questionnaire is intended for each member of the Finance Committee to assess their respective performances covering the period 1 January to 31 December 2011 (CY 2011).

This Board Committee Self- Assessment is intended to assess the discharge of its responsibilities as prescribed in the Revised Manual of Corporate Governance, By-Laws and the Board Charter, and determine ways to enhance the board committee's future effectiveness.

The assessments focus on three (3) key areas:

1. Committee Composition
2. Committee Responsibilities
3. Operating Practices

INSTRUCTIONS

Please go over each statement carefully and answer using the following scale:

Scale	Category
1	Not at all Satisfied; Poor (NS)
2	Slightly Satisfied; Needs improvement (SS)
3	Satisfied; Meets requirements (S)
4	Moderately Satisfied; Exceeds requirements (MS)
5	Very Satisfied; Outstanding (VS)

Note: You may check (✓) the appropriate box to indicate your answer.

	1	2	3	4	5	COMMENTS/SUGGESTIONS
	NS	SS	S	MS	VS	
A. Committee Composition						
1) The Finance Committee has at least three (3) voting Directors (MCG/CH)						
2) At least one of the Committee members is an Independent Director (MCG/CH)						
3) The Chief Financial Officer and the Treasurer of the Company are non-voting representatives of Management in the Committee (MCG/CH)						
B. Committee Responsibilities						
4) It reviews and makes appropriate recommendations to the Board regarding the financial operations of the company and matters regarding acquisitions of or investments in companies, business or projects. (MCG/CH)						
5) It reviews and recommends all major financing transactions of the company. (MCG/CH)						
6) It reviews and recommends the establishment of and changes to financial and treasury policies consistent with the Company's corporate plans and budgets. (MCG/CH)						
7) It reviews financial aspects of major contracts and variations, as well as any actual, potential, major exception or occurrence and makes action recommendations to the Board. (MCG/CH)						
8) It reviews capitalization of subsidiaries or associated companies, other than that which is subject of an existing general or specific Board or Committee approval and makes recommendations to the Board. (MCG/CH)						

CH – Board Committee Charter
MCG- MERALCO Manual of Corporate Governance
SCG – SEC Revised Code of Corporate Governance

	1	2	3	4	5	COMMENTS/SUGGESTIONS
	NS	SS	S	MS	VS	
9) It reviews proposed principal agreements with government, joint venture and shareholders' agreements, major acquisitions, divestment and property redevelopment and makes recommendations to the Board. (MCG/CH)						
C. Operating Practices						
10) The meetings and proceedings are governed by the provision contained in the Company's Articles of Incorporation for regulating the meetings and proceedings of Directors. (CH)						
Please state below your additional comments or suggestions to further improve the effectiveness of the Committee:						

Accomplished by:

Printed Name and Signature

CH – Board Committee Charter
MCG- MERALCO Manual of Corporate Governance
SCG – SEC Revised Code of Corporate Governance

AUDIT & RISK MANAGEMENT COMMITTEE SELF ASSESSMENT FORM
(January 1 to December 31, 2011)

Assessment Objective:

This questionnaire is intended for each member of the Audit and Risk Management Committee to assess their respective performances covering the period 1 January to 31 December 2011 (CY 2011).

This Board Committee Self- Assessment is intended to assess the discharge of its responsibilities as prescribed in the Revised Manual of Corporate Governance, By-Laws and the Board Charter, and determine ways to enhance the board committee's future effectiveness.

The assessments focus on three (3) key areas:

1. Committee Composition
2. Committee Responsibilities
3. Operating Practices

INSTRUCTIONS

Please go over each statement carefully and answer using the following scale:

Scale	Category
1	Not at all Satisfied; Poor (NS)
2	Slightly Satisfied; Needs improvement (SS)
3	Satisfied; Meets requirements (S)
4	Moderately Satisfied; Exceeds requirements (MS)
5	Very Satisfied; Outstanding (VS)

Note: You may check (✓) the appropriate box to indicate your answer.

	1	2	3	4	5	COMMENTS/SUGGESTIONS
	NS	SS	S	MS	VS	
A. Committee Composition						
1) The Audit and Risk Management Committee is composed of five (5) Directors. (MCG/CH)						
2) Two (2) of the Committee members are Independent Directors. (MCG/CH)						
3) The Committee is chaired by an Independent Director. (SCG/MCG/CH)						
4) All members have accounting and finance backgrounds. (MCG/CH)						
5) All members have adequate understanding at least or competence at most of the Company's financial management systems and environment. (MCG/CH)						
B. Committee Responsibilities						
I. Financial Reporting and Internal Control						
6) The committee assists the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring compliance with applicable laws, rules, and regulations. (SCG/MCG/CH)						
7) The Committee assists the Board in fulfilling its oversight responsibilities in the review and evaluation of the financial reporting process and adequacy and effectiveness of the system of internal controls, including financial reporting control and information technology security. (MCG/CH)						
8) The committee elevates to international standards the accounting processes, practices and methodologies. (MCG)						

CH – Board Committee Charter
MCG- MERALCO Manual of Corporate Governance
SCG – SEC Revised Code of Corporate Governance

	1 NS	2 SS	3 S	4 MS	5 VS	COMMENTS/SUGGESTIONS
9) The committee reviews and discusses with Management, the Internal Auditor or the head of the internal audit organization and the External Auditor the quarterly, half-year and annual financial statements before their submission to the Board. (SCG/MCG/CH)						
B. Committee Responsibilities						
II. Internal and External Auditors						
10) The committee performs oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions. (SCG/MCG/CH)						
11) The committee elevates to international standards the auditing processes, practices and methodologies. (MCG)						
12) The Committee establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He reports to the Committee, which ensures that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties. (SCG/MCG/CH)						
13) The Committee reviews the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it. (SCG/MCG/CH)						

CH – Board Committee Charter
MCG- MERALCO Manual of Corporate Governance
SCG – SEC Revised Code of Corporate Governance

	1	2	3	4	5	COMMENTS/SUGGESTIONS
	NS	SS	S	MS	VS	
14) The Committee reviews and evaluates the procedures and criteria for the selection, appointment, and, if appropriate, the termination of services of the External Auditor and recommends the same to the Board and, if required, to the Shareholders, for approval. (CH)						
15) The Committee discusses with the external auditor the nature, scope, and expenses of the audit, and ensures proper coordination if more than one (1) audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts. (SCG/MCG/CH)						
16) The Committee reviews the reports submitted by the internal and external auditors. (SCG/MCG/CH)						
17) The Committee evaluates and determines the non-audit work, if any, of the external auditor, and reviews periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The allowed non-audit work is disclosed in the Company's annual report. (SCG/MCG/CH)						
18) The Committee disallows any non-audit work that will conflict with the duties of the external auditor or may pose a threat to his independence. (SCG/MCG/CH)						

CH – Board Committee Charter
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SCG – SEC Revised Code of Corporate Governance

	1	2	3	4	5	COMMENTS/SUGGESTIONS
	NS	SS	S	MS	VS	
B. Committee Responsibilities						
III. Risk Evaluation and Management						
19) The committee provides oversight over the company's risk management framework. (CH)						
20) The Committee provides oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. The Committee regularly receives from Management information on risk exposures and risk management activities. (SCG/MCG/CH)						
C. Operating Practices						
I. Meetings						
21) The Committee holds not less than four (4) meetings annually, convened by its Chair as he considers appropriate or upon request of the majority of its voting members, not less than 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. (CH)						
22) Resolutions are passed by a majority of votes with each voting member having one vote. (CH)						
23) The Committee keeps records of the following: (a) appointments and resignations of the Members/Advisors of the Committee; (b) all agenda and other documents sent to the Members/Advisors of the Committee; and (c) minutes of proceedings and meetings of the Committee. (CH)						

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SCG – SEC Revised Code of Corporate Governance

	1	2	3	4	5	COMMENTS/SUGGESTIONS
	NS	SS	S	MS	VS	
C. Operating Practices						
II. Committee Reports and Performance Evaluation						
24) The Committee reports its activities to the Board on a regular basis and makes recommendations relevant to these and other matters as the Committee deems necessary or appropriate. (CH)						
25) The Committee prepares and reviews with the Board of Directors an annual performance evaluation of the Committee, which compares the performance of the Committee with the requirements of its Charter. (CH)						
26) The Committee recommends to the Board of Directors any improvements to the Charter that it deems necessary or desirable. (CH)						
Please state below your additional comments or suggestions to further improve the effectiveness of the Committee:						

Accomplished by:

Printed Name and Signature

CH – Board Committee Charter
MCG- MERALCO Manual of Corporate Governance
SCG – SEC Revised Code of Corporate Governance

COMPENSATION AND BENEFITS COMMITTEE SELF ASSESSMENT FORM
(January 1 to December 31, 2011)

Assessment Objective:

This questionnaire is intended for each member of the Compensation and Benefits Committee to assess their respective performances covering the period 1 January to 31 December 2011 (CY 2011).

This Board Committee Self- Assessment is intended to assess the discharge of its responsibilities as prescribed in the Revised Manual of Corporate Governance, By-Laws and the Board Charter, and determine ways to enhance the board committee's future effectiveness.

The assessments focus on three (3) key areas:

1. Committee Composition
2. Committee Responsibilities
3. Operating Practices

INSTRUCTIONS

Please go over each statement carefully and answer using the following scale:

Scale	Category
1	Not at all Satisfied; Poor (NS)
2	Slightly Satisfied; Needs improvement (SS)
3	Satisfied; Meets requirements (S)
4	Moderately Satisfied; Exceeds requirements (MS)
5	Very Satisfied; Outstanding (VS)

Note: You may check (✓) the appropriate box to indicate your answer.

	1	2	3	4	5	COMMENTS/SUGGESTIONS
	NS	SS	S	MS	VS	
A. Committee Composition						
1) The Compensation and Benefits Committee has at least three (3) voting Directors (CH/MCG/SCG)						
2) At least one of the Committee members is an Independent Director (CH/MCG/SCG)						
B. Committee Responsibilities						
3) It advises the Board of Directors with respect to the Company's compensation, retention and retirement policies and programs. (CH/MCG)						
4) It oversees the formulation of the compensation and retirement philosophy. (CH/MCG)						
5) It conducts study and evaluates the appropriate compensation, retention and retirement policies and programs for the Board of Directors and officers of the Company in accordance with the Company's By-Laws, as well as managers or executives with the rank of up to Assistant Vice President. (CH/MCG)						
6) It reviews and updates the general criteria for promotion of executives and officers. (CH)						
7) It reviews and approves the training and development plans for such executives and officers. (CH/MCG)						
8) It reviews and endorses to the Board for approval the management succession plans and career paths of potential and existing executives and officers of the company. (CH/MCG)						
9) It reviews and endorses to the Board for approval the performance evaluation system for executives and officers. (CH)						

CH – Board Committee Charter
MCG- MERALCO Manual of Corporate Governance
SCG – SEC Revised Code of Corporate Governance

	1	2	3	4	5	COMMENTS/SUGGESTIONS
	NS	SS	S	MS	VS	
B. Committee Responsibilities						
10) It reviews and endorses to the Board for approval the membership of the Board of Trustees. (CH)						
11) It reviews and reports to the Board the operational performance and financial condition of MPF on a periodic basis. (CH)						
12) It ensures that a review of the Trust Agreement is done by the Board of Trustees and secure Board approval of the appropriate amendments and changes when needed. (CH)						
C. Operating Practices						
I. Meetings						
13) There is a schedule of all planned committee meetings for the year, which maps how the committee's responsibilities are addressed over the year. (CH)						
14) The members' meet frequently or not less than four (4) times every year and allow sufficient time to properly discuss and resolve issues. (CH)						
15) At least three (3) calendar days' notice is given in writing, specifying the place, date and time for the meeting and the general nature of the businesses to be transacted at the meeting. (CH)						
16) Members consent and quorum is ensured in case of urgent meetings with short notice. (CH)						
17) The committee chair drives agenda setting, calling on support from management as needed. (CH)						

CH – Board Committee Charter
MCG- MERALCO Manual of Corporate Governance
SCG – SEC Revised Code of Corporate Governance

	1	2	3	4	5	COMMENTS/SUGGESTIONS
	NS	SS	S	MS	VS	
C. Operating Practices						
18) All relevant discussions, issues and agreements during the meetings are minuted and reviewed and concurred by committee members. (CH)						
II. *Education and Knowledge*						
19) Members receive regular information/training to assist them with keeping current on company business and regulatory, industry, and financial reporting developments. (CH)						
III. Committee Reports and Performance Evaluation						
20) The committee chair reports after each meeting to the board on the committee's activities, major issues discussed, and recommendations for board actions. (CH)						
21) It conducts self-assessment of the Committee's performance and review with the Board performance results and the areas for improvements. (CH)						

CH – Board Committee Charter
MCG- MERALCO Manual of Corporate Governance
SCG – SEC Revised Code of Corporate Governance

Please state below your additional comments or suggestions to further improve the effectiveness of the Committee:

Accomplished by:

Printed Name and Signature

CH – Board Committee Charter
MCG- MERALCO Manual of Corporate Governance
SCG – SEC Revised Code of Corporate Governance