LEVEL 1

A. RIGHTS OF SHAREHOLDERS

<table>
<tr><th>A.1</th><th>Basic Shareholder Rights</th><th>Guiding Reference</th><th>Source</th><th>Reference</th></tr>
<tr>
<td>A.1.1</td>
<td>Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? In case the company has offered Scrip dividend,
did the company paid the dividend within 60 days?</td>
<td>G20/OECD (2015) Principle II: The rights and equitable treatment of shareholders and key ownership functions
(A) Basic shareholder rights should include the right to: (6) share in the profit of the corporation.</td>
<td>Annual Report, page 60:

https://company.meralco.com.ph/investor-relations/annual-reports

https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null

Definitive Information Statement 2021, page 107:

https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null</td>
<td>YES. The Company pays its dividend within thirty (30) days from the Record Date. This is provided in the Annual Report.

The Company’s Dividend Policy, as approved by the Board on February 22, 2010, and ratified by the shareholders during the May 25, 2010 Annual Stockholders’ Meeting (ASM), calls for the payment of regular cash dividend equivalent to 50% of the audited Consolidated Core Net Income (CCNI) for the year with a “look-back” basis, which allows the Company to pay special dividends beyond 50% of the CCNI for the year, subject to the availability of unrestricted retained earnings in accordance with the guidelines of the SEC.

Following are the cash dividends declared by the Board on common shares for 2020:
<table>
<tr><th>Declaration Date</th><th>Record Date</th><th>Payment Date</th><th>Rate per Share</th></tr>
<tr><td rowspan="2">February 24, 2020</td><td>March 20, 2020</td><td rowspan="2">April 15, 2020</td><td>PhP 10.395</td></tr>
<tr><td>August 20, 2020</td><td>September 15, 2020</td><td>PhP 4.697</td></tr>
</table>
</td>
</tr>
</table>

				<table><tr><td>July 27, 2020</td><td></td><td></td><td></td></tr></table> The Company follows the general practice in the country in the declaration and payment of dividends to its shareholders: ▪ The Declaration Date is the day that the corporation's Board of Directors announces its approval of a dividend payment. The Board will also announce the Record Date and the Payment Date of the dividend. ▪ The Ex-Dividend Date is the first day when buying a stock does not entitle the buyer to the dividends. ▪ The Record Date is the date after which new buyers of the shares will not qualify to receive dividend payments. ▪ The Payment Date is the date that the dividends are actually paid in the form of checks or credited to shareholders' investment accounts.

A.2 Right to participate in decisions concerning fundamental corporate changes	**Guiding Reference**	**Source**	**Reference**
Do shareholders have the right to participate in:			

A.2.1	Amendments to the company's constitution?	**G20/OECD (2015) Principle II** (B) Shareholders should be sufficiently informed about, and have the right to approve or participate in, decisions concerning fundamental corporate changes such as: (1) amendments to the statutes, or articles of incorporation or similar governing documents of the company.	**Annual Report, page 61:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Integrated Annual Corporate Governance Report (I-ACGR), page 220:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/IACGR%202020_meralco%20website-Final.pdf	**YES.** The Company strictly complies with the provision of its Revised Manual of Corporate Governance that guarantees the participation of its shareholders in the event of any amendments of its constitution. In 2020, no such transaction requires the exercise of this shareholders' right. Above information can also be found in page 220 of the Integrated Annual Corporate Governance Report (I-ACGR) for 2020
A.2.2	The authorisation of additional shares?	**G20/OECD (2015) Principle II (B):** (2) the authorisation of additional shares.	**Annual Report, page 61:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-	**YES.** The Company strictly complies with the provisions of its Revised Manual of Corporate Governance that guarantees the participation of its shareholders in the authorization of additional company shares:

			05/meralco_2020_annual_report_for_web.pdf?null	In 2020, no such transaction requires the exercise of this shareholders' right.
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	**G20/OECD (2015) Principle II (B):** (3) extraordinary transactions, including the transfer of all or substantially all assets, that in effect result in the sale of the company	**Annual Report, page 61:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**YES**. The Company strictly complies with the provisions of its Revised Manual of Corporate Governance that guarantees the participation of its shareholders in the transfer of all or substantially all assets, which in effect results in the sale of the Company. In 2020, no such transaction requires the exercise of this shareholders' right.

A.3	Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.	Guiding Reference	Source	Reference
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners?	**G20/OECD (2015) Principle II (C):** (4) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known, including through votes at shareholder meetings, on the remuneration of board members and/or key executives, as applicable. The equity component of compensation schemes for board members and employees should be subject to shareholder approval.	**2020 ASM Minutes:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_draft_1.pdf **Notice of 2020 ASM and Definitive Information Statement:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-04/notice_of_2020_asm_with_detailed_agenda.pdf	**YES.** The Company upholds the rights of all shareholders, including the minority shareholders, to effectively participate in decisions affecting the Company such as the approval of remuneration or increase in remuneration of non-executive and executive directors. The Agenda of Annual Stockholders' Meeting includes the shareholders' approval of the remuneration or any changes therein under the item: Ratification of Acts of the Board and Management (item no. 7). Such information, together with other items in the Agenda, can be found in the ASM Minutes and Definitive Information Statement.
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of		**Nomination and Election Policy:** https://meralcomain.s3-ap-southeast-	**YES**. The Company provides non-controlling and/or minority shareholders the right to nominate candidates for board of directors/commissioners. The Company's Nomination and Election policy was

	directors/commissioners?		1.amazonaws.com/images/ckeditor-documents/1507537559.60ca3d51dd12cdebdbe59ae9d09a2889.pdf?null **Revised Manual of Corporate Governance:** https://company.meralco.com.ph/corporate-governance/revised-manual-corporate-governance **Notice of 2020 ASM and DIS:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-04/notice_of_2020_asm_with_detailed_agenda.pdf	issued to set forth the procedures in the director selection process, including the acceptance of nominations from minority shareholders and the evaluation and screening of nominees vis-à-vis the applicable qualifications and disqualifications set forth in the Company's Revised Manual of Corporate Governance, By-laws and other applicable law, policy or regulation, how the board shortlists candidates, and an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director. It was approved on September 25, 2017. The Board Nomination and Election Policy is also disclosed in Article I, Section 4.8 of the Company's Revised Manual of Corporate Governance (page 10). The call for nominations for regular and independent directors, which is open to all stockholders, including minority stockholders, can be found in the Results of Board Meeting submitted to the SEC and published in the Company Website. Non-controlling and minority shareholders can also participate in the election of the nominated candidates during the ASM *in absentia* through remote communication or via proxy. The Proxy form, which is attached to the Notice of ASM or downloadable in the Company website, also serves as a ballot for the shareholders to personally elect his chosen nominated Directors. Sample of the Proxy form can be accessed in the Company Website

				(http://www.meralco.com.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings)
A.3.3	Does the company allow shareholders to elect directors/commissioners individually?		**2020 ASM Minutes:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_draft_1.pdf **Voting Results:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/voting_results_per_resolution.pdf **Company Website:** https://company.meralco.com.ph/company-disclosures/minutes-of-all-general-or-special-stockholders-meetings	**YES**. The Company's class of outstanding shares entitles the holder to one vote for one share. For the election of directors, stockholders are allowed to elect directors individually or to cumulate their votes. Election of directors shall be by plurality of votes. The Company released its Notice of Annual Stockholders' Meeting (with detailed agenda and explanatory circulars), as announced to the Exchange, on April 15, 2020, 41 days before the May 26, 2020 scheduled date of the meeting. Detailed profiles of the nominated Directors which passed the screening process of the Nomination and Governance Committee were sent to shareholders, together with the Notice of ASM and the Definitive Information Statement, Item 8, which are both published in the Company website. The minutes of the 2020 ASM was posted in the Company Website, on May 27, 2020, the day after the ASM, for the information of the shareholders. Also posted in the Company Website is Voting Results for all the items, including approving, dissenting and abstaining votes. At the Annual Stockholders' Meeting (ASM) held at the Meralco Theatre on May 26, 2020,

				approximately over 957,350,974 or 84.94% of the total issued and outstanding shares of 1,127,098,705 were represented in person and by proxy. Stockholders voted on each of the 2020 ASM resolutions by poll. Reyes Tacandong & Co. was the independent party duly appointed to validate the votes. Below are the voting results for election of directors. The difference between the total stockholder votes and the total stock represented during the ASM is the volume of shares whose owners or proxy did not vote as to whether they approved, abstained or were against: Resolution 4. Election of Directors for the ensuing year:

Name	Votes
Ms. Anabelle Lim Chua	898,462,353
Atty. Ray C. Espinosa	953,667,705
Mr. James L. Go	897,342,253
Mr. Frederick D. Go	897,621,593
Mr. Lance Y. Gokongwei	897,639,988
Mr. Elpidio L. Ibanez	905,865,876
Mr. Jose Ma. K. Lim	898,317,373
Chief Justice Artemio V. Panganiban (Ret.)*	935,135,850
Mr. Manuel V. Pangilinan	899,392,111
Mr. Pedro Emilio O. Roxas*	937,445,144
Mr. Victorico P. Vargas	904,429,774
Independent Director	
A total of 505,465,531 *votes abstained from the election of directors.*	

A.3.4	Does the company disclose the voting procedures used before the start of meeting?	**G20/OECD (2015) Principle II (C):** Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings	**Notice of 2020 ASM and DIS** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-04/notice_of_2020_asm_with_detailed_agenda.pdf **Minutes of the ASM, pages 2-4:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_draft_1.pdf	**YES**. All shareholders are given advanced information on the voting and vote tabulation procedures to be adopted during the ASM. The detailed procedure is described in the Definitive Information Statement "Voting Procedures" distributed to all shareholders prior to the ASM. After the ASM was set to order, the Corporate Secretary read the ground rules and voting procedure to be observed during the meeting to ensure the conduct of fair, orderly, and efficient proceedings. This was recorded in the 2020 ASM Minutes page 2-4.
A.3.5	Do the minutes of the most recent AGM record that the shareholders were given the opportunity to ask questions and the questions raised by shareholders and answers given recorded?	(3) Shareholders should have the opportunity to ask questions to the board, including questions relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.	**Minutes of the ASM, pages 3, 16-18:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_draft_1.pdf	**YES**. The 2020 ASM Minutes recorded in pages 3, and 16-18 the opportunity given to shareholders to ask questions or raise issues. At the start of the ASM, the Corporate Secretary explained the rules for the orderly handling of questions and provided equal chance to all shareholders present in the ASM to ask questions. The 2020 ASM Minutes was also uploaded in the Company website.
A.3.6	Does the company disclose the voting results including		**Minutes of the 2020 ASM** https://meralcomain.s3.ap-southeast-	**YES.** The Company disclosed the Voting Results not later than the following day after the ASM, with the detailed votes per issue for resolution showing the

	approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM?		1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_draft_1.pdf **Voting Results** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/voting_results_per_resolution.pdf **Company Website** https://company.meralco.com.ph/company-disclosures/minutes-of-all-general-or-special-stockholders-meetings	total number of votes including approving, dissenting and abstaining votes. The minutes of the 2020 ASM, reflecting the detailed votes per issue for resolution showing the total number of votes including approving, dissenting and abstaining votes, was posted in the Company Website, on May 27, 2020, the day after the ASM, for the information of the shareholders. Also posted in the Company Website is Voting Results for all the items, including approving, dissenting and abstaining votes. At the Annual Stockholders' Meeting (ASM) held at the Meralco Theatre on May 26, 2020, approximately over 957,350,974 or 84.94% of the total issued and outstanding shares of 1,127,098,705 were represented in person and by proxy. Stockholders voted on each of the 2020 ASM resolutions by poll. Reyes Tacandong & Co. was the independent party duly appointed to validate the votes. Stockholders were afforded opportunity to ask questions. Issues raised during the meeting together with answers are stated in the ASM Minutes. Below are the voting results for the ASM Resolutions. The difference between the total stockholder votes and the total stock represented during the ASM is the volume of shares whose owners or proxy did not vote as to whether they approved, abstained or were against:

Resolution 1. Approval of the Minutes of the Annual Meeting of Stockholders held on May 29, 2019

	Count	%
Approve	957,344,141	84.938
Against	0	0.000
Abstain	0	0.000

Resolution 2. Approval of the 2019 Audited Consolidated Financial Statements

	Count	%
Approve	956,472,499	84.861
Against	-	-
Abstain	871,642	0.077

Resolution 3. Ratification of Acts of the Board and Management

	Count	%
Approve	956,406,960	84.855
Against	0	0.000
Abstain	937,181	0.083

Resolution 4. Election of Directors for the ensuing year

				<table><tr><th>Name</th><th>Votes</th></tr><tr><td>Ms. Anabelle Lim Chua</td><td>898,462,353</td></tr><tr><td>Atty. Ray C. Espinosa</td><td>953,667,705</td></tr><tr><td>Mr. James L. Go</td><td>897,342,253</td></tr><tr><td>Mr. Frederick D. Go</td><td>897,621,593</td></tr><tr><td>Mr. Lance Y. Gokongwei</td><td>897,639,988</td></tr><tr><td>Mr. Elpidio L. Ibanez</td><td>905,865,876</td></tr><tr><td>Mr. Jose Ma. K. Lim</td><td>898,317,373</td></tr><tr><td>Chief Justice Artemio V. Panganiban (Ret.)*</td><td>935,135,850</td></tr><tr><td>Mr. Manuel V. Pangilinan</td><td>899,392,111</td></tr><tr><td>Mr. Pedro Emilio O. Roxas*</td><td>937,445,144</td></tr><tr><td>Mr. Victorico P. Vargas</td><td>904,429,774</td></tr><tr><td colspan="2">*Independent Director</td></tr><tr><td colspan="2">A total of 505,465,531 votes abstained from the election of directors.</td></tr></table> Resolution 5. Appointment of External Auditors <table><tr><th></th><th>Count</th><th>%</th></tr><tr><td>Approve</td><td>957,238,061</td><td>84.929</td></tr><tr><td>Against</td><td>103,540</td><td>0.009</td></tr><tr><td>Abstain</td><td>2,540</td><td>0.000</td></tr></table>
A.3.7	Does the company disclose the list of board members who attended the most recent AGM?	**G20/OECD (2015) Principle II (C);** and **ICGN (2014) 1.4:** The board of directors should meet regularly to discharge its duties and directors should allocate adequate time to meeting	**Annual Report, page 66:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-	**YES**. Before the start of the 2020 Annual Stockholders' Meeting, the Chairman of the Company, Mr. Manuel V. Pangilinan introduced the members of the Board of Directors who were present. The record of attendance of the directors in the 2020 ASM and Board meetings was disclosed in the 2020 Annual Report (page 66), the company's Definitive

		preparation and attendance. Board members should know the business, its operations and senior management well enough to contribute effectively to board discussions and decisions.	05/meralco_2020_annual_report_for_web.pdf?null **Meralco website** https://company.meralco.com.ph/corporate-governance/board-matters **2020 Board Committee Meeting Attendance is stated in the 2021 Definitive Information Statement, page 31:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	Information Statement (page 31), and posted in the Company website.
A.3.8	Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM?		**Annual Report, page 66:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-	**YES.** The 2020 ASM was presided by the Chairman of the Board, Mr. Manuel V. Pangilinan, and was attended by stockholders, who own or hold over 957,350,974 or 84.94% of the total issued and outstanding shares of 1,127,098,705. The ASM was also attended by the President and CEO, Atty. Ray C. Espinosa; the Chairperson of the Audit Committee, Retired Chief Justice Artemio V.

			05/meralco_2020_annual_report_for_web.pdf?null **Meralco website** https://company.meralco.com.ph/corporate-governance/board-matters **2020 Board Committee Meeting Attendance is stated in the 2021 Definitive Information Statement, page 31:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	Panganiban; and all other members of the Board elected at the ASM. Please refer to the section on Board Performance for the detailed attendance of the Board to the ASM.

A.3.9	Does the company allow voting in absentia?	**G20/OECD (2015) Principle II (C):** (5) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.	**Meralco website SERVE portal for electronic voting in absentia**: https://company.meralco.com.ph/corporate-governance/serve https://company.meralco.com.ph/corporate-governance/key-players **Minutes of the 2020 Annual Stockholders' Meeting:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_draft_1.pdf	**YES**. The Company allows voting in absentia. During the 2020 ASM, in light of the COVID-19 pandemic, the Company conducted its first virtual ASM via live broadcast of the proceedings through the Stockholders Electronic Registration and Voting Express (SERVE). The online platform fully enabled the electronic voting in absentia by the stockholders during the ASM. Stockholders were also given opportunity to propound questions and raise concerns to the Board during the meeting.
A.3.10	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	**G20/OECD (2015) Principle II (C):**	**2020 ASM Voting Results:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/voting_results_per_resolution.pdf **Minutes of the ASM, pages 3 and 4:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_draft_1.pdf	**YES.** It is the Company's policy to encourage shareholders, including institutional shareholders and minority shareholders, to attend and actively participate in the Annual Stockholders' Meeting (ASM). The 2020 ASM was held on Tuesday, May 26, 2020, at 10:00 AM at the Meralco Theater, Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City. In light of the COVID-19 pandemic, the Company conducted its first virtual ASM via live broadcast of the proceedings through the

			Annual Report, page 61: https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	Stockholders Electronic Registration and Voting Express (SERVE). Stockholders were given opportunity to propound questions and raise concerns to the Board during the meeting. As in the previous years, the Company facilitated participation of stockholders who cannot attend the virtually by enclosing proxy forms in the ASM Notice where they can indicate their votes on matters that are taken up during the ASM. Shareholders can download the proxy forms together with details on how to appoint a proxy from the Company's website. The Company granted all stockholders, including minority stockholders, the right to nominate directors and propose or inquire on agenda items. The "Call for Nominations" was posted on the Company's website on January 27, 2020 for submission of proposed agenda and nomination of qualified candidates on or before March 6, 2020. The agenda and nominees were approved by the Board during its meeting on January 27, 2019 and March 30,2020, respectively. Voting Procedures The Corporate Secretary reported a quorum with the attendance of stockholders who own or hold a total of 957,350,974 shares or approximately

				84.94% of the total issued and outstanding shares of the Company. An electronic system facilitated the registration and vote tabulation to ensure accuracy and reliability of information. SERVE was also enhanced to allow the stockholders to attend and actively participate via remote communication and to cast their votes for the agenda items online. The Corporate Secretary explained the vote tabulation procedures to the shareholders and stated that all shareholders were entitled to one vote for one share. Representatives from Reyes Tacandong & Co., an independent third party, validated the voting results for each agenda item. The Company also allowed shareholders to freely express their views and raise their questions during the ASM through the SERVE portal. The Chairman of the Board, Chairman of the AuditCom, Chairman of the RLDC, Chairman of the Nom&Gov, Chairman of the Finance Committee, the Board, President and CEO, Chief Finance Officer (CFO), Coroprate Secretary, Compliance Officer and Assistant Corporate Secretary, other officers of the Company, and its external auditor attended the ASM to present the performance results of the Company and respond to any question from the shareholders relevant thereto. The appropriate meeting procedures and

				guidelines were followed before, during and after the ASM. The Company posted the resolutions approved during the ASM on its website the following day so that non-attending shareholders may be immediately informed.
A.3.11	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?		**2020 ASM Voting Results** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/voting_results_per_resolution.pdf **Minutes of the 2020 Annual Stockholders' Meeting, page 3:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_draft_1.pdf	**YES.** The Company appointed an independent auditing firm, Reyes and Tacandong & Co., to supervise and validate the canvassing of votes of the shareholders during the Annual Stockholders' Meeting (ASM) of 2020. This was recorded in the ASM Minutes which was also posted in the company website.
A.3.12	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions?	**G20/OECD (2015) Principle II (C):** (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the	**Company Website:** https://company.meralco.com.ph/company-disclosures/minutes-of-all-general-or-special-stockholders-meetings **Minutes of the 2020 Annual Stockholders' Meeting:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_dr	**YES.** The 2020 ASM Minutes, together with the 2020 ASM Voting Results per resolution were posted in the Company website, the day after the ASM, for the information of the shareholders.

		meeting.	aft_1.pdf **Voting Results:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/voting_results_per_resolution.pdf	
A.3.13	Does the company provide at least 21 days notice for all AGMs and EGMs?		**Notice of the 2020 Annual Stockholders' Meeting with detailed agenda:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null **2020 ASM Minutes:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_draft_1.pdf	**YES.** The Company sends detailed agenda and explanation of the issues for resolution earlier than the prescribed 21 days' notice period. The Company released its notice of Annual Stockholders' Meeting (with detailed agenda and explanatory circulars), as announced to the Exchange, on April 15, 2020, 41 days before the May 26, 2020 scheduled date of the meeting in accordance with the Revised Corporation Code and the By-Laws of the Company.
A.3.14	Does the company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of AGM/circulars and/or the accompanying statement?		**Notice of the 2020 Annual Stockholders' Meeting with detailed agenda:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null **Company Website, Notice of Annual or Special Stockholders' Meeting:**	**YES.** The Notice of 2020 ASM issued to all shareholders last April 15, 2020 provided the rationale for each agenda item requiring shareholders' approval/ratification. Copy of the Notice of 2020 ASM was also posted in the Company website.

			https://company.meralco.com.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings	
A.3.15	Does the company give the opportunity for shareholder to place item/s on the agenda of AGM?	**G20/OECD (2015) Principle II (C):** (3) Shareholders should have the opportunity to ask questions to the board, including questions relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.	**Revised Manual of Corporate Governance, page 32:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1494223701.734f71990a1a231c0712493180035b01.pdf **Notice of the 2020 Annual Stockholders' Meeting with detailed agenda:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null	**YES.** Under the Revised Manual of Corporate Governance, the Board affords stockholders the right to propose the holding of meetings and to include agenda items ahead of the scheduled Annual and Special Shareholders' Meeting. The Company granted all stockholders, including minority stockholders, the right to nominate directors and propose or inquire on agenda items. The "Call for Nominations" was posted on the Company's website on January 27, 2020 for submission of proposed agenda and nomination of qualified candidates on or before March 6, 2020. The agenda and nominees were approved by the Board during its meeting on January 27, 2019 and March 30,2020, respectively.

A.4	Markets for corporate control should be allowed to function in an efficient and transparent manner.	Guiding Reference	Source	Reference
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price?	**G20/OECD (2015) Principle II (H):** Markets for corporate control should be allowed to function in an efficient and transparent manner. (1) The rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets, should be clearly articulated and disclosed so that investors understand their rights and recourse. Transactions should occur at transparent prices and under fair conditions that protect the rights of all shareholders according to their class.	**Revised Manual of Corporate Governance, page 19-20:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1494223701.734f71990a1a231c0712493180035b01.pdf **Definitive Information Statement 2018, page 74:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2018-04/2018_definitive_information_statement_-.pdf	**YES.** The Company's Board of Directors will ensure that an independent party will be appointed to evaluate the fairness of the transaction price in the event of mergers, acquisitions and/or takeover before it will be presented to the shareholders for approval. This approval of the shareholders for these types of transactions is mandated by the Company's Revised Manual of Corporate Governance – Section 6.0 Appraisal Right, page 19-20. In cases of acquisition of corporate control in the capital markets and other extraordinary transactions such as mergers and sales of substantial portions of the corporate assets the Company, through its BOD, will appoint an independent party to evaluate the fairness of the transaction. In 2017, in accordance with the Agreement of Shareholders and Subscription of Shares among MERALCO, Pioneer Insurance & Surety Corporation ("Pioneer Insurance") and RSIC, RSIC

				issued new common shares to Pioneer Insurance and MERALCO, resulting in a dilution of MERALCO's ownership interest in RSIC to 49%. Under the Agreement, MERALCO has the right to sell to Pioneer Insurance, and Pioneer Insurance has the obligation to buy, MERALCO's 49% stake in RSIC which is exercisable by MERALCO at any time during the period from January 1, 2023 to December 31, 2023. This is disclosed in the Definitive Information Statement (page 74) and in the Notes to Consolidated Financial Statements (Annual Report, page 111) which was audited by the Company's appointed external auditors, SGV & Co. The shareholders' agreement was evaluated and approved by the SEC to ensure the fairness of the transaction. There is no acquisition of corporate control in the capital markets and other extraordinary transactions such as mergers and sales of substantial portions of the corporate assets which would require the Company, through its BOD, to appoint an independent party to evaluate the fairness of the transaction.

A.5	The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.	Guiding Reference	Source	Reference
A.5.1	Does the company disclose its practices to encourage shareholders to engage the company beyond AGM?	**G20/OECD (2015) Principle II (D):** Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.	**Meralco website: Investor Relations** https://company.meralco.com.ph/investor-relations **Disclosures** https://company.meralco.com.ph/company-disclosures/sec-filings **Meralco website:** https://company.meralco.com.ph/corporate-governance/stakeholder-engagement	**YES.** The Stockholders' Affairs Office/Corporate Compliance Office under the Corporate Governance and Compliance Office encourages shareholders to engage with the Company beyond the Annual Stockholders' Meeting by providing them with accessible channels through which timely, fair, and accurate disclosures of material information affecting their shares are made and through which concerns on their share may be addressed. To ensure comprehensive dissemination to all stakeholders and investors, share prices, financial results of the Company, top 20 stockholders of the Company, and Company disclosures which may affect the share prices are regularly updated and uploaded to the Company website. Shareholders and investors are provided with adequate facilities to communicate with Meralco through telephone, mail, electronic mail, and website, www.meralco.com.ph. The Investor Relations Office supervises the

				investors' briefings and teleconference, and attends to institutional investors' needs. Stockholder Affairs Office attends to the inquiries and other concerns of shareholders. Shareholders are given Notice and Agenda of the Annual Stockholders Meeting, or ASM, at least twenty-eight (28) working days before the said meeting. ASM Notices are posted in https://company.meralco.com.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings In accordance with the Revised Manual of Corporate Governance, the Board affords shareholders the right to propose the holding of meetings and to include agenda items ahead of the scheduled Annual and Special Shareholders' Meeting. Proposals for agenda items and for the holding of special stockholders meeting may be sent to the Corporate Governance Office through cgo.staff@meralco.com.ph. Proposals shall be evaluated by the Nomination and Governance Committee and/or endorsed to the Board of Directors for its review and/or approval. To allow minority shareholders to nominate candidates to the Board of Directors, Meralco submits a call for

				nomination to the Securities and Exchange Commission (SEC) which is also published in the website for public notice. The Company facilitates participation of shareholders who cannot attend the stockholders' meeting in person by enclosing proxy forms in the ASM Notice where they can indicate their votes on matters that will be taken during the meeting. Shareholders may download proxy forms together with details on how to appoint a proxy by clicking this link: https://company.meralco.com.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings For shareholders who are able to attend the ASM, an electronic system facilitates the registration and vote tabulation to ensure accuracy and reliability of information.

B. EQUITABLE TREATMENT OF SHAREHOLDERS

B.1	Shares and Voting Rights	Guiding Reference	Source	Reference
B.1.1	Does the company's ordinary or common shares have one vote for one share?	**OECD Principle II** E. All shareholders of the same series of a class should be treated equally. Capital structures and arrangements that enable certain shareholders to obtain a degree of influence or control disproportionate to their equity ownership should be disclosed. 1. Within any series of a class, all shares should carry the same rights. All investors should be able to obtain information about the rights attached to all series and classes of shares before they purchase. Any changes in economic or voting rights should be subject to approval by those classes of shares which are negatively affected. **ICGN Principle 9.1 Share classes** Sufficient information about the material attributes of all of the company's classes and series of shares should be disclosed on a timely basis. Ordinary or common shares should feature one vote for each share. Divergence from a 'one-share, one-vote' standard which gives certain shareholders power disproportionate to their economic interests should be disclosed and explained. Dual class share structures should be kept under review and should be accompanied by commensurate extra protections for minority shareholders, particularly in the event of a takeover bid.	**Annual Report, page 63:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**YES.** The Company's class of outstanding shares entitles the holder to one vote for one share. The same is disclosed in the Annual Report.
B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?		**Annual Report, page 63:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**YES.** The Company only has one class of shares. The Company's class of outstanding shares entitles the holder to one vote for one share. The same is disclosed in the Annual Report.

B.2	Notice of AGM	Guiding Reference	Source	Reference
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	**OECD Principle II** **C. Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern shareholder meetings:** 1. Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. 2. Processes and procedures for general shareholder meetings should allow for equitable treatment of all shareholders. Company procedures should not make it unduly difficult or expensive to cast votes. 4. Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. 5. Shareholders should be able to vote in person or in absentia, **ICGN Principle** **3.1 Composition (Board)**	**Notice of 2020 ASM and DIS** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-04/notice_of_2020_asm_with_detailed_agenda.pdf **2020 ASM Minutes:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_draft_1.pdf	**YES.** Each resolution in the most recent ASM deals with only one item, as stated on the 2020 ASM Minutes. This information is also available in the Notice of 2020 ASM and Definitive Information Statement.
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?		**Notice of 2020 ASM and DIS** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-04/notice_of_2020_asm_with_detailed_agenda.pdf	**YES.** The Company's notice of the 2020 ASM uses the English language only.
	Does the notice of AGM/circulars have the following details:			
B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of appointment, experience, and		**Notice of 2020 ASM and DIS** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_l	**YES.** The profiles of the Directors (i.e., age, academic qualifications, date of first appointment, experience, and

	directorships in other listed companies) in seeking election/re-election included?	There should be a sufficient mix of individuals with relevant knowledge, independence, competence, industry experience and diversity of perspectives to generate effective challenge, discussion and objective decision- making.	isting/2020-04/notice_of_2020_asm_with_detailed_agenda.pdf	directorships in other listed companies) are stated in Notice of Annual Stockholders' Meeting incorporated in the Definitive Information Statement.
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?	**3.4 Appointment process** The process for director nomination and election/re-election should be disclosed, along with information about board candidates which includes: a) board member identities and rationale for appointment; b) core competencies, qualifications, and professional background; c) recent and current board and management mandates at other companies, as well as significant roles on non-profit/charitable organisations; d) factors affecting independence, including relationship(s) with controlling shareholders; e) length of tenure;	**Definitive Information Statement 2020, page 32 in relation to Annex A: Agenda Details and Rationale, No.9:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null	**YES**. The information on the Auditors seeking re-appointment is stated in Notice of Annual Stockholders' Meeting incorporated in the Definitive Information Statement.
B.2.5	Were the proxy documents made easily available?	**9.2 Major decisions** Shareholders should have the right to vote on major decisions which may change the nature of	**Company Website:** https://company.meralco.com.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings **Notice of 2020 ASM and DIS** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-04/notice_of_2020_asm_with_detailed_agenda.pdf	**YES.** Proxy forms are provided in the Notice and can downloaded from the Company Website as well.

		the company in which they have invested.		

B.3	Insider trading and abusive self-dealing should be prohibited.	Guiding Reference	Source	Reference
B.3 .1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	**OECD Principle III** E. Insider trading and market manipulation should be prohibited and the applicable rules enforced. **ICGN Principle 4. Corporate Culture** **4.5 Employee share dealing** There should be clear rules regarding any trading by directors and employees in the company's own securities. Individuals should not benefit directly or indirectly from knowledge which is not generally available to the market.	**Insider Trading Policy:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507537559.0c7102e38f99560a3b96d3d9a605c801.pdf?null	**YES.** The Company has an Insider Trading Policy which regulates the trading of shares by Company executives, officers and employees with direct access to unpublished information relating to the Company's financial and operating results, in the interest of good corporate governance and transparency. This Policy took effect on July 1, 2014.
B.3 .2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?		**Insider Trading Policy:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507537559.0c7102e38f99560a3b96d3d9a605c801.pdf?null **Disclosures on actual dealings of directors and officers (SEC Form 23-A):** https://company.meralco.com.ph/company-disclosures/sec-filings **Annual Report, pages 63,74**	**YES.** Insider Trading Policy regulates trading of shares by Company directors, executives, officers and employees with direct access to unpublished information relating to the Company's financial and operating results, in the interest of CG and transparency. All Directors and Key Officers of the Company are required to disclose/report to the company any dealings in the company's shares not later

			and 75: https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	than one (1) trading day after the event occurrence. This policy took effect on December 1, 2014. An earlier version of the Policy took effect on July 16, 2010. The actual dealings of the directors and officers for Y2020 are reported to the SEC through Statement of Beneficial Ownership of Securities (23-A) and published in the Company Website. The list of actual dealings in 2020 of directors and officers involving the corporation's shares including their nature, and number/percentage is stated in the Annual Report.

B.4	Related party transactions by directors and key executives.	Guiding Reference	Source	Reference
B.4.1	Does the company have a policy requiring directors /commissioners to disclose their interest in transactions and any other conflicts of interest?	OECD Principle II **F.** Related-party transactions should be approved and conducted in a manner that ensures proper management of conflict of interest and protects the interest of the company and its shareholders. 1. Conflicts of interest inherent in related-party transactions should be addressed. 2. Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation. ICGN Principle **9.3** Conflicts of interest Policies and procedures on conflicts of interest should be established, understood and implemented by directors, management, employees and other relevant parties. If a director has an interest in a matter under consideration by the board, then the director should promptly declare such an interest and be precluded from voting on the subject or exerting	**Conflict of Interest Policy:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507537560.fea8c510112d9a9c74e8b490b5e46cde.pdf?null	**YES.** The Company's Conflict of Interest Policy requires directors and officers to annually sign and submit a Full Business Interest Disclosure form not later than January 31 of each year detailing all their material transactions or conflict of interest situations. Also, as soon as a director, officer, or employee becomes aware of an actual or potential conflict of interest situation where he is involved in, he must disclose this in writing to the appropriate Clearance Authority to seek clearance or advice within fifteen (15) days from occurrence thereof.
B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material RPTs to determine whether they are in the best interests of the company and shareholders?		**Related Party Transactions Policy:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Signed%20RPT%20Policy.pdf?null **Related Party Transactions Charter:** https://meralcomain.s3.ap-	**YES.** The Company's Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions. It is the policy of the Company that all related party transactions (RPTs) are done in "fair and at arm's-length" terms and must inure to the benefit and best interest of the Company and its shareholders. In this regard, all RPTs shall be conducted in accordance with

		influence. **9.4** Related party transactions The process for reviewing and monitoring related party transactions should be disclosed. For significant transactions, a committee of independent directors should be established to vet and approve the transaction.	southeast-1.amazonaws.com/documents/pdf_listing/2018-01/2017_rptcom_0.pdf	the principles of honesty, transparency and fairness. All RPTs shall be reviewed and approved by an appropriate RPT Approving Authority to ensure that they are on terms and conditions that are at arm's-length. This RPT review and approval shall encompass potential and existing RPTs entered or to be entered by any group or business responsibility unit of the Company, taking into account its size, structure, risk profile and complexity of operations. In 2017, the Board approved the Organizational Charter of the RPT Committee and delegating upon the RPT Committee the responsibility of reviewing material/significant RPTs, determining whether they are in the best interest of the Company and shareholders, and ensuring that all RPTs of the Company are conducted in fair and at arm's length terms. The RPT Committee shall be composed of at least three non-executive directors, two of whom are independent directors, including the Chairman.
B.4.3	Does the company have a policy requiring board	OECD Principle II	**Revised Code of Ethics, Article IV, Section 4 (page**	**YES.** The Company's Revised Code of Ethics in relation to Conflict of Interest

	members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?	E. All shareholders of the same series of a class should be treated equally. F. Related-party transactions should be approved and conducted in a manner that ensures proper management of conflict of interest and protects the interest of the company and its shareholders. G. Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress. Abusive self-dealing should be prohibited. ICGN Principle **9.3** Conflicts of interest Policies and procedures on conflicts of interest should be established, understood and implemented by directors, management, employees and other relevant parties. If a director has an interest in a matter under consideration by the board, then the director	**7):** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/e094b82ef60429fe682dfe165305abc5%20%281%29.pdf?null **Annual Report/Audited Financial Statement (SEC Form 17-A), pages 134 to 143:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?null	Policy requires all its directors and officers to abstain and/or inhibit themselves from participating in discussions on a particular agenda when they are conflicted. Except with respect to the Related Party Transactions as discussed in Note 22 to the consolidated financial statements as at December 31, 2019 and 2018 and for each of the three (3) years ended December 31, 2019, there was no transaction during the last three (3) years involving *MERALCO* in which any of its directors or executive officers, any nominee for election as director, or security holder owning 10% or more of *MERALCO's* total outstanding shares and members of their immediate family had a material interest. In 2020, the list of material RPTs in Note 22 does not include any transaction where a director has material interest that would affect the corporation and require his abstention.

B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?	should promptly declare such an interest and be precluded from voting on the subject or exerting influence. **9.4** Related party transactions The process for reviewing and monitoring related party transactions should be disclosed. For significant transactions, a committee of independent directors should be established to vet and approve the transaction. ICGN Principle 9.5 Shareholder approval Shareholders should have the right to approve significant related party transactions and this should be based on the approval of a majority of disinterested shareholders. ICGN Principle 9.10 Equality and redress Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.	**Article VII of the Revised Related Party Transactions Policy, page 13:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Revised%20RPT%20Policy_2.pdf?null	**YES.** As expressly stated in Article II, Section 6 of the Related Party Transactions Policy, the Company does not grant loans or any special financial assistance to directors.
B.5	**Protecting minority shareholders from abusive actions**			
B.5.1	Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?		**Annual Report, page 63:** https://company.meralco.com.ph/investor-relations/annual-reports **Meralco website (RPT Committee):** https://company.meralco.com.ph/corporate-governance/board-committees **Definitive Information Statement, Certain Relationships and Related Transactions, page 32 in relation to Note 22 of the Notes to Consolidated Financial Statement, pages 79 to 81:**	**YES.** The Annual Report provides a disclosure that RPTs are conducted in such a way to ensure that they are fair and at arms' length.

			https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	

B.5.2	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?	**OECD Principle II** H. Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress. Abusive self-dealing should be prohibited. **ICGN Principle 9.5 Shareholder approval** Shareholders should have the right to approve significant related party transactions and this should be based on the approval of a majority of disinterested shareholders. **ICGN Principle 9.10 Equality and redress** Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.	**Annual Report, pages 63:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Related Party Transactions Policy:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Signed%20RPT%20Policy.pdf?null	**YES.** Disinterested shareholders decide on all Related Party Transactions which require shareholders' approval.

C. ROLE OF STAKEHOLDERS

C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.	Guiding Reference	Source	Reference
Does the company disclose a policy and practices that address:				
C.1.1	The existence and scope of the company's efforts to address customers' welfare?	**OECD Principle IV (A):** The rights of stakeholders that are established by law or through mutual agreements are to be respected. In all OECD countries, the rights of stakeholders are established by law (e.g. labour, business, commercial and insolvency laws) or by contractual relations. Even in areas where stakeholder interests are not legislated, many firms make additional commitments to stakeholders, and concern over corporate reputation and corporate performance often requires the recognition of broader interests.	**Annual Report, Customer service programs, pages 28 to 33; Employee development and engagement programs, pages 34 to 37; Sustainability (environment and community) programs, pages 38 to 43; Respecting Stakeholder Rights, pages 57 and 58;** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Company Website, Key Players:** https://company.meralco.com.ph/corporate-governance/key-players	**YES.** The Company implements policies and activities that protect the rights and promote the interest of its various stockholders: <u>Customers</u> It is the Company's policy to provide all customers with excellent service and fair treatment, and complete and accurate information. Towards this end, the Company: - Provides customized services to home and micro businesses, small and medium-size enterprises and corporate business groups; - Standardizes policies and work processes related to customers in all business centers and public information on the services and rates
C.1.2	Supplier/contractor selection procedures?			
C.1.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?			
C.1.4	The company's efforts to interact with the communities in which they operate?			

				affecting them (e.g., the monthly Meralco Advisory); - Communicates significant operational plans and holding appreciation events such as Meralco Luminaries with customers at least once a year; - Undertakes surveys on customers' level of satisfaction to improve the Company's service standards; - Establishes a Consumer Welfare Desk (CWD) at the business centers and a Customer Assistance Office (CAO) at the Energy Regulatory Commission (ERC), both manned by trained CWD officers, pursuant to ERC Resolution No. 42, series of 2006; - Implements various programs to delight the customers (Information Drive on Rates and Tips such as the Orange Tag and Power Ideas, Customer eXperience Transformation Program, Partnership and customer engagements through Power Up Forums and

				the Power Club Magazine, Meralco Business (Biz) Partnership with SME entities, and Meralco Home and Microbiz engagements with local government units, Variety of payment programs such as the Automatic Debit Arrangement program and Interruptible Load program The Company promotes safety as a way of life by providing a safe and healthy environment to prevent accidents or injuries to its customers. As such, the Company's activities include: -Undertaking safety and health orientation programs to enhance safety consciousness and safe practice for all customers and stakeholders. - Complying with all applicable safety, and environmental regulations and closely monitoring the state of well-being and safety of all customers and the public at-large. -Conduct of the *Kuryenteng Ligta*s Awards, the first award-

				giving body that honors organizations, businesses and individuals that uphold excellence in their practice of electrical safety and promotion of safety in the workplace. <u>Suppliers/Contractors</u> The Company observes a clearly defined and transparent procurement and supplier selection process through the Suppliers' Business Conduct Policy and the Vendor Accreditation Program. It ensures faithful compliance to all the terms and conditions of its procurement contracts. Under these programs: - Only accredited suppliers are qualified to participate in bids and awards. - Purchases are made on the basis of competitive bidding – where the commercial and technical requirements are jointly evaluated. - Suppliers are responsible and accountable for providing the required information in the Suppliers' Business Conduct

				Commitment Form. They are likewise expected to adhere to certain corporate governance standards and undertaking to apply these standards to their offices and employees. <u>Creditors</u> The Company faithfully complies with all loan agreements with creditors. It ensures timely payment of its loans and efficiently operates its business to assure creditors of the Company's sound financial standing and loan payment capabilities. In this regard, the Standard & Poor's (S&P) global ratings raised its long-term corporate credit rating on Meralco to Investment Grade at BBB- with Stable Outlook from BB+ with Positive Outlook in 2017. The rights of creditors are protected by public disclosures of material information such as results of operations, systems of internal controls and regular assessment of risks to compliance with loan covenants and bonds. Periodic reports are made by the

				Company of its financial position through the submission of its quarterly and latest audited financial statements. The Company also conducts regular financial and operating results briefings. <u>Environment and Community</u> As an advocate of sustainable development, the Company is committed to operate profitably within the bounds of its social and environmental responsibility. Its commitment is expressed in the One Meralco Foundation, Inc. (http://www.onemeralcofoundation.org/)
C.1.5	The company's anti-corruption programmes and procedures?		**Anti-Bribery and Corruption Policy** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Anti-Bribery%20and%20Corruption%20Policy.pdf?null **Revised Code of Ethics:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/e094b82ef60429fe682dfe16530	**YES.** The Company adopted the Anti-Bribery and Corruption Policy which formalized its anti-corruption policy and program to curb and penalize company involvement in offering, paying, and receiving bribes The Company's Anti-Bribery and Corruption Policy and Program is also embodied in Article VIII, Section 1 of the Revised Code of Ethics which prohibits the commission of any act that may be construed

			5abc5%20%281%29.pdf?null **Conflict of Interest Policy** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Conflict%20of%20Interest%20Policy.pdf?null **Policy on Solicitation and Acceptance of Gifts** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Policy%20on%20Solicitation%20and%20Acceptance%20of%20Gifts.pdf?null **Amended Suppliers Business Conduct Policy** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Policy%20on%20Solicitation%20and%20Acceptance%20of%20Gifts.pdf?null **Meralco website (Other Policies):** https://company.meralco.com.ph/corporate-governance/other-policies	as direct or indirect bribery and corruption, as defined by law, of government officials to facilitate any transaction or gain any perceived or actual favor or advantage. The Company's anti-corruption policy is reinforced by the following policies: Conflict of Interest Policy which requires all Directors, Officers and Employees to observe at all times the highest degree of fairness, accountability, transparency and integrity in the performance of their duties and responsibilities to the Company, free from any form of conflict or contradiction with their own personal interest. Policy on Solicitation and Acceptance of Gifts which requires Directors, Officers, and Employees to refrain from putting themselves in situations or acting in a manner that could significantly affect the fair, objective, independent, and/or effective performance of their duties and responsibilities in the

				Company while transacting with third parties. As such, solicitation and acceptance of gifts from Third Party entities are prohibited. Amended Suppliers Business Conduct which prohibits corruption, extortion and embezzlement. Suppliers shall comply, at all times, will all applicable anti-bribery and corruption laws. Suppliers shall not offer, accept, promise, pay, permit, or authorize bribes and kickbacks, which include giving of gifts to the Company's Directors, Officers or Employees or other means to obtain an undue or improper advantage. Violations of these policies are penalized in the Company's Code on Right Employee Conduct. These policies are uploaded to the Company Website.
C.1.6	How creditors' rights are safeguarded?		**Annual Report, Customer service programs, pages 28 to 33; Employee**	**YES.** The Company implements policies and activities that protect the rights and promote
C.1	Does the company have a			

.7	separate report/section that discusses its efforts on environment/economy and social issues?		**development and engagement programs, pages 34 to 37; Sustainability (environment and community) programs, pages 38 to 43; Respecting Stakeholder Rights, pages 57 and 58;** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Company Website, Key Players:** https://company.meralco.com.ph/corporate-governance/key-players	the interest of its various stockholders: <u>Customers</u> It is the Company's policy to provide all customers with excellent service and fair treatment, and complete and accurate information. Towards this end, the Company: - Provides customized services to home and micro businesses, small and medium-size enterprises and corporate business groups; - Standardizes policies and work processes related to customers in all business centers and public information on the services and rates affecting them (e.g., the monthly Meralco Advisory); - Communicates significant operational plans and holding appreciation events such as Meralco Luminaries with customers at least once a year; - Undertakes surveys on customers' level of satisfaction to improve the Company's

				service standards; - Establishes a Consumer Welfare Desk (CWD) at the business centers and a Customer Assistance Office (CAO) at the Energy Regulatory Commission (ERC), both manned by trained CWD officers, pursuant to ERC Resolution No. 42, series of 2006; - Implements various programs to delight the customers (Information Drive on Rates and Tips such as the Orange Tag and Power Ideas, Customer eXperience Transformation Program, Partnership and customer engagements through Power Up Forums and the Power Club Magazine, Meralco Business (Biz) Partnership with SME entities, and Meralco Home and Microbiz engagements with local government units, Variety of payment programs such as the Automatic Debit Arrangement program and Interruptible Load program The Company promotes safety

				as a way of life by providing a safe and healthy environment to prevent accidents or injuries to its customers. As such, the Company's activities include: -Undertaking safety and health orientation programs to enhance safety consciousness and safe practice for all customers and stakeholders. - Complying with all applicable safety, and environmental regulations and closely monitoring the state of well-being and safety of all customers and the public at-large. -Conduct of the *Kuryenteng Ligta*s Awards, the first award-giving body that honors organizations, businesses and individuals that uphold excellence in their practice of electrical safety and promotion of safety in the workplace. <u>Suppliers/Contractors</u> The Company observes a clearly defined and transparent procurement and supplier selection process through the

				Suppliers' Business Conduct Policy and the Vendor Accreditation Program. It ensures faithful compliance to all the terms and conditions of its procurement contracts. Under these programs: - Only accredited suppliers are qualified to participate in bids and awards. - Purchases are made on the basis of competitive bidding – where the commercial and technical requirements are jointly evaluated. - Suppliers are responsible and accountable for providing the required information in the Suppliers' Business Conduct Commitment Form. They are likewise expected to adhere to certain corporate governance standards and undertaking to apply these standards to their offices and employees. <u>Creditors</u> The Company faithfully complies with all loan agreements with creditors. It ensures timely payment of its

				loans and efficiently operates its business to assure creditors of the Company's sound financial standing and loan payment capabilities. In this regard, the Standard & Poor's (S&P) global ratings raised its long-term corporate credit rating on Meralco to Investment Grade at BBB- with Stable Outlook from BB+ with Positive Outlook in 2017. The rights of creditors are protected by public disclosures of material information such as results of operations, systems of internal controls and regular assessment of risks to compliance with loan covenants and bonds. Periodic reports are made by the Company of its financial position through the submission of its quarterly and latest audited financial statements. The Company also conducts regular financial and operating results briefings. <u>Environment and Community</u> As an advocate of sustainable development, the Company is committed to operate

				profitably within the bounds of its social and environmental responsibility. Its commitment is expressed in the One Meralco Foundation, Inc. (http://www.onemeralcofoundation.org/)

C.2	**Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.**	**Guiding Reference**	**Source**	**Reference**
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	**OECD Principle IV (B):** The legal framework and process should be transparent and not impede the ability of stakeholders to communicate and to obtain redress for the violation of rights.	**Whistleblowing Policy (Be Right Communications Policy):** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/BeRight_03222018_0.pdf?null **Whistleblowing Report, Annex 1:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/e-pdf/eReport%20form_LIVE.pdf?null **Protection from Retaliation Form:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/e-pdf/Retaliation%20form_LIVE.pdf?null	**YES.** The *e-Report Mo* (Whistleblowing Policy/Anti-Corruption Programs and Procedures) encourages the reporting of any violation of corporate governance rules or policies, questionable accounting or auditing matters, and other malfeasance committed by the Company's directors, officers, and employees. The Company provides appropriate protection against retaliation to an employee/stakeholder who reports illegal/ unethical behavior. In the event of retaliation, the reporting person or witness may file a

				report to the Corporate Governance Office (CGO) by filling out a Retaliation Protection Report Form. Employees, suppliers, customers and other stakeholders can download, through the Company Website, a whistleblower report form and submit the same via email or regular mail to the CGO through the following contact information: **Corporate Governance Office** Manila Electric Company (Meralco) 8th Floor, Lopez Building, Ortigas Avenue, Brgy. Ugong, Pasig City, Philippines Tel: (+632) 1622-2798 Mobile: 09209484787 email: cgo.staff@meralco.com.ph

C.3	Mechanisms for employee participation should be permitted to develop.	Guiding Reference	Source	Reference
C.3.1	Does the company explicitly disclose the policies and practices on health, safety, and welfare for its employees?	**OECD Principle IV (C):** The degree to which employees participate in corporate governance depends on national laws and practices, and may vary from company to company as well. In the context of corporate governance, mechanisms for participation may benefit companies directly as well as indirectly through the readiness by employees to invest in firm specific skills. Examples of mechanisms for employee participation include: employee representation on boards; and governance processes such as work councils that consider employee viewpoints in certain key decisions. International conventions and national norms also recognise the rights of employees to information, consultation and negotiation. With respect to performance enhancing mechanisms,	**Annual Report, pages 34 to 37 and 58:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Meralco website** **Key Players:** https://company.meralco.com.ph/corporate-governance/key-players **Stakeholder Engagement:** https://company.meralco.com.ph/corporate-governance/stakeholder-engagement **Definitive Information Statement 2021, pages 49 to 51:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**YES.** Employee Engagement and Wellness is a holistic approach through the Company's ORANGE FIT program that targets physical, mental and spiritual well-being. To develop physical wellness, the ORANGE FIT campaign has institutionalized sports clubs, after-work health programs (Zumba, Yoga, Cross-fit), employee sports events (sports fests, interoffice sports competition), the orange lane (to encourage walking in the Meralco Center), health reminders, and the use of the sports and health facilities. Emotional and mental wellness are also elements of the ORANGE FIT campaign with the provision of in-house counselors and medical experts as well as access to the Zen Room made available to all employees through the

		employee stock ownership plans or other profit sharing mechanisms are to be found in many countries. Pension commitments are also often an element of the relationship between the company and its past and present employees. Where such commitments involve establishing an independent fund, its trustees should be independent of the company's management and manage the fund for all beneficiaries.		Corporate Wellness Center. Spirituality is also of major importance as the Company ensures that different beliefs and religions have a place and venue for worship. More than 3,400 Meralco Employees actively participate in the different ORANGE FIT initiatives. On the other hand, MERALCO continues the implementation of its flagship safety campaign, "TARGET ZERO: Zero Incident, Zero Harm" as part of the Company's aspiration to eliminate all work-connected incidents. This campaign is supported by fundamental and innovative Occupational Safety and Health ("OSH") programs, such as "First Working Day Safety" Campaign, "Una sa Lahat-Safety" Communication Program, Hazard Hunter Online App, ESH Matters Portal, Incident Reporting Management System, and various safety training and competency certification programs, which all aimed to

				further strengthen the sound safety culture of MERALCO and continually improve its OSH performance. Despite the emerging risks brought by the COVID-19 pandemic and the challenges of the community quarantine and New Normal, MERALCO remained committed in ensuring the safety and health of its employees. The Company immediately developed and implemented COVID-19 OSH Program, which set the minimum health standards and infection management protocols to prevent and control the spread of infection in all MERALCO operating facilities. The COVID-19 PPE Guidelines was also established to ensure proper selection, distribution and use of personal protective equipment ("PPE") based on the work activity and risk exposure of employees and service providers. In 2020, MERALCO was able to achieve 100% compliance to its

				regulatory OSH reportorial requirements, passed all seven (7) Department of Labor and Employment ("DOLE") audits in its different operating facilities, and achieved a 24% year on year reduction on work-connected incidents. Moreover, the Safety and Health Association of the Philippine Energy Sector, Inc. ("SHAPES") awarded different MERALCO ESH Committees and Safety Officers with a total of nine (9) Corporate Safety and Health Excellence Awards and six (6) Outstanding Safety and Health Professional Awards for achieving zero lost time incidents in their respective MERALCO facilities. MERALCO's Organizational Safety and Business Continuity Management Office also garnered five (5) Philippine Quill Awards for its various safety programs, namely: Una Sa Lahat Safety communication program, MERALCO Integrated Report Management System, Araw ng mga Lineman, National Simultaneous

				Earthquake Drill, and One MERALCO COVID-19 Online Awareness Roadshows. Lastly, true to its vision to be a world-class company, MERALCO maintain its ISO 45001:2018 certification for OSH Management System after successfully passing the 2020 surveillance audit conducted by BRS Philippines. This proves that MERALCO's robust OSH Management System is at par with the global standard for occupational health and safety As part of Meralco's vision to be resilient in times of disaster, the Company partnered with various local government units and agencies through programs such as the Makati Shakeout Simex, the Metro Manila Shake Drill, the hosting of the 4th Quarter Nationwide Simultaneous Earthquake Drill, and the training of 17 Meralco Rescue Team Members and 31 Incident Response Team Members through TESDA.

				On the environment front, Meralco ensures compliance to all applicable laws and regulations and has also successfully passed the ISO Environmental Management System (14001: 2015) external audit in 2019, with validity up to 2022. All employees are required to attend the Mandatory 8-Hour Occupational Safety and Health (OSH) Seminar to enable the participants to identify hazards, evaluate and correct them, so none of unsafe conditions or acts turn to life-threatening situations that may curb the Company's productive output. The OSH Seminar is in compliance with Section 16 (b) of Republic Act No. 11058 "*An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof*" and Section 3 of the Department Order No. 198-18 "*Implementing Rules and Regulations of RA 11058*".

				Meralco successfully passed both the surveillance audit conducted by a third- party certifying body for its OHSAS 18001 Certification on Occupational Health and Safety Management System as well as the Department of Labor and Employment (DOLE) audit on the compliance to Occupational Safety and Health (OSH) Standards. Likewise, an additional eight (8) safety officers of the Company were able to secure their Safety Practitioner accreditation from the DOLE. The Company was invited to be part of the DOLE Technical Working Group and actively contributed to the development of the implementing rules and regulations of Republic Act 11058, also known as the *New OSH Law* intended to strengthen OSH practices and compliance in all workplaces in the country.
C.3.2	Does the company explicitly disclose the policies and practices		**Annual Report, page 35:**	**YES.** The Company is committed to the development

	on training and development programmes for its employees?		https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	and welfare of its employees. Training programs and other developmental interventions are implemented to enable employees to acquire the technical and leadership competencies to effectively perform their jobs for their professional growth. The Company uses a globally-accepted training and development metrics relevant to value creation for business and society. Learning and development initiatives are delivered using the strategic framework of 70-20-10: 70% **experiential learning** / on-the-job learning, 20% from **social learning and learning through others** such as coaching and mentoring, and 10% **formal learning**. Online meetings continue in "the better normal" as well as the continued provision of Personal Protective Equipment (PPEs) based on work type and exposure. Work arrangements such as flexible hours, shifting, and work-from-home were

				adopted based on business requirements. As an additional requirement by the DOLE-DTI, the Company submitted and implemented the COVID-19 Occupational Safety Hazard Program to prevent and control the spread of infection in the workplace. Likewise, a Workplace Accident/Illness Report (WAIR COVID-19) was accomplished by each operating facility and submitted to DOLE for monthly monitoring. Learning and Development too, shifted to the online platform with a mantra of #LearningNeverStops. A total of 112,246 training hours were provided covering 258 unique programs with an average of 19 hours of training per employee for the year. These programs covered competency upgrade, professional and leadership development, and safety and technical skills development. Programs on mental health and stress management were also implemented through the Working in the New Normal Series as well as more targeted

				and involved medical and psychological interventions in partnership with Cardinal Santos Medical Center. Orange Fit activities for employee engagement targeted total wellness: mind, body and spirit.
C.3.3	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?		**Annual Report, page 58:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**YES.** As disclosed in the Annual Report, the Company compensates employees based on Company, team, and individual performance to help achieve corporate goals and targets. The Company provides for assessment that account for performance beyond short-term financial measures. It also provides for short-term incentives through variable pay, such as *Annual Performance-Based Bonuses (APB)* and *Variable Incentive Plan (VIP)*, to reward individual and team performance that contribute to the achievement of corporate goals and objectives. *Revving up to Achieve a Culture of Excellence (RACE)* is Meralco's Employee Performance Management System. It was created to

				ensure alignment between performance and the overall company objectives to promote a culture of high performance and meritocracy (advancement based on individual ability or achievement). It is a holistic approach that captures the key elements of effective performance management such as performance planning, monitoring and development, and evaluation. The *appRACE*, a cloud-based people and performance management system, designed to support the RACE, was developed and launched last April 20, 2016. Through the *Performance Evaluation Plan (PEP)*, the overall contributions of individuals are recognized by accurately measuring what the employee delivers (i.e., results) and objectively assessing how the employee delivers results (i.e., behavior) over set targets in a year. It is the aim of the PEP to produce relevant

				information on employee performance that will serve as basis for various people management decisions relating to employee development and rewards. Employee performance is evaluated based on two critical factors: 1. *Goals & Initiatives (GAINs)* – measures the employee's work accomplishments during the performance period (i.e., individual goals vs. actual work accomplishments); and 2. *Values & Behavior (V&B)* – measures how well the employee met expectations based on the behavioral manifestations of the seven Corporate Values, namely: Customer Service, Performance, Accountability/Empowerment, Integrity/Transparency, Teamwork/ Collegiality, Malasakit and Makabayan. The merit increase is based on the employee's performance

				rating, and is effective January 1 of every year. For covered employees with less than 12 months of service during the performance period (e.g. involuntary separation, death, new hires), the merit increase will be prorated based on the actual number of months and days served. For PG employees promoted to the Exempt Group within the performance year, merit increases will also be pro-rated.

C.4	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.	Guiding Reference	Source	Reference
C.4.1	Does the company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report	**OECD Principle IV (E):** Unethical and illegal practices by corporate officers may not only violate the rights of stakeholders but also be to the detriment of the company and its shareholders in terms of reputation effects and an increasing risk of future financial liabilities. It is therefore to the advantage of the company and its shareholders to establish procedures and safe-harbours for complaints by employees, either personally or through their representative bodies, and others outside the company, concerning illegal and unethical behaviour.	**Whistleblowing Policy (Be Right Communications Policy):** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/BeRight_03222018_0.pdf?null **Whistleblowing Report, Annex 1:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/e-pdf/eReport%20form_LIVE.pdf?null **Protection from Retaliation Form:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/e-pdf/Retaliation%20form_LIVE.pdf?null	**YES.** The *e-Report Mo* (Whistleblowing Policy/Anti-Corruption Programs and Procedures) encourages the reporting of any violation of corporate governance rules or policies, questionable accounting or auditing matters, and other malfeasance committed by the Company's directors, officers, and employees. The Company provides appropriate protection against retaliation to an employee/stakeholder who reports illegal/unethical behavior. In the event of retaliation, the reporting person or witness may file a report to the Corporate

C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?		**Meralco website:** https://company.meralco.com.ph/corporate-governance/other-policies **Annual Report, page 60:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	Governance Office (CGO) by filling out a Retaliation Protection Report Form. Employees, suppliers, customers and other stakeholders can download, through the Company Website, a whistleblower report form and submit the same via email or regular mail to the CGO through the following contact information: **Corporate Governance Office** Manila Electric Company (Meralco) 8th Floor, Lopez Building, Ortigas Avenue, Brgy. Ugong, Pasig City, Philippines Tel: (+632) 1622-2798 Mobile: 09209484787 email: cgo.staff@meralco.com.ph All reports will be referred to the CGO for preliminary validation. CGO will refer the reports to the Assisting Investigation Unit whenever necessary.

				All organizations are required to act immediately on the reports referred to them, in accordance with the existing relevant procedures. The Whistleblower should be provided with feedback within thirty (30) working days. The Company shall act expeditiously and conduct immediate investigation of the report, impose appropriate penalties/sanctions once proven, and provide feedback to the Whistleblower, if known. Resolution of the report shall be within a 60-day period from receipt thereof. In the event however that a longer period is needed to resolve a case due to its complexity, the concerned AIU shall notify CGO in writing citing the justification for the extension not later than three days before the expiration of the 60-day period within which to resolve the report. CGO will report quarterly to the Board through the Nomination and Governance Committee or

				the Audit Committee (in case the Whistleblower alleged violations by the Internal Auditor/Corporate Audits) any progress in compliance with the handling of reports. The concerned offices shall ensure the confidentiality of the identities of the Whistleblower, the witnesses and the information disclosed, except under any of the following: a) the Whistleblower waives his right to confidentiality, or b) identification is required by law or when essential to an investigation. In either case, the Company shall inform the Whistleblower or the witnesses of the need to reveal their identities and/or information. The immediate Head of the respondent shall initiate the necessary investigation on the report and gather the appropriate supporting documents/pieces of evidence.

				Said immediate Head may however seek the assistance of the appropriate Assisting Investigation Unit (AIU) to facilitate the investigation. The immediate Head shall exercise judgment in determining the appropriate office to seek assistance aside from those listed above. If the violation is related to a breach in financial internal controls after a preliminary investigation has been conducted, Corporate Audits should immediately inform the President or Chief Financial Officer. The said officer, in turn, should carefully discern, considering materiality and/or severity, if the matter has to be elevated or merely transmitted as information to the relevant Board Committee or its Chairman. The President shall determine if there is a need for convening the Management Disciplinary Committee or designate a Company official to conduct a full investigation. The

				President, in addition to the internal investigation, may allow such designated body or official to engage the services of external auditors or lawyers, or some other external investigating body. This Investigating Committee shall also handle reports where the respondents are directors and officers. In 2020, the Company received certain reports of alleged violations and illegal/unethical behavior. These reports were investigated and accordingly resolved based on the evidence provided and in accordance with the procedures defined in the whistleblowing policy.

D. DISCLOSURE AND TRANSPARENCY

D.1	Transparent Ownership Structure	Guiding Reference	Source	Reference
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?	**OECD Principle V: Disclosure and Transparency** **(A) Disclosure should include, but not limited to, material information on:** (3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, and beneficial ownership. **ICGN 7.6 Disclosure of ownership** ... the disclosure should include a description of the relationship of the company to other companies in the corporate group, data on major shareholders and any other information necessary for a proper understanding of the company's relationship with its public shareholders.	**Annual Report/Audited Financial Statement (SEC Form 17-A), pages 148:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?null https://edge.pse.com.ph/openDiscViewer.do?edge_no=fda6bd28016a48085d542af6f1e997b9 **Annual Report, page 62:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement, page 391; Schedule I: Map Showing the Relationships among the Companies within the Group (Conglomerate Map):** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-	**YES.** The complete list of the Public Ownership Report of Meralco as at December 31, 2020 was disclosed to the SEC, PSE, and PDEx on January 11, 2021, where approximately 79.03% of the Company shares are held by principal and strategic shareholders, and the remaining 20.97% shareholdings are held by directors, officers, employees, the government, other corporations, and other individuals. The Company has a straightforward structure of alliance among its affiliates, and joint ventures, with no joint-holding or cross-holding of shares. There is no pyramid shareholding structure within the Group. There is also an equitable treatment of all shareholders. The Company's policies embody an utmost respect to the right of
D.1.2	Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?			
D.1.3	Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)?			
D.1.4	Does the company disclose the direct and indirect (deemed) shareholdings of senior management?			
D.1.5	Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)?			

			04/2020_meralco_definitive_is.pdf?null https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	the minority shareholders while pursuing corporate interest. In this light, the Company ensures: i) The timely, fair, and accurate disclosure of material information; ii) The review of existing, and development of new, policies that will prevent the major shareholders from gaining undue advantage over and at the expense of minority shareholders; iii) That RPTs are disclosed in the Company's Notes to financial statements; and iv) That Disinterested shareholders decide on all RPTs which require shareholders' approval.

D.2 Quality of Annual Report		**Guiding Reference**	**Source**	**Reference**
Does the company's annual report disclose the following items:				
D.2.1	Corporate Objectives	**OECD Principle V (A):** (1) The financial and operating results of the company; (2) Company objectives, including ethics, environment, and other public policy	**Annual Report** **a. Corporate Objectives, page 64 (Strategies and Growth Platforms);** **b. Financial performance indicators, page 73;** **c. non-financial performance**	**YES.** The Annual Report discloses the following information: a. Corporate Objectives, b. Financial performance indicators,
D.2.2	Financial Performance indicators			
D.2.3	Non-Financial Performance indicators			
D.2.4	Dividend Policy			

D.2.5	Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of all directors/commissioners	commitments; (3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership; (4) Remuneration policy for members of the board and key executives, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board;	**indicators, page 73;** **d. dividend policy, page 60;** **e. biographical details of all directors, pages 78 to 83;** **f. attendance details of each director in all meetings held during the year, pages 66 and 67;** **g. total remuneration of each member of the board of directors, page 68.** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	c. non-financial performance indicators, d. dividend policy, e. biographical details of all directors, f. attendance details of each director in all meetings held during the year, and the g. total remuneration of each member of the board of directors
D.2.6	Attendance details of each director/commissioner in all directors/commissoners meetings held during the year			
D.2.7	Total remuneration of each member of the board of directors/commissioners			

		(6) Foreseeable risk factors, including risk management system; (7) Issues regarding employees and other stakeholders; (8) Governance structure and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented. **OECD Principle V (E):** Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users. **ICGN 2.4 Composition and structure of the board ICGN 2.4.1 Skills and experience** **ICGN 2.4.3 Independence** **ICGN 5.0 Remuneration** **ICGN 5.4 Transparency** **UK Corporate Governance Code (2010)** A.1.2 - the number of meetings of the board and those		

		committees and individual attendance by directors. **CLSA-ACGA (2010) CG Watch 2010 - Appendix 2** (I) CG rules and practices (19) Disclose the exact remuneration of individual directors.		
Corporate Governance Confirmation Statement				
D.2.8	Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?	**OECD PRINCIPLE V (A) (8)** **UK CODE (JUNE 2010): Listing Rules** 9.8.6 R (for UK incorporated companies) and 9.8.7 R (for overseas incorporated companies) state that in the case of a company that has a Premium listing of equity shares, the following items must be included in its Annual Report and accounts: a	**Annual Report/Audited Financial Statement (SEC Form 17-A), page 151:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?null **Annual Report, page 56:** https://company.meralco.com.ph/investor-relations/annual-reports	**YES.** The Annual Report includes a statement confirming the Company's full compliance with the Code of Corporate Governance.

		statement of how the listed company has applied the Main Principles set out in the UK CG Code, in a manner that would enable shareholders to evaluate how the principles have been applied; a statement as to whether the listed company has complied throughout the accounting period with all relevant provisions set out in the UK CG Code; or not complied throughout the accounting period with all relevant provisions set out in the UK CG Code, and if so, setting out: (i) those provisions, if any, it has not complied with; (ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and (iii) the company's reasons for non-compliance. **ASX CODE:** **Under ASX Listing Rule 4.10.3,** companies are required to provide a statement in their Annual Report disclosing the extent to which they have followed the Recommendations	https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	

		in the reporting period. Where companies have not followed all the Recommendations, they must identify the Recommendations that have not been followed and give reasons for not following them. Annual Reporting does not diminish the company's obligation to provide disclosure under ASX Listing Rule 3.1.		

ACMF	ASEAN CORPORATE GOVERNANCE SCORECARD v.2.0			
D.3	**Disclosure of Related Party Transactions (RPTs)**	**Guiding Reference**	**Source**	**Reference**
D.3.1	Does the company disclose its policy covering the review and approval of material RPTs?	**OECD Principle V: Disclosure and Transparency** (A) Disclosure should include, but not limited to, material information on: (5) Related party transactions **ICGN 2.11.1 Related party transactions** The company should disclose details of all material related party transactions in its Annual Report.	**Revised Manual of Corporate Governance, Article III (page 29) in relation to Article I, Section 9.7 (pages 24-25):** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null **Definitive Information Statement, Certain Relationships and Related Transactions, page 32 in relation to Note 22 of the Notes to Consolidated Financial Statement, pages 79 to 81:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**YES.** Related Party Transactions (RPT) Policy ensures that transaction of the Company with its related parties are conducted in fair and at arms' length terms. It requires review of material/significant RPTs by the RPT Committee to determine whether these RPTs are in the best interest of the Company. The RPT Policy is disclosed in the Company's Revised Manual of Corporate Governance, and the Company Website. Except with respect to the Related Party Transactions as discussed in Note 22 to the Consolidated Financial Statements as at December 31, 2019 and for each of the three (3) years in the period ended December 31, 2019, there was no transaction during the last three (3) years involving MERALCO in which any of its directors or executive officers, any nominee for election as director, or security holder owning 10% or more of MERALCO's total outstanding

				shares and members of their immediate family had a material interest. Note 22 does not include transaction which would require abstention by a director.
D.3.2	Does the company disclose the name, relationship, nature and value for each material RPTs?		**Definitive Information Statement, Note 22 of the Notes to Consolidated Financial Statement, pages 79-81:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**YES.** Note 22 of the Consolidated Financial Statement of the Company discloses the following RPTs involving the Company: *Pole Attachment Contract with PLDT, Inc. ("PLDT")* MERALCO has a pole attachment contract with PLDT similar to third party pole attachment contracts of MERALCO with other telecommunication companies. Under the pole attachment contract, PLDT shall use the contracted cable position exclusively for its telecommunication cable network facilities. *Sale of Electricity under Various Service Contracts* MERALCO sells electricity to related party shareholder groups within the franchise area such as PLDT, Metro Pacific and JG Summit and their

				respective subsidiaries, and affiliates for their facilities within MERALCO's franchise area. The rates charged to related parties are the same ERC-mandated rates applicable to all customers within the franchise area. *Purchase of Telecommunication Services from PLDT and Subsidiaries* The MERALCO Group's telecommunications carriers include PLDT for its wireline and Smart Communications, Inc. and Digitel Mobile Philippines, Inc., for its wireless services. Such services are covered by standard service contracts between the telecommunications carriers and each legal entity within the MERALCO Group *Purchase of Goods and Services* In the ordinary course of business, the MERALCO Group purchases goods and services from its affiliates and sells power and renders services to such affiliates. *PSAs with Joint Ventures and Associates*

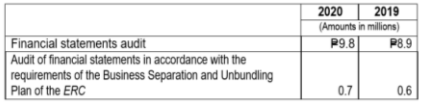
				MERALCO signed long-term PSAs with the following related parties: SBPL, RP Energy, St. Raphael, and PEDC. *Advances to FPM Power* FPM Power has a non-interest-bearing loan from MPG Asia amounting to US$110 million (PhP5,776 million) as at December 31, 2020 and 2019 which is due and demandable. The allowance for expected losses related to the non-interest-bearing loan amounted to PhP5,776 million and PhP2,322 million, respectively. The loan remains outstanding as at December 31, 2020. *Transaction with MERALCO Retirement Benefits Fund ("Fund")* MERALCO's Retirement Fund holds 6,000 common shares of RP Energy at par value of PhP100 per share, with total carrying amount of PhP600,000 or an equivalent 3% equity interest in RP Energy. The fair value of RP Energy's common shares cannot be reliably measured as these are

				not traded in the financial market. As at December 31, 2020 and 2019, the fair value of the total assets being managed by the Fund amounted to PhP33.9 billion and PhP35.0 billion, respectively. Other details of each material/significant RPT are disclosed by the Company in Note 22 to the Consolidated Financial Statements.

D. 4	Directors and Commissioners dealings in the shares of the company	Guiding Reference	Source	Reference
D. 4. 1	Does the company disclose trading in the company's shares by insiders?	**OECD Principle V (A):** (3) Major share ownership and voting rights **ICGN 3.5 Employee share dealing** Companies should have clear rules regarding any trading by directors and employees in the company's own securities. **ICGN 5.5 Share ownership** Every company should have and disclose a policy concerning ownership of shares of the company by senior managers	**Annual Report, pages 62, 74, and 75:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement, page 391; Schedule I: Map Showing the Relationships among the Companies within the Group (Conglomerate Map):**	**YES.** The Company discloses the shareholdings of directors, management, and top 100 shareholders in its Annual Report and in the Company website while the changes in the beneficial ownership of directors, officers (or persons performing similar functions) and controlling shareholders resulting from the trading of Company shares are regularly posted in the Company Website. The Company's Conglomerate Map is published in the Annual

		and executive directors with the objective of aligning the interests of these key executives with those of shareholders.	https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **List of Top 100 Stockholders as at December 31, 2020:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-01/top100stockholdersreportdecember312020.pdf **Public Ownership Report as at December 31, 2020:** https://edge.pse.com.ph/openDiscViewer.do?edge_no=fda6bd28016a48085d542af6f1e997b9	Report as well as in the Definitive Information Statement.

D.5	External Auditor and Auditor Report	Guiding Reference	Source	Reference
Where the same audit firm is engaged for both audit and non-audit services				
D.5.1	Are the audit and non-audit fees disclosed?	**OECD Principle V (C):** An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective	**Audit Committee Charter, Section 2.13, page 3:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Audit%20Committee%20	**YES.** The fees paid for non-audit services do not outweigh the fees paid for audit services. Details of the non-audit services performed by the external auditor are disclosed

		assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects. **OECD Principle V (D):** External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit. **ICGN 6.5 Ethical standards (Audit)** The auditors should observe high-quality auditing and ethical standards. To limit the possible risk of possible conflicts of interest, non-audit services and fees paid to auditors for non- audit services should be both approved in advance by the audit committee and disclosed in the Annual Report.	Charter.pdf?null **Definitive Information Statement 2021, page 3:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Annual Report, page 76:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	the in the company's Definitive Information Statement. In 2020, the non-audit services performed by the external auditor of the Company is in relation to the review of the Company's BSUP and UC report. 
D.5.2	Does the non-audit fee exceed the audit fees?			

	2020	2019
	(Amounts in millions)	
Financial statements audit	₱9.8	₱8.9
Audit of financial statements in accordance with the requirements of the Business Separation and Unbundling Plan of the *ERC*	0.7	0.6

D.6	Medium of Communications	Guiding Reference		
Does the company use the following modes of communication?				
D.6.1	Quarterly Reporting	**OECD Principle V (E):** Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users. **ICGN 7.1 Transparent and open communication** Every company should aspire to transparent and open communication about its aims, its challenges, its achievements and its failures. **ICGN 7.2 Timely disclosure** Companies should disclose relevant and material information concerning themselves on a timely basis, in particular meeting market guidelines where they exist, so as to allow investors to make informed decisions about the acquisition, ownership obligations and rights, and sales of shares.	**Investor Relations Programs** https://company.meralco.com.ph/investor-relations/investor-relations-program **Quarterly Reports** https://company.meralco.com.ph/investor-relations/quarterly-reports **Disclosures** https://company.meralco.com.ph/company-disclosures/sec-filings **Schedule of Events** http://www.meralco.com.ph/investor-relations/calendar-of-events **News and Articles** https://company.meralco.com.ph/news-and-advisories	**YES.** The officers of the Company, led by the President and CEO, with the Chief Finance Officer and Investor Relations and other officers, present information on performance results, business progress, industry trends, impact of external factors, and regulations to shareholders, analysts, investors, and media every quarter during the Investors Briefing and Teleconference, as well as Media Briefing. Presentation materials used in these meetings are posted on the Company's website to ensure comprehensive information dissemination to all stakeholders and investors, including those who were not able to participate in the briefings. Financial, Annual, and Quarterly reports are also posted in the company website.
D.6.2	Company Website			
D.6.3	Analyst's briefing			
D.6.4	Media briefings/press conferences			

ACMF	ASEAN CORPORATE GOVERNANCE SCORECARD v.2.0			
D.7	**Timely filing/release of annual/financial reports**	**Guiding Reference**	**Source**	**Reference**
D.7.1	Are the audited annual financial report / statement released within 120 days from the financial year end?	**OECD Principle V (C) OECD Principle V (E) OECD Principle V-(A). ICGN 7.2 Timely disclosure** **ICGN 7.3 Affirmation of financial statements** The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.	**2020 Consolidated Financial Results of the Company:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2021-03/2020_audited_financial_statement.pdf **2020 Quarterly reports are likewise disclosed and published within forty-five (45) days from reporting period:** **1st Quarter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/q1_2020_results_briefing_reports.pdf **2nd Quarter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-07/1h_2020_results_briefing_reports.pdf **3rd Quarter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-10/9m_2020_results_briefing_reports.pdf **These interim reports and the**	**YES.** Company distributes or makes available annual consolidated reports, cash flow statements, and special audit revisions. The Company's 2020 Audited Consolidated Financial Statements were released on March 1, 2020, sixty (60) days after financial year-end.

			2020 Audited Consolidated Financial Results of the Company are disclosed in the Company Website: https://company.meralco.com.ph/company-disclosures/sec-filings	
D.7.2	Is the annual report released within 120 days from the financial year end?		**Definitive Information Statement** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_definitive_information_statement_april_15_2021.pdf	**YES.** The Company's Annual Report was released within 120 days from financial year end. Meralco's Definitive Information Statement was disclosd to SEC and PSE on April 15, 2021 and uploaded to the website on the same date.
D.7.3	Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company?		**Annual Report, page 94** https://company.meralco.com.ph/investor-relations/annual-reports	**YES.** The Company's Chairman, President & CEO, and Chief Finance Officer issued the Statement of Management's Responsibility for Consolidated Financial Statements providing that they reviewed, approved, and affirmed the fair representation of the Company's 2020 Annual Report.

D.8	**Company Website**	**Guiding Reference**	**Source**	**Reference**
Does the company have a website disclosing up-to-date information on the following:				
D.8.1	Financial statements/reports (latest quarterly)	OECD Principle V (A)	**Quarterly Financial Reports:** https://company.meralco.com.ph/investor-relations/quarterly-reports	**YES.** The following information can be found in the Company Website:
D.8.2	Materials provided in briefings to analysts and media			

ACMF	ASEAN CORPORATE GOVERNANCE SCORECARD v.2.0			
D.8.3	Downloadable Annual Report	OECD Principle V (E) ICGN 7.1 Transparent and open communication ICGN 7.2 Timely disclosure	**Materials provided in briefings to analysts and media** https://company.meralco.com.ph/investor-relations/quarterly-reports **Downloadable Annual Report** https://company.meralco.com.ph/investor-relations/annual-reports **Notice of ASM** https://company.meralco.com.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings **Minutes of ASM and/or SSM** https://company.meralco.com.ph/company-disclosures/minutes-of-all-general-or-special-stockholders-meetings **Company's Articles of Incorporation and By-Laws** https://company.meralco.com.ph/corporate-profile/articles-of-incorporation-and-by-laws	a. Quarterly financial reports b. Materials provided in briefings to analysts and media c. Downloadable Annual Report d. Notice of ASM and/or SSM e. Minutes of ASM and/or SSM f. Company's Articles of Incorporation and By-Laws
D.8.4	Notice of AGM and/or EGM			
D.8.5	Minutes of AGM and/or EGM			
D.8.6	Company's constitution (company's by-laws, memorandum and articles of association)			

D.9	Investor Relations	Guiding Reference	Source	Reference
D.9.1	Does the company disclose the contact details (e.g. telephone, fax, and email) of the officer / office responsible for investor relations?	**ICGN 7.1 Transparent and open communication**	**Annual Report, pages 76, 77 and 107:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**YES.** Meralco has an Investor Relations Office which regularly communicates relevant and timely information about the Company to both current and potential investors, to analysts, fund managers, potential business partners and the general public. Investors may get in touch with the Company's Investor Relations Office located at 5/F of Lopez Building, Ortigas Avenue, Barangay Ugong, Pasig City, 1605 Philippines with the e-mail address: investor.relations@meralco.com.ph. Such information can be found on the Annual Report.

E. RESPONSIBILITIES OF THE BOARD

E.1	Board Duties and Responsibilities	Guiding Reference	Source	Reference
Clearly defined board responsibilities and corporate governance policy				
E.1.1	Does the company disclose its corporate governance policy / board charter?	**G20/OECD PRINCIPLE V: Disclosure and Transparency** **(A) Disclosure should include, but not be limited to, material information on:** 9. Governance structures and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.	**Revised Manual of Corporate Governance:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null **Board Charter** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Board_Charter.pdf?null **2020 Annual Report- Governance Structure, page** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **MERALCO website- Corporate Governance Page, Policies and Programs** https://company.meralco.com.ph/corporate-governance/revised-manual-corporate-governance	**YES.** The Company discloses its governance structure, corporate governance code and policies and the process by which these codes and policies implemented. The Revised Manual of Corporate Governance is the foundation of Meralco's governance policies, which states the responsibilities of the Board, Management and the Company to stockholders and all other stakeholders. It complies with the SEC Code of Corporate Governance under SEC Memorandum Circulars No. 2 Series of 2002, No. 6 Series of 2009, No. 9 Series of 2014, and No. 19 Series of 2016 while the Board Charter which sets forth Board's purposes, authority, duties and responsibilities, structure and procedures in accordance with SEC Revised Code of Corporate

			https://company.meralco.com.ph/corporate-governance/other-policies	Governance for Publicly Listed Companies. The provisions in this Charter were lifted from the Company's Article of Incorporation (AOI), By-Laws, Revised Manual of Corporate Governance (MCG), Board Committee Charters and Policies approved by the Board. The Revised Manual of Corporate Governance and the Board Charter are posted in the Company website. The Company's governance structure is illustrated in the Annual Report and Company website.
E.1.2	Are the types of decisions requiring board of directors/commissioners' approval disclosed ?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** **(D) The board should fulfil certain key functions, including:** 1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance;	**List of Acts of the Board—Annual Report, pages 65 and 66:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null The results of board meetings also disclosed to the SEC and PSE though the Definitive Information Statement (DIS)	**YES.** The types of decisions requiring the Company's Board of Directors' approval are listed in the Revised Manual of Corporate Governance, Board Charter, Board Committee Charters, and company policies and disclosed in the Annual Report and other regulatory submissions and in the Company website. The Board of Directors reviews and approves major projects,

		and overseeing major capital expenditures, acquisitions and divestitures. 2. Monitoring the effectiveness of the company's governance practices and making changes as needed. 3. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning. 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. 5. Ensuring a formal and transparent board nomination and election process. 6. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions. 7. Ensuring the integrity of the	and uploaded in the Company website. **Meralco Website:** https://company.meralco.com.ph/company-disclosures/sec-filings **Definitive Information Statement 2020, List of the Acts of the Board, Annex B:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null **Definitive Information Statement 2021, Annex on List of the Acts of the Board:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Corporate Strategy—Annual Report, page 64:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	policy decisions, annual budgets, major investment funding, and major restructuring of core businesses on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company. The accomplishments of the Board are disclosed in the Annual Report and in the Definitive Information Statement under List of Acts of the MERALCO Board. The Board decides on the Company's major projects and policy decisions, business plan and annual budgets and major investment funding. In 2020, the Board's major accomplishments included the following: **Major Projects/Policy Decisions** ▪ Evaluation of compliance to the SEC Revised Code of Corporate Governance ▪ Approval of the Integrated Annual Corporate Governance Report (I-ACGR) ▪ Review and approval of the Revised Finance Committee Charter ▪ Conduct of the 2020 ASM

		corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. 8. Overseeing the process of disclosure and communications.	**Definitive Information Statement (DIS) 2018, page 144:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2018-04/2018_definitive_information_statement_-.pdf?null **Risk—** **Risk Management Committee accomplishments:** https://company.meralco.com.ph/corporate-governance/board-committees **Risk Management Committee Charter:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1433818851.5ae6b5b5cf0bc3f510ed8e4768c9da92_2.pdf **Board Performance evaluation—** **Annual Report, page 72:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for	▪ Screening of nominees to the Board ▪ Approval of 2021 schedule of Board meetings ▪ Review and approval of the appointment of the Chief Commercial Officer, Head of Supply Chain Management, and Head of Corporate Communications ▪ Review and approval of the board committee composition ▪ Evaluation of compliance to ERC requirements ▪ Review and approval of business separation and unbundling plan reports ▪ Review and approval of public-private partnerships ▪ Approval of construction, development, and commissioning of substation assets ▪ Review and approval of power generation projects, interim power supply agreements (IPSAs) and power supply agreements (PSAs), technical services agreements, pole relocation projects, and other local and international business initiatives ▪ Approval of Audited Financial Statements ▪ Evaluation of incumbent external auditor and nomination of external auditor for 2020 ▪ Approval of report of external auditors covering the Company's Audited Financial Statements ▪ Approval of dividend declaration

			web.pdf?null **Definitive Information Statement 2021, pages 30 and 32:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Meralco website:** https://company.meralco.com.ph/corporate-governance/board-matters **Governance practices—Nomination and Governance Committee Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Nom%20and%20Gov%20Charter%20Rev.%20Code%204%20Series%20of%202019.pdf?null **Succession Planning—Revised Manual of Corporate Governance, pages 8, 13, 19, 23:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1494223701.734f71990a1a231c0712493180035b01.pdf	▪ Review and approval of material RPTs ▪ Enterprise performance evaluation and assessment ▪ Performance assessment of the Board, Board Committee, and President and CEO ▪ Review and approval of executive promotions, rightsizing policy and succession planning ▪ Review and approval of employee performance management plan ▪ Review and approval of supply contracts in excess of PHP 50 million **Business Plan and Annual Budgets** ▪ Review and approval of the 2021 budget ▪ Monitoring of investment committee report ▪ Review and approval of corporate strategic objectives ▪ Monitoring of the implementation of corporate strategies ▪ Review of forecast of subsidiaries' projects **Major Investment Fundings** ▪ Infusion of equity to subsidiaries ▪ Renewal of credit lines, credit facilities, and bonds In particular, the Board performs the following functions among others:

			Annual Report, pages 59: https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Meralco website:** https://company.meralco.com.ph/corporate-governance/management-team-and-executive-officers **Remuneration—** **Annual Report, page 69:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Revised Manual of Corporate Governance, page 22:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1494223701.734f71990a1a231c0712493180035b01.pdf **Nomination and election—**	Corporate Strategy— The Board annually reviews and approves the cor\porate strategic objectives and monitors the implementation thereof. The overall strategic directions, corporate objectives, and long-term goals are reviewed and approved are based on the Business Plan approved during the previous year and are presented to the Board for its evaluation and concurrence, following the same process for approval of Board resolutions. The Board, in its regular meeting held on January 27, 2020 as part of the Board's assessment of the Company's performance in the past year, reviewed and confirmed the vision, mission, and corporate strategic objectives of the Company. The Board, in its regular meeting, held on November 28, 2017, also approved the 2018-2022 Business Plan (2018 Definitive Information

			Nomination and Election Policy: https://meralcomain.s3-ap-southeast-1.amazonaws.com/images/ckeditor-documents/1507537559.60ca3d51dd12cdebdbe59ae9d09a2889.pdf?null **Conflict of interest and internal control—** **Revised Manual of Corporate Governance, Article I, Section 5, page 12:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1494223701.734f71990a1a231c0712493180035b01.pdf **Audit Committee Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2018-03/03022018_auditcomcharter_1.pdf?null **Meralco website:** https://company.meralco.com.ph/corporate-governance/companys-policies **Management Control Policy** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/83df1043a77873700ef49b2559a77a92.pdf?null	Statement, page 144). Risk Management— The Board, through the Risk Management Committee, oversees the Enterprise-Wide Risk Management framework, identifies and assesses top risks and reviews the effectiveness of risk mitigation strategies and treatment plans developed by management. The functions of the Board with respect to risk management are outlined in the Risk Management Charter. Board performance evaluation— The Board conducts an annual self-assessment of its performance as a whole. The Board conducted the assessment of its performance individually, collectively, and as members of the different Board Committees. The self-assessment results are key factors in the enhancement of directors' performance and effectiveness in the discharge of their duties.

			Code of Ethics, Article IV, pages 5-7: https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/e094b82ef60429fe682dfe165305abc5%20%281%29.pdf?null **Conflict of Interest Policy** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507537560.fea8c510112d9a9c74e8b490b5e46cde.pdf?null **Related Party Transactions—** **Related Party Transactions Policy:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Signed%20RPT%20Policy.pdf?null **Related Party Transactions Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2018-01/2017_rptcom_0.pdf **Disclosure and communications—** **Annual Report, page 56** https://company.meralco.com.ph/investor-relations/annual-reports	Corporate governance practices— The Board, through the Nomination and Governance Committee, effectively ensures compliance with and proper observance by the Company with corporate governance principles and practices. Succession planning— Together with the Board, the Nomination and Governance Committee (Nom&Gov) is responsible for recommending a succession planning program for its members while the Remuneration and Leadership Development Committee (RLDC) is responsible for overall guidance and direction on succession planning and leadership development of the President and CEO and Senior Management. The Committee, working closely with the head of Human Resources (HR), drives the strategy for succession planning, leadership development, and talent management. The HR head

			https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null The Company reports its quarterly and full year financial results through the SEC, PSE and PDEx to provide the shareholders, the investors, and the public a balanced and informed assessment of the Company's performance, position, and prospects. **Quarterly Reports:** http://www.meralco.com.ph/investorrelations/quarterly-reports **Financial Results:** http://www.meralco.com.ph/investorrelations/financial-results **Annual Reports:** http://www.meralco.com.ph/investorrelations/annual-reports These and other corporate disclosures and procedures are found in the Company website: **Meralco website:** https://company.meralco.com.ph/corporate-governance/compliance-and-performance https://company.meralco.com.ph/company-disclosures/sec-filings **Revised Code of Ethics, Article**	develops and implements the processes and the tools to ensure robust pools of succession candidates for the President and CEO, senior management, middle management and first line management. Remuneration— The Remuneration and Leadership Development Committee recommends to the Board, for the approval of the shareholders, a framework of remuneration for directors and Management, including the President and CEO. For the President and CEO, and Management, the framework takes into account all aspects of executive remuneration including salaries, allowances, bonuses, and benefits in kind. The framework is benchmarked against pay and employment conditions within the industry and it links rewards to corporate and individual performance. The Board ensures that the remuneration of its members

			I, page 3: https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/e094b82ef60429fe682dfe165305abc5%20%281%29.pdf?null	and key officers is aligned with the long-term interest of the Company. The Company adopts a remuneration policy comprised of fixed and variable components in the form of base salary and variable bonus linked to the Company's and the individual's performance. Compensation packages and revisions of key Management's remuneration are subject to the review and approval of the Remuneration and Leadership Development Committee. The Board ensures that the remuneration of directors and officers is consistent with the Company's culture, strategy, and the business environment in which it operates and aligned with the long-term interest of the Company. Nomination and election— The Company's standalone Nomination and Election Policy was issued to set forth the procedures in the director selection process, including the

				acceptance of nominations from minority shareholders and the evaluation and screening of nominees vis-à-vis the applicable qualifications and disqualifications set forth in the Company's Revised Manual of Corporate Governance, By-laws and other applicable law, policy or regulation, how the board shortlists candidates, and an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director. It was approved on September 25, 2017. Conflicts of interest and internal controls— The Board, through the Audit Committee, evaluates the effectiveness of the internal control system of the Company, seeks management's assurance on the adequacy and effectiveness of the Company's internal control system and oversees Management's Control Policy. The internal control system, detailed in the company's Management

				Control Policy, Code of Ethics, and Conflict of Interest Policy, includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders. Also, the Company's Conflict of Interest Policy requires all directors to submit a Full Business Interest Disclosure Statement not later than January 31 of each year. This includes the disclosure of each director's affiliations and directorships in other companies. The Nomination and Governance Committee of the Board annually reviews the prescribed Full Business Interest Disclosure of all incoming Directors to ensure that the Board's membership has a proper mix and diversity of qualifications, background, experience, independence, and skills needed to effectually perform its responsibilities. Related party transactions— The Company's Board has overall responsibility in ensuring that there is a group-wide policy and system

				governing related party transactions (RPTs) and other unusual or infrequently occurring transactions. It is the policy of the Company that all related party transactions (RPTs) are done in "fair and at arm's-length" terms and must inure to the benefit and best interest of the Company and its shareholders. In this regard, all RPTs shall be conducted in accordance with the principles of honesty, transparency and fairness. In 2017, the Board approved the Organizational Charter of the RPT Committee and delegating upon the RPT Committee the responsibility of reviewing material/significant RPTs, determining whether they are in the best interest of the Company and shareholders, and ensuring that all RPTs of the Company are conducted in fair and at arm's length terms. Disclosure and communications—

				The Company, has always endeavored to faithfully comply with the disclosure and reportorial requirements of SEC, PSE, Philippine Dealing & Exchange Corp. (PDEx), and other relevant regulatory bodies. The Company's policies embody an utmost respect to the right of the minority shareholders while pursuing corporate interest. This includes the timely, fair, and accurate disclosure of material information. Under Article I of the Revised Code of Ethics, all directors, officers and employees are enjoined to comply with all laws, rules and regulations governing the business operations of the Company and enfranchising its corporate existence, listing in the stock exchange, and utility operations. In the performance of their duties, all directors, officers and employees shall, at all times, be aware of and adhere to the requirements and restrictions imposed by laws, rules and regulations and the Company's standards, policies,

				rules and procedures.
E.1.3	Are the roles and responsibilities of the board of directors/commissioners clearly stated ?		**By-laws, Article II, Section 7, pages 6-8:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/by-laws.pdf **Revised Manual of Corporate Governance**: Page 7, General Responsibility Page 8, Specific Responsibility Page 10, Board assessment Pages 10 – 11, Nomination and election Page 12, Internal control Pages 18 – 25, Board Committees: https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null **Board Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Board_Charter.pdf?null **Board Committee Organizational Charters:** https://company.meralco.com.ph/corporate-governance/board-committees **Executive Committee** https://meralcomain.s3.ap-southeast-	**YES.** The roles and responsibilities of the board of directors clearly stated in the Company's By-laws, the Revised Manual of Corporate Governance, the Board Charter and the Board Committee Charters and specific policies of the Company.

			1.amazonaws.com/documents/pdf_listing/2017-09/1433818851.c67a80c249b840e65b1d2d16dc4efd49_1.pdf **Nomination and Governance Committee** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-01/nom_and_gov_charter_rev._code_4_series_of_2019.pdf **Audit Committee** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2018-03/03022018_auditcomcharter_1.pdf **Remuneration and Leadership Development Committee** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1433818863.9928e1d01e76f50e57dc0740a76b3eec_0.pdf **Finance Committee** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_li	

			sting/2017-09/1433818851.29c71b5b80f763d35d8d6f4a9f525f66_0.pdf **Risk Management Committee** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2019-03/2018_charter_of_the_risk_management_committee_of_the_board_of_meralco.pdf **Related Party Transactions Committee** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2018-01/2017_rptcom_0.pdf	

	Corporate Vision/Mission			
E.1.4	Does the company have an updated vision and mission statement?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board ICGN (2014): 4.1 Codes of Conduct/Ethics** The board should adopt high standards of business ethics through codes of conduct/ethics (or similar instrument) and oversee a culture of integrity, notwithstanding differing ethical norms and legal standards in various countries. This should permeate all aspects of the company's operations, ensuring that its vision, mission and objectives are ethically sound and demonstrative of its values. Codes should be effectively communicated and integrated into the company's strategy and operations, including risk management systems and remuneration structures.	**Meralco Website:** https://company.meralco.com.ph/corporate-profile/mission-vision-values-and-principles https://company.meralco.com.ph/corporate-governance/board-directors **Annual Report, page 64:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**YES.** The Board annually reviews, confirms and/or updates the vision, mission, and corporate strategic objectives of the Company. **Mission:** To provide our customers the best value in energy, products and services. **Vision:** To be a world-class company and the service provider of choice. **Corporate Values and Principles:** 1. Integrity and Transparency 2. Malasakit 3. Makabayan 4. Performance 5. Accountability 6. Customer Service 7. Teamwork The Mission, Vision, Values and Principles of the Company are disclosed in the Annual Report and posted in the

				Company Website. On April 26, 2021, the Board reviewed and approved the updated vision, mission and values of the Company: **Mission:** To be a world-class energy solutions provider, powering our nation and empowering our people today and for generations to come. **Vision:** To provide our customers the best value energy solutions – reliably, affordably, superbly, and sustainably. **Corporate Values and Principles:** 1. Excellence 2. Customer Centricity 3. Sustainability 4. Integrity 5. Innovation 6. Malasakit 7. Bayanihan

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E.1.5	Does the board of directors play a leading role in the process of developing and reviewing the company's strategy at least annually?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** **D. The board should fulfil certain key functions, including:** Reviewing and guiding corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.	**Annual Report, page 64:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement (DIS) 2018, page 144:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2018-04/2018_definitive_information_statement_-.pdf?null **List of Acts of the Board—Annual Report, pages 65 and 66:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**YES.** The Board annually reviews, confirms and/or updates the vision, mission, and corporate strategic objectives of the Company. The Board is responsible for setting the Company's overall strategic directions, corporate objectives, and long-term goals. It conducts an annual review of the Company's business objectives and strategies to ensure that obligations to shareholders and to all stakeholders are understood and met. These include major plans of actions, risk management policies, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures. These are reviewed and approved are based on the Business Plan approved during the previous year and are presented to the Board for its evaluation and concurrence, following the same process for approval of

				Board resolutions. The Board, in its regular meeting held on January 27, 2020 as part of the Board's assessment of the Company's performance in the past year, reviewed and confirmed the vision, mission, and corporate strategic objectives of the Company. The Board, in its regular meeting, held on November 28, 2017, also approved the 2018-2022 Business Plan (2018 Definitive Information Statement, page 144).

E.1.6	Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy?	**ICGN (2014): 4.1 Codes of Conduct/Ethics** The board should adopt high standards of business ethics through codes of conduct/ ethics (or similar instrument) and oversee a culture of integrity, notwithstanding differing ethical norms and legal standards in various countries. This should permeate all aspects of the company's operations, ensuring that its vision, mission and objectives are ethically sound and demonstrative of its values. Codes should be effectively communicated and integrated into the company's strategy and operations, including risk management systems and remuneration structures. **ICGN (2014): 1.2 Responsibilities** The board is accountable to shareholders and relevant stakeholders and is responsible	**Management Control Policy:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/managementcontrolpolicy.pdf?null **Meralco Website:** https://company.meralco.com.ph/corporate-governance/management-team-and-executive-officers	**YES.** The Company has defined processed outlined in a Management Control Policy aimed to oversee the implementation of corporate strategy and operations including risk management systems and remuneration structures. The Policy defines the roles and responsibilities of management, internal audit and the Audit and Risk Management Committees related to controls over organization's processes and to the effective execution of corporate strategies that facilitate management performance that are attuned to the company's business environment, and operating under a culture of sound principles, values and business ethics.

		for protecting and generating sustainable value over the long term. In fulfilling their role effectively, board members should: a) guide, review and approve corporate strategy and financial planning, including major capital expenditures, acquisitions and divestments		

E.2 Board Structure		Guiding Reference	Source	Reference
	Code of Ethics or Conduct			
E.2.1	Are the details of the code of ethics or conduct disclosed?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (C) The board should apply high ethical standards. It should take into account the interests of stakeholders.	**Revised Code of Ethics:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/e094b82ef60429fe682dfe165305abc5%20%281%29.pdf?null **Meralco website:** https://company.meralco.com.ph/corporate-governance/revised-code-ethics **Annual Report, page 59:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for	**YES.** Details of the Revised Code of Ethics are disseminated to all directors, officers and employees of the Company and are posted in the Company's internal program—the MyHRExpress facility and uploaded to the Company Website. The Code is explained to the directors, officers and employees during onboarding or orientation programs and seminars.

			web.pdf?null	
E.2.2	Are all directors/commissioners, senior management and employees required to comply with the code/s?		**Revised Code of Ethics:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/e094b82ef60429fe682dfe165305abc5%20%281%29.pdf?null	**YES.** The Revised Code of Ethics prescribes the ethical values and behavioral standards, which all directors, officers, and employees of the Company are required to observe in the performance of their respective duties and responsibilities. The Revised Code of Ethics also provides for the ethical standards to be observed by all directors, officers, and employees in their relationships among themselves and in dealing with the Company's customers, suppliers, business partners, competitors, government, regulators, creditors, stockholders and the general public.

E.2.3	Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct?	The board has a key role in setting the ethical tone of a company, not only by its own actions, but also in appointing and overseeing key executives and consequently the management in general. High ethical standards are in the long term interests of the company as a means to make it credible and trustworthy, not only in day-to-day operations but also with respect to longer term commitments. To make the objectives of the board clear and operational, many companies have found it useful to develop company codes of conduct based on, inter alia, professional standards and sometimes broader codes of behaviour. The latter might include a voluntary commitment by the company (including its subsidiaries) to comply with the OECD Guidelines for Multinational Enterprises which reflect all four principles contained in the ILO Declaration on Fundamental Labour Rights. Company-wide	**Code of Ethics, Article IV, pages 5-7:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/e094b82ef60429fe682dfe165305abc5%20%281%29.pdf?null	**YES.** The Company's Code of Ethics provides for the following compliance process to implement the provisions of the Code: 1. The Corporate Governance Office has the specific task of implementing and monitoring corporate governance policies throughout the organization and the definition of the process by which such policies are implemented and monitored. 2. Each director, officer or employee is encouraged to consult with the Corporate Governance Office or with the appropriate offices with the authority to enforce specific Code guidelines issued pursuant to this Code when in doubt about the best course of action in a particular situation relating to a subject matter of this Code. 3. Organization Heads have the responsibility for the

		codes serve as a standard for conduct by both the board and key executives, setting the framework for the exercise of judgement in dealing with varying and often conflicting constituencies. At a minimum, the ethical code should set clear limits on the pursuit of private interests, including dealings in the shares of the company. An overall framework for ethical conduct goes beyond compliance with the law, which should always be a fundamental requirement.		monitoring, ensuring, and enforcing compliance with this Code within their area of jurisdiction. The Organization Heads shall also be responsible for reporting noncompliance with this Code to their hierarchy or the Corporate Governance Office whenever appropriate, including taking or implementing disciplinary actions after proper exercise of due process. 4. The Company's directors, officers and employees have the duty to report any observed violations of this Code and to communicate the same to our supervisors and immediate Heads, or the Corporate Governance Office, when appropriate. Our Company shall take steps to ensure the protection of those who report violations in good faith. On the other hand, our Company shall impose sanctions on those who attempt to conceal or hamper the investigation of

				any violation of this Code. 5. The Company shall take all reports of potential violations of this Code seriously and are committed to confidentiality and exercise of due process for the investigation of allegations. Employees who are under investigation for potential violation of this Code will have an opportunity to be heard prior to any final decision of our Company. 6. Any administrative investigation or penalty imposed under the provisions of this Code shall be independent of, and without prejudice to, any other legal action that may be instituted against the party concerned under existing laws and regulations.
Board Structure & Composition				
E.2.4	Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (E) The board should be able to exercise objective independent judgement on corporate affairs.	**Meralco website:** https://company.meralco.com.ph/corporate-governance/board-directors **Audited Financial Statement**	**NO.** The Board is composed of a majority of non-executive directors and is able to constantly exercise objective and independent judgment on

			(SEC Form 17-A), pages 124 to 133: https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?null **Definitive Information Statement 2021, pages 6-17:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **2020 Annual Report, page 66:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	all corporate affairs. Out of 11 members, although at present only two (2) are independent directors, only one (1), the President and CEO is executive director, while the remaining eight (8) are all non-executive directors. The Company has evaluated the prospect of adding independent directors to comply with the Revised Corporation Code.
E.2.5	Does the company have a term limit of nine years or less or 2 terms of five years[1] each for its independent directors/ commissioners? [1] The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011	**UK CODE (2016):** B.2.3 Non-executive directors should be appointed for specified terms subject to re-election and to statutory provisions relating to the removal of a director. Any term beyond six years for a non-executive director should be subject to particularly	**Revised Manual of Corporate Governance, Article I, Section 2.2, page 7:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null **Meralco website (Independent Directors):**	**YES.** The Revised Manual of Corporate Governance states that independent directors may serve for a maximum of nine consecutive years reckoned from 2012, making sure, however, that the shareholders' legal right to vote and be voted directors remains inviolable.

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		rigorous review, and should take into account the need for progressive refreshing of the board and to succession for appointments to the board and to senior management, so as to maintain an appropriate balance of skills and experience within the company and on the board.	https://company.meralco.com.ph/corporate-governance/board-matters **Definitive Information Statement 2021,** **Artemio Panganiban, page 13;** **Pedro E. Roxas, page 14:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Definitive Information Statement 2020,** **Artemio Panganiban, page 15;** **Pedro E. Roxas, page 16:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null	If the company wants to retain an independent director who has served for nine consecutive years, the Board should provide meritorious justification and advise the shareholders of such justification during the annual shareholders' meeting. Reckoned from 2012, the Company's Independent Directors have yet to reach the cumulative term of nine years in 2021. Said profile and qualifications as well as the years the independent directors serve years as such are likewise reflected in the 2021 Definitive Information Statement.

E.2.6	Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** **(**E) The board should be able to exercise objective independent judgement on corporate affairs. 3. Board members should be able to commit themselves effectively to their responsibilities. Service on too many boards can interfere with the performance of board members. Some countries have limited the number of board positions that can be held. Specific limitations may be less important than ensuring that members of the board enjoy legitimacy and confidence in the eyes of shareholders. Disclosure about other board memberships to shareholders is therefore a key instrument to improve board nominations. Achieving legitimacy would also be facilitated by the publication of attendance records for individual board members (e.g.	**Board Charter** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Board_Charter.pdf?null **Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-matters **Annual Report, pages 66 and 67:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null The directorships of the directors in both listed and non-listed companies are stated in the Definitive Information Statement (DIS) 2020 and 2021: **Definitive Information Statement 2021**, **pages 6-17:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_info	**NO.** Under the Board Charter, the non-executive directors of the Board may concurrently serve as directors of other publicly listed companies but they must ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/ views, and oversee the long-term strategy of the Company. Non-executive directors are provided advance notice of proposed meeting agenda, together with supporting documents, so as to give them reasonable period of time within which to study and prepare for the meeting, challenge Management's proposals or views, and oversee the long-term strategy of the Company. Also, the Board ensures that all its members attend most, if not all, of its meetings, extensively discuss all matters affecting the Company and its stakeholders as well as its long-term strategy.

		whether they have missed a significant number of meetings) and any other work undertaken on behalf of the board and the associated remuneration.	rmation_statement_april_27_2021.pdf?null **Definitive Information Statement 2020, pages 7-19:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null	Accordingly, in 2020, no director has attended less than 86% of the board meetings.
E.2.7	Does the company have any executive directors who serve on more than two boards of listed companies outside of the group?		**Definitive Information Statement 2021, <u>pages 9 and 10:</u>** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Definitive Information Statement 2020, <u>pages 11 and 12:</u>** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null	**YES.** The only executive director in the Board is the Company's President and CEO, Atty. Ray C. Espinosa who does not serve in more than two boards of listed companies outside the group. The directorships of the directors in both listed and non-listed companies are stated in the Definitive Information Statement (DIS) 2020 and 2021.
Nomination Committee (NC)				
E.2.8	Does the company have a Nominating Committee?	**G20/OECD PRINCIPLE II: The Rights and Equitable Treatment of Shareholders and Key Ownership Functions**	**Revised Nomination and Governance Committee Charter:** https://meralcomain.s3.ap-southeast-	**YES.** The Company has a Nomination and Governance Committee. Its duties and responsibilities as reflected in its charter include screening

			1.amazonaws.com/images/ckeditor-documents/Nom%20and%20Gov%20Charter%20Rev.%20Code%204%20Series%20of%202019.pdf?null **Annual Report, pages 65 and 69:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	qualified nominees for election as directors, assessing the independence of directors, introducing improvements on Board organization and procedures, setting-up of mechanisms for performance evaluation of the Board and Management, and providing programs for continuing education of the Board. Moreso, the Nomination and Governance Committee undertook the process of identifying the qualification of directors aligned with the Company's strategic directions. It reviews and recommends to the Board for the appointment of Directors and members to the Board Committees. The process involves identifying, reviewing, and recommending potential candidates to the Board for consideration.
E.2.9	Is the Nominating Committee comprised of a majority of independent directors/commissioners?		**Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-committees *Profile of Directors: **Meralco Website:**	**NO.** The Nomination and Governance Committee effectively ensures compliance with and proper observance by the Company with corporate governance principles and practices. Independent and

			https://company.meralco.com.ph/corporate-governance/board-directors **Annual Report/Audited Financial Statement (SEC Form 17-A), pages 134 to 143 in relation to 144:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?null **Definitive Information Statement 2021, pages 6-17:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Definitive Information Statement 2020, pages 7-19:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null	objective judgment is practiced at all times by the Committee given that the Chairman, is an Independent Director while all other members are non-executive directors.

E.2.10	Is the chairman of the Nominating Committee an independent director/commissioner?	**(C) Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings:** With respect to nomination of candidates, boards in many companies have established Nominating Committees to ensure proper compliance with established nomination procedures and to facilitate and coordinate the search for a balanced and qualified board. It is increasingly regarded as good practice in many countries for independent board members to have a key role on this committee. To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate.	**Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-committees **Annual Report, page 67** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement 2021, page 31** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**YES.** The chairman of the Nomination and Governance Committee, Mr. Pedro Emilio O. Roxas, is an Independent Director.

		The recognition of Independent Party in the composition of the Nomination Committee can be counted as committee members. However, to score "Y", the Independent Party should meet the independence requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board. **G20/OECD PRINCIPLE VI (E)** 1. Boards should consider assigning a sufficient number of nonexecutive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives, and board remuneration.		

E.2.11	Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (E) The board should be able to exercise objective independent judgement on corporate affairs. 2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk	**Revised Nomination and Governance Committee Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Nom%20and%20Gov%20Charter%20Rev.%20Code%204%20Series%20of%202019.pdf?null **Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-committees	**YES.** The composition, duties and responsibilities and other terms of reference of the Nomination and Governance Committee are embodied in the Revised Nomination and Governance Committee Charter which is posted in the Company website.

E.2.12	Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year?	profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board. Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system.	**Annual Report, page 69:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-committees **Definitive Information Statement 2021, page 31** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**YES.** The Nomination and Governance Committee met five (5) times in 2020. The Committee meeting attendance of directors are disclosed in the Annual Report, Company website and Definitive Information Statement.

		Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear. Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions. Given the responsibilities of the NC spelt out in codes of corporate governance, the NC is unlikely to be fulfilling these responsibilities effectively if it is only meeting once a year. Globally, the NC of large companies would meet several times a year. **G20/OECD PRINCIPLE VI (E)** 2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon		

		the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.		

	Remuneration Committee (RC)/Compensation Committee			
E.2.13	Does the company have a Remuneration Committee?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:** 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. It is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives. Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term considerations. Policy statements generally tend to set conditions for payments to board members for extra-board activities, such as consulting. They also often specify terms to be observed by board members and key	**Remuneration and Leadership Development Committee Charter:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1433818863.9928e1d01e76f50e57dc0740a76b3eec_0.pdf	**YES.** The Company has a Board Remuneration and Leadership Development Committee (RLDC) which is responsible for overall guidance and direction on succession planning and leadership development of the President and CEO and Senior Management.
E.2.14	Is the Remuneration Committee comprised of a majority of independent directors/commissioners?		**Remuneration and Leadership Development Committee Charter:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1433818863.9928e1d01e76f50e57dc0740a76b3eec_0.pdf **Annual Report, page 69** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **By-laws, Article II, Section 7, page 6:**	**NO.** While the Remuneration and Leadership Development Committee is not comprised of a majority of independent directors, its members are all non-executive directors including one (1) independent director to ensure the exercise of independent judgment in setting Board remuneration. Directors do not participate in discussions or deliberations involving their own remuneration. The framework of remuneration for Directors and Management, including the President and CEO is subject to the recommendation of the Board's Remuneration and Leadership Development Committee (RLDC) and to the

		executives about holding and trading the stock of the company, and the procedures to be followed in granting and re-pricing of options. In some countries, policy also covers the payments to be made when hiring and/or terminating the contract of an executive. In large companies, it is considered good practice that remuneration policy and contracts for board members and key executives be handled by a special committee of the board comprising either wholly or a majority of independent directors and excluding executives that serve on each other's remuneration committees, which could lead to conflicts of interest. The introduction of malus and claw-back provisions is considered good practice. They grant the company the right to withhold and recover compensation from executives in cases of managerial fraud and other circumstances, for example when the company is required to restate its financial statements due to material	https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/by-laws.pdf *Profile of Directors: **Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-directors **Annual Report/ Audited Financial Statement (SEC Form 17-A), pages 124 to 133:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?null **Definitive Information Statement 2020, pages 7-19:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null **Definitive Information Statement 2021, pages 6-17:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	approval of the shareholders. Specifically, the Company's By-Laws provides for the remuneration of directors in the form of per diems for their attendance at each regular or special meeting and additional compensation, whether in the form of a fixed retainer, bonus or stock grant, or a combination thereof, as may be approved by the Board of Directors and majority vote of the outstanding capital stock. The total value of such additional compensation, in whatever form so given, shall not exceed one percent (1%) of the net income before tax of MERALCO during the preceding year. No fees or other remuneration shall be payable to the members of RLDC in respect to their services provided in connection with the Committee, save and except fees or remunerations authorized by the Board. The profile of members of RLDC are posted in the Company website and stated in the Annual Report, Definitive Information Statement and other regulatory

		noncompliance with financial reporting requirements.		submissions.
E.2.15	Is the chairman of the Remuneration Committee an independent director/commissioner?	The recognition of Independent Party in the composition of the Remuneration Committee can be counted as committee members. However, to score "Y", the Independent Party should meet the independence requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board.	**Annual Report, pages 67 to 69:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**NO.** The chairman of the Remuneration and Leadership Development Committee is Mr. Manuel V. Pangilinan who is a Non-Executive Director.

E.2.16	Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board**	**Remuneration and Leadership Development Committee Charter:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1433818863.9928e1d01e76f50e57dc0740a76b3eec_0.pdf **Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-committees	**YES.** The composition, duties and responsibilities and other terms of reference of the Remuneration and Leadership Development Committee are embodied in the Remuneration and Leadership Development Committee Charter which is posted in the Company website.

E.2.17	Is the meeting attendance of the Remuneration Committee disclosed and, if so, did the Remuneration Committee meet at least twice during the year?	(E) The board should be able to exercise objective independent judgement on corporate affairs. 2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board. Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees	**Annual Report, page 69:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-committees **Definitive Information Statement 2021, page 31** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**YES.** The Remuneration and Leadership Development Committee met five (5) times in 2020. The Committee meeting attendance of directors are disclosed in the Annual Report, Company website and Definitive Information Statement.

		with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system. Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear. Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions.		

		Given the responsibilities of the Remuneration Committee (RC) which are spelt out in codes of corporate governance, the RC is unlikely to be fulfilling these responsibilities effectively if it only meets once a year. Globally, the RC of large companies would meet several times a year.		
	Audit Committee (AC)			
E.2.18	Does the company have an Audit Committee?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (E) The board should be able to exercise objective independent judgement on corporate affairs. (1) Boards should consider assigning a sufficient number of non- executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives, and board remuneration.	**Audit Committee Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Audit%20Committee%20Charter.pdf?null **Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-committees	**YES.** The Company has an Audit Committee which assists the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the internal and external audit process, and compliance with laws and regulations. The specific duties and responsibilities are delineated in its Charter as posted in the Company Website. In particular, Article C of the Audit Committee Charter provides that the Audit Committee has the power to 1. review with Management and the external auditors the results of the audit of the financial statements and evaluation of

				internal accounting controls; 2. review and evaluate procedures and criteria for the selection, appointment, annual performance evaluation and if appropriate, termination of services of the external auditors and recommend to the Board for approval, the appointment, reappointment or removal of the external auditors, duly accredited by the SEC and ratified by the shareholders; and 3. Monitor compliance and adherence by the Company with all applicable laws and regulations pursuant to which the Company conducts its operations and business activities.
E.2.19	Is the Audit Committee comprised entirely of non-executive directors/ commissioners with a majority of independent directors/ commissioners?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (E) The board should be able to exercise objective independent judgement on corporate affairs. 2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and	The members of the Audit Committee, including their qualifications and type of directorship are stated in the Company Website: https://company.meralco.com.ph/corporate-governance/board-committees *Profile of Directors: **Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-directors	**NO.** The Audit Committee ably assists the Board by exercising independent oversight over the Company's financial reporting, internal control system, internal and external audit processes, and compliance with laws and regulations. The Audit Committee is composed of six (6) appropriately qualified non-executive directors. Both the Chairman and another member,

		remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board. Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system. Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help	**Annual Report/Audited Financial Statement (SEC Form 17-A), pages 134 to 143 in relation to 144:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?null **Definitive Information Statement 2021, pages 6-17:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Definitive Information Statement 2020**, pages 7-19: https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null	are Independent Directors while the remaining members of the Audit Committee are all non-executive directors. One member, Ms. Anabelle Chua, has over 20 years of experience in the areas of accounting, corporate finance, treasury, financial control and credit risk management.
E.2.20	Is the chairman of the Audit Committee an independent director/commissioner?		**Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-committees **Definitive Information Statement 2021, page 13:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_info	**YES.** Ret. Chief Justice Artemio V. Panganiban, the Chairman of the Audit Committee, is the Lead Independent Director and is not the Chairman of the Board or of any other committee. The information on the Audit Committee Chairman can be found in the Company Website.

		avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear. Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions. The recognition of Independent Party in the composition of the Remuneration Committee can be counted as committee members. However, to score "Y", the Independent Party should meet the independence requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board	rmation_statement_april_27_2021.pdf?null **Definitive Information Statement 2020**, pages 15 and 16: https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null	
E.2.21	Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?		**Audit Committee Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Audit%20Committee%20Charter.pdf?null **Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-committees	**YES.** The composition, duties and responsibilities and other terms of reference of the Audit Committee are embodied in the Audit Committee Charter which is posted in the Company website.

E.2.22	Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)?	**UK CODE (2016)** C.3.1 The board should satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience. As many of the key responsibilities of the Audit Committee are accounting related, such as oversight of financial reporting and audits, it is important to have someone specifically with accounting expertise, not just general financial expertise.	**Profile of Ms. Anabelle L. Chua:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/profile/2018-03/03082017_bodanabellechua.pdf?null **Company Website:** https://company.meralco.com.ph/corporate-governance/board-committees **Definitive Information Statement 2021, pages 14 and 15:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**YES.** Ms. Anabelle Chua is a member of the Audit Committee and has over 20 years of experience in the areas of accounting, corporate finance, treasury, financial control and credit risk management.
E.2.23	Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four times during the year?		**Annual Report, page 69:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Meralco Website:** https://company.meralco.com.ph/cor	**YES.** The Audit Committee met six (6) times in 2020. The Committee meeting attendance of directors are disclosed in the Annual Report, Company website and Definitive Information Statement.

			porate-governance/board-committees **Definitive Information Statement 2021, page 31** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	

E.2.24	Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?	**UK CODE (2016)** C.3.6 The Audit Committee should have primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditor. If the board does not accept the Audit Committee's recommendation, it should include in the Annual Report, and in any papers recommending appointment or re-appointment, a statement from the Audit Committee explaining the recommendation and should set out reasons why the board has taken a different position.	**Audit Committee Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Audit%20Committee%20Charter.pdf?null	**YES.** Article C of the Audit Committee Charter provides that the Audit Committee has the power to review and evaluate procedures and criteria for the selection, appointment, annual performance evaluation and if appropriate, termination of services of the external auditors and recommend to the Board for approval, the appointment, reappointment or removal of the external auditors, duly accredited by the SEC and ratified by the shareholders.

E.3 Board Processes	**Guiding Reference**	**Source**	**Reference**
Board Meetings and Attendance			

E.3.1	Are the board of directors meeting scheduled before the start of financial year?	Scheduling board meetings before or at the beginning of the year would allow directors to plan ahead to attend such meetings, thereby helping to maximise participation, especially as non-executive directors often have other commitments. Additional ad hoc meetings can always be scheduled if and when necessary. It is common practice for boards in developed markets to schedule meetings in this way.	**Meralco website:** https://company.meralco.com.ph/corporate-governance/board-matters **Annual Report, page 65** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **2020 Definitive Information Statement- List of Acts of the Board, page 201:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf	**YES.** The Board, as part of the agenda of its meeting on November 25, 2019 approved the schedule of 2020 Board meetings, subject to confirmation at the start of the year.
E.3.2	Does the board of directors/commissioners meet at least six times during the year?	**WORLDBANK PRINCIPLE 6** (VI.I.24) Does the board meet at least six times per year?	**Annual Report, page 66:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Meralco website:** https://company.meralco.com.ph/corporate-governance/board-matters **2020 Board Committee**	**YES.** The Board met fifteen (15) times in 2020. 2020 Annual Stockholders' Meeting and Board Meeting Attendance are disclosed in the Annual Report and in the Company Website.

			Meeting Attendance is stated in the 2021 Definitive Information Statement, page 31: https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	
E.3.3	Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (E) The board should be able to exercise objective independent judgement on corporate affairs. 3. Board members should be able to commit themselves effectively to their responsibilities Specific limitations may be less important than ensuring that members of the board enjoy legitimacy and confidence in the eyes of shareholders. Achieving legitimacy would also be facilitated by the publication of attendance records for individual board members (e.g. whether they have missed a significant number of meetings) and any other work undertaken on behalf of the board and the associated remuneration.	**Annual Report, page 66:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Meralco website:** https://company.meralco.com.ph/corporate-governance/board-matters **2020 Board Committee Meeting Attendance is stated in the 2021 Definitive Information Statement, page 31:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**YES.** The Board ensures that all its members attend most, if not all, of its meetings, extensively discuss all matters affecting the Company and its stakeholders as well as its long-term strategy. Accordingly, in 2020, no director has attended less than 86% of the board meetings.

E.3.4	Does the company require a minimum quorum of at least 2/3 for board decisions?	**WORLDBANK PRINCIPLE 6** (VI.I.28) Is there a minimum quorum of at least 2/3 for board decisions to be valid?	**By-Laws, page 4** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/by-laws.pdf 2020 Board Committee Meeting Attendance is stated in the **Definitive Information Statement, page 31:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**NO.** The minimum quorum adopted by the Board, which is in accordance with the Philippine Corporation Code and the Company's Amended By-Laws, is majority of 11 Directors of the Board (50% +1), or at least 6 Directors. Nevertheless, consensus among directors for most if not all resolutions are reached through open, transparent, and vigorous discussions. Based on the 2020 Board Meeting attendance and voting records, more than two-thirds (2/3) of the BOD were present at and have voted upon proposed resolutions at every meeting. **Hence, in practice, board decisions are arrived at in a meeting attended by at least 2/3 of the members of the BOD.**
E.3.5	Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?	**WORLDBANK PRINCIPLE 6** (VI.E.1.6) Does the corporate governance framework requires or encourages boards to conduct executive sessions?	**Annual Report, pages 66 and 70, 92 and 93** **Report of the Audit Committee:** https://company.meralco.com.ph/inv	**YES.** In 2020, the Company's non-executive directors met seven (7) times without the presence of an executive director. The agenda in these meetings were the

		G20/OECD PRINCIPLE VI (E) Independent board members can contribute significantly to the decision making of the board. They can bring an objective view to the evaluation of the performance of the board and management. In addition, they can play an important role in areas where the interests of management, the company and its shareholders may diverge such as executive remuneration, succession planning, changes of corporate control, take-over defences, large acquisitions and the audit function. In order for them to play this key role, it is desirable that boards declare who they consider to be independent and the criterion for this judgement. Some jurisdictions also require separate meetings of independent directors on a periodic basis.	estor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Meralco website (Board Committees):** https://company.meralco.com.ph/corporate-governance/board-committees	Management's reports, corporate governance directions, reports of the internal and external auditors, and the performance assessment of the President and CEO. Also, the Audit Committee, which is composed of non-executive directors undertakes executive sessions with the Chief Audit Executive (CAE) and the External Auditors without the presence of Management. The conduct of executive session with the external auditors and the chief audit executive at least once a year is provided for in the charter of the Audit Committee. On December 11, 2020, the Audit Committee held separate executive session with the engagement partner of the external auditors, SGV. The agenda in these meetings involves matters the Audit Committee or the auditors believe should be discussed without the presence of the executive director or officers from management.

	Access to Information			
E.3.6	Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information. Board members require relevant information on a timely basis in order to support their decision-making. Non-executive board members do not typically have the same access to information as key managers within the company. The contributions of non- executive board members to the company can be enhanced by providing access to certain key managers within the company such as, for example, the company secretary, the internal auditor, and the head of risk management or chief risk officer, and recourse to independent external advice at the expense of the company. In order to fulfil their responsibilities, board members should ensure that they obtain accurate, relevant and timely	**Article I, Section 12.2 (f) of the Manual is found on page 27:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1494223701.734f71990a1a231c0712493180035b01.pdf **Board Charter, page 15:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Board_Charter.pdf?null **Meralco Website:** https://company.meralco.com.ph/corporate-governance/management-team-and-executive-officers	**YES.** As required under Article I, Section 12.2 (f) of the Revised Manual of Corporate Governance, the Corporate Secretary provides the necessary board papers associated with items on the meeting agenda at least five (5) business days ahead of the Board meetings in the Board Charter (page 15) and in the Company website.

		information. Where companies rely on complex risk management models, board members should be made aware of the possible shortcomings of such models. **WORLDBANK PRINCIPLE 6** (VI.F.2) Does such information need to be provided to the board at least five business days in advance of the board meeting?		
E.3.7	Does the company secretary play a significant role in supporting the board in discharging its responsibilities?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information. **ICSA Guidance on the Corporate Governance Role of the Company Secretary**	**2020 Annual Report, pages 67 and 87:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Annual Report/Audited Financial Statement (SEC Form 17-A), page 134:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?null **Definitive Information Statement 2020,** page 19:	**YES.** The Company's Corporate Secretary, Atty. Simeon Ken R. Ferrer, plays a significant role in supporting the Board by ensuring that good information flows within the Board and Board Committees and between Management and non-executive directors. He also facilitates the orientation and assists with the professional development of directors as required by regulators. The information on the Corporate Secretary, including his name, qualifications, duties and functions are stated in the Annual Report and in the Company website.

			https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null **Meralco website:** https://company.meralco.com.ph/corporate-governance/management-team-and-executive	

E.3.8	Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments?	**WORLDBANK PRINCIPLE 6** (VI.D.2.12) Do company boards have a professional and qualified company secretary?	**Meralco Website:** https://company.meralco.com.ph/corporate-governance/management-team-and-executive-officers **Definitive Information Statement 2021, page 164:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Advisement Letter-PSE Edge:** https://edge.pse.com.ph/openDiscViewer.do?edge_no=13929c8c96feaa880de8473cebbd6407	**YES.** The Company's Corporate Secretary is a corporate lawyer by profession and is trained in company secretarial services. He attends continuing education seminars where he receives regular updates of the laws, rules, and regulations relevant to his duties (Annual Report, page 67). The corporate governance trainings attended, including number of hours and topics covered are disclosed in the Company Website as well as in the Definitive Information Statement (DIS). The Corporate Secretary attended four (4) hours of relevant corporate governance training, particularly, the 14th MVP Annual Corporate Governance Enhancement Session held on September 25, 2020. The training discussed the following topics: 1. Lessons from a Pandemic: The MPIC Hospital Group

				Covid-19 Experience and Best Practices; and 2. How to Lead Courageously During a Crisis The Corporate Secretary also attended 7th SEC-PSE Corporate Governance Forum: Business Resiliency and Innovation in a New Normal Era on November 19, 2020.
	Board Appointment and Re-Election			
E.3.9	Does the company disclose the criteria used in selecting new directors/commissioners?	**G20/OECD PRINCIPLE II (C) (4):** To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate. **G20/OECD PRINCIPLE VI: Responsibilities of the Board** (D) The board should fulfil certain key functions, including: 5. Ensuring a formal and transparent board nomination and election process. These Principles promote an	**Nomination and Election Policy:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/images/ckeditor-documents/1507537559.60ca3d51dd12cdebdbe59ae9d09a2889.pdf?null **Criteria in the selection of directors/ Qualifications and Disqualifications—** **Revised Manual of Corporate Governance, pages 15 to 17:** https://company.meralco.com.ph/corporate-governance/revised-manual-corporate-governance	**YES.** The Company's standalone Nomination and Election Policy was issued to set forth the procedures in the director selection process, including the acceptance of nominations from minority shareholders and the evaluation and screening of nominees vis-à-vis the applicable qualifications and disqualifications set forth in the Company's Revised Manual of Corporate Governance, By-laws and other applicable law, policy or regulation, how the board shortlists candidates, and an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director. It was approved on September 25,

		active role for shareholders in the nomination and election of board members. The board has an essential role to play in ensuring that this and other aspects of the nominations and election process are respected. First, while actual procedures for nomination may differ among countries, the board or a nomination committee has a special responsibility to make sure that established procedures are transparent and respected. Second, the board has a key role in defining the general or individual profile of board members that the company may need at any given time, considering the appropriate knowledge, competencies and expertise to complement the existing skills of the board. Third, the board or nomination committee has the responsibility to identify potential candidates to meet desired profiles and propose them		2017.
E.3.10	Did the company describe the process followed in appointing new directors/commissioners?		**Nomination and Election Policy:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/images/ckeditor-documents/1507537559.60ca3d51dd12cdebdbe59ae9d09a2889.pdf?null **Criteria in the selection of directors/ Qualifications and Disqualifications—** **Revised Manual of Corporate Governance, pages 15 to 17:** https://company.meralco.com.ph/corporate-governance/revised-manual-corporate-governance	**YES.** The Company's standalone Nomination and Election Policy was issued to set forth the procedures in the director selection process, including the acceptance of nominations from minority shareholders and the evaluation and screening of nominees vis-à-vis the applicable qualifications and disqualifications set forth in the Company's Revised Manual of Corporate Governance, By-laws and other applicable law, policy or regulation, how the board shortlists candidates, and an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director. It was approved on September 25, 2017.

		to shareholders, and/or consider those candidates advanced by shareholders with the right to make nominations. There are increasing calls for open search processes extending to a broad range of people.		
E.3 .11	Are all directors/commissioners subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years[2] each? [2]The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011	**CGN (2014): 3.6 Elections** Board members should be conscious of their accountability to shareholders. Accountability mechanisms may require directors to stand for election on an annual basis or to stand for election at least once every three years. Shareholders should have a separate vote on the election of each director, with each candidate approved by a simple majority of shares voted. **WORLDBANK PRINCIPLE 6** (VI.I.18) Can the re-election of board members be staggered over time? (Staggered boards are those where only a part of the board is re-elected at each election, e.g. only 1/3 of directors	**Notice of the 2020 Annual Stockholders' Meeting with detailed agenda:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null **2020 ASM Minutes:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_draft_1.pdf	**YES.** All directors are elected on an annual basis during the regular stockholder meeting. The Company By-laws prescribes that its Board of Directors shall be elected by the stockholders at a regular or special meeting at which a quorum shall be present. The Annual General Meeting is held on the last Tuesday of May every year wherein one of the regular agenda is the election of Directors for the ensuing year. The Minutes of the 2020 ASM was posted in the Company Website, on May 27, 2020, the day after the ASM, for the information of the shareholders.

		are re-elected every year.)		Also posted in the Company Website is Voting Results for all the items, including approving, dissenting and abstaining votes. At the Annual Stockholders' Meeting (ASM) held at the Meralco Theatre on May 26, 2020, approximately over **957,350,974 or 84.94%** of the total issued and outstanding shares of 1,127,098,705 were represented in person and by proxy. Stockholders voted on each of the 2020 ASM resolutions. Reyes Tacandong & Co. was the independent party duly appointed to validate the votes. Following are the voting results for the ASM Resolutions: xxxxx **Resolution 4. Election of Directors for the ensuing year** Copies of the curricula vitae and profiles of the candidates to the Board of Directors were provided in the Information

Statement for the examination of the stockholders.
Stockholders were given the opportunity to elect the directors who will serve for the term 2020- 2020 by way of individual voting administered by a third party.

For this year, the stockholders elected the following to the Company's 11-seat Board:

Name	Votes
Ms. Anabelle Lim Chua	898,462,353
Atty. Ray C. Espinosa	953,667,705
Mr. James L. Go	897,342,253
Mr. Frederick D. Go	897,621,593
Mr. Lance Y. Gokongwei	897,639,988
Mr. Elpidio L. Ibanez	905,865,876
Mr. Jose Ma. K. Lim	898,317,373
Chief Justice Artemio V. Panganiban (Ret.)*	935,135,850
Mr. Manuel V. Pangilinan	899,392,111
Mr. Pedro Emilio O. Roxas*	937,445,144
Mr. Victorico P. Vargas	904,429,774
Independent Director	
A total of 505,465,531 *votes abstained from the election of directors.*	

Remuneration Matters

ACMF	ASEAN CORPORATE GOVERNANCE SCORECARD v.2.0			
E.3.12	Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (D) The board should fulfil certain key functions, including: 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. It is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives. Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term considerations. Policy statements generally tend to set conditions for payments to board members for extra-board activities, such as consulting. They also often specify terms to be observed by board members and key executives about holding and trading the stock of the company, and the procedures to be followed in	**Definitive Information Statement 2021, page 90:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Annual Report, page 69:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Revised Manual of Corporate Governance, page 22:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1494223701.734f71990a1a231c0712493180035b01.pdf **2018-2022 Business Plan—Definitive Information Statement (DIS) 2018, pages 143 and144.** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2018-04/2018_definitive_information_statement_-.pdf	**YES.** The Remuneration and Leadership Development Committee recommends to the Board, for the approval of the shareholders, a framework of remuneration for directors and Management, including the President and CEO. For the President and CEO, and Management, the framework takes into account all aspects of executive remuneration including salaries, allowances, bonuses, and benefits in kind. The framework is benchmarked against pay and employment conditions within the industry and it links rewards to corporate and individual performance. The Board ensures that the remuneration of its members and key officers is aligned with the long-term interest of the Company. The Company adopts a remuneration policy comprised of fixed and variable components in the form of base salary and variable bonus linked to the Company's and the individual's performance and provides for long term

		granting and re- pricing of options. In some countries, policy also covers the payments to be made when hiring and/or terminating the contract of an executive.		incentives such as deferred bonus or pay based on Meralco Group's achievement of specified level of consolidated core net income approved by the Board and determined on an aggregate basis for a three-year period as well as executives' attainment of a minimum level of performance rating, essentially partaking the nature of deferred bonus. Further, as part of Meralco's performance management process, employee performance is assessed on the basis of: (1) actual vs. desired results, and (2) how results were delivered in the light of corporate core values. Therefore, the achievement of financial and non-financial measures is reflected in performance planning and assessment, and this drives the Company's merit and incentive pay programs. The remuneration of senior executives is incorporated in the 2018-2022 Business Plan which were approved on November 28, 2017 Board Meeting as

				shown in the List of Acts of the Meralco Board from May 30, 2017 to February 26, 2018 attached to the **Definitive Information Statement (DIS) 2018, pages 143 and144.**

E.3.13	Is there disclosure of the fee structure for non-executive directors/commissioners?	**UK CODE (2016)** D.1.3 Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role. Disclosure of fee structure for non-executive directors allows shareholders to assess if these directors are remunerated in an appropriate manner, for example, whether they are paid for taking on additional responsibilities and contributions, such as chairing committees.	**Annual Report, page 68:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement 2021, page 90:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**YES.** The Remuneration and Leadership Development Committee recommends to the Board, for the approval of the shareholders, a framework of remuneration for directors and Management, including the President and CEO. For the President and CEO, and Management, the framework takes into account all aspects of executive remuneration including salaries, allowances, bonuses, and benefits in kind. The framework is benchmarked against pay and employment conditions within the industry and it links rewards to corporate and individual performance. The Board ensures that the remuneration of its members and key officers is aligned with the long-term interest of the Company. Specifically, the Company's By-Laws provides for the remuneration of directors in the form of per diems for their attendance at each regular or special meeting and additional

				compensation, whether in the form of a fixed retainer, bonus or stock grant, or a combination thereof, as may be approved by the Board of Directors and majority vote of the outstanding capital stock. The total value of such additional compensation, in whatever form so given, shall not exceed one percent (1%) of the net income before tax of MERALCO during the preceding year. The Company's directors receive per diem fees for their attendance to Board and Board Committee meetings. In 2020, each director is entitled to a per diem allowance of PhP140,000 for every board meeting attended and PhP24,000 for every committee meeting. The Board remuneration in 2020 is disclosed in the Company's Annual Report.

E.3.14	Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (D) The board should fulfil certain key functions, including: 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. **ICGN (2014): 6.1 Alignment** Remuneration should be designed to effectively align the interests of the CEO and senior management with those of the company and its shareholders. Remuneration should be reasonable and equitable and the quantum should be determined within the context of the company as a whole.	**Definitive Information Statement 2021, page 90:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Annual Report, page 69:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Revised Manual of Corporate Governance, page 22:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1494223701.734f71990a1a231c0712493180035b01.pdf **2018-2022 Business Plan—Definitive Information Statement (DIS) 2018, pages 143 and144.** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2018-04/2018_definitive_information_statement_-.pdf	**YES.** The Remuneration and Leadership Development Committee recommends to the Board, for the approval of the shareholders, a framework of remuneration for directors and Management, including the President and CEO. For the President and CEO, and Management, the framework takes into account all aspects of executive remuneration including salaries, allowances, bonuses, and benefits in kind. The framework is benchmarked against pay and employment conditions within the industry and it links rewards to corporate and individual performance. The Board ensures that the remuneration of its members and key officers is aligned with the long-term interest of the Company.

E.3.15	Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executive with long-term interests of the company, such as claw back provision and deferred bonuses?	**ASX CODE (2016)** **Recommendation 8.2:** A listed entity should separately disclose its policies and practices regarding the remuneration of non- executive directors and the remuneration of executive directors and other senior executives**.** The disclosures regarding the remuneration of executive directors and other senior executives should include a summary of the entity's policies and practices regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of performance-based remuneration in the event of serious misconduct or a material misstatement in the entity's financial statements**.** **G20/OECD PRINCIPLE VI (D)** 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.	**Annual Report, page 58 and 69:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web2_1.pdf?null	**YES.** The Company adopts a remuneration policy comprised of fixed and variable components in the form of base salary and variable bonus linked to the Company's and the individual's performance. Compensation packages and revisions of key Management's remuneration are subject to the review and approval of the Board's Remuneration and Leadership Development Committee (RLDC). The Company compensates employees, including the Senior Management and executives, based on Company, team, and individual performance to help achieve corporate goals and targets. The Company provides for assessment that account for performance beyond short-term financial measures. It also provides for short-term incentives through variable pay, such as Annual Performance-Based Bonuses (APB) and Variable Incentive Plan (VIP), to reward individual and team

		It is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives. Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term considerations.		performance that contribute to the achievement of corporate goals and objectives. Long-term incentives include additional compensation conditioned on Meralco's achievement of specified level of consolidated core net income approved by the Board and determined on an aggregate basis for a three-year period as well as executives' attainment of a minimum level of performance rating, essentially partaking the nature of deferred bonus.
Internal Audit				
E.3.16	Does the company have a separate internal audit function?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (D) The board should fulfil certain key functions, including: 7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.	**Meralco website:**: https://company.meralco.com.ph/corporate-governance/internal-controls-and-audit **Annual Report, pages 75 and 76:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web2_1.pdf?null	**YES.** The Company has in place an in-house independent internal audit function. The internal audit activities conform to the concepts and principles enunciated in the definition of internal auditing as an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. Internal audit services are performed in accordance with the International Standards for the Professional Practice of Internal Auditing.

				The Internal Audit group is led by the Chief Audit Executive and includes highly qualified professionals with certifications, which include Certified Internal Auditors, Certified Information Systems Auditor, Certified Public Accountants and Registered Electrical Engineers.

E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	Companies often disclose that they have an internal audit but, in practice, it is not uncommon for it to exist more in form than in substance. For example, the in-house internal audit may be assigned to someone with other operational responsibilities. As internal audit is unregulated, unlike external audit, there are firms providing outsourced internal audit services which are not properly qualified to do so. Making the identity of the head of internal audit or the external service provider public would provide some level of safeguard that the internal audit is substantive.	**Revised Manual of Corporate Governance, pages 13-14:** https://company.meralco.com.ph/corporate-governance/revised-manual-corporate-governance **Revised Internal Audit Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Internal%20Audit%20Charter%20approved%2010242019.pdf?null **Annual Report, pages 75 and 76:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web2_1.pdf?null	**YES.** Ms. Melanie T. Oteyza is the Chief Audit Executive of the Manila Electric Company or MERALCO. Ms. Oteyza is a certified public accountant with international certifications from IIA USA such as Certified Internal Auditor, Certification in Risk Management Assurance, Certification in Control Self Assessment and a Qualified Validator in Quality Assurance for Internal Audit. The responsibilities of the CAE are defined in Article I, Section 5.2 of the Revised Manual of Corporate Governance and Revised Internal Audit Charter.

E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Committee?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (D) The board should fulfil certain key functions, including: 7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. In some jurisdictions it is considered good practice for the internal auditors to report to an independent Audit Committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board.	**Audit Committee Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2018-03/03022018_auditcomcharter_1.pdf?null	**YES.** The Audit Committee is responsible for organizing an internal audit department and consider the appointment of an independent internal auditor as well as consider an independent external auditor, and the terms and conditions of their engagement and removal. Under the Audit Committee Charter, the Audit Committee is empowered to recommend the appointment or replacement of the internal audit head or Chief Audit Executive.

		WORLDBANK PRINCIPLE 6 (VI.D.7.9) Does the internal auditors have direct and unfettered access to the board of directors and its independent Audit Committee? **ASX (2016)** **Principle 4: Safeguard integrity in corporate reporting** **Recommendation 4.1** Commentary: if the entity has an internal audit function: • the appointment or removal of the head of internal audit; • the scope and adequacy of the internal audit work plan; and • the objectivity and performance of the internal audit function.		
	Risk Oversight			

E.3.19	Does the company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (D) The board should fulfil certain key functions, including: 7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. **G20/OECD PRINCIPLE VI (D)** 1. An area of increasing importance for boards and which is closely related to corporate strategy is oversight of the company's risk management. Such risk management oversight will involve oversight of the accountabilities and responsibilities for managing risks, specifying the types and degree of risk that a company is willing to accept in pursuit of its goals, and how it	**Annual Report, pages 75 and 76;** **Report of the Audit Committee, Annual Report, page 92 and 93:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web2_1.pdf?null **Internal Controls and Audit page, Meralco Website:** https://company.meralco.com.ph/corporate-governance/internal-controls-and-audit **Enterprise-Wide Risk Management page, Meralco Website:** https://company.meralco.com.ph/corporate-governance/enterprise-wide-risk-management	**YES.** The Company has a sound internal control system that ensures the integrity, effectiveness and adequacy of Meralco's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. The Company also has a robust Enterprise Risk Management framework that establishes the process of identifying, prioritizing and measuring key risks, assigning accountability and responsibility for each identified risk, and a cascade process that ensures mitigating activities are embedded in the day to day activities of every employee. This enhances its ability to manage Business Risks. The Board annually reviews the company's material controls (including operational, financial and compliance controls) and risk management systems with the advice and recommendation of the Audit Committee, which

				in turn conducts a regular review of the Company's risk management activities. This is included in the accomplishment of the Board and the Risk Management Committee in 2020.

		will manage the risks it creates through its operations and relationships. **G20/OECD PRINCIPLE VI: Responsibilities of the Board** (D) The board should fulfil certain key functions, including: 7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.		
E.3.20	Does the Annual Report/Annual CG Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems?	**UK CODE (2016)** C.2.3 The board should monitor the company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness, and report on that review in the annual report.14 The monitoring and review should cover all material controls, including financial,	**Annual Report, pages 75 and 76;** **Report of the Audit Committee, Annual Report, page 92 and 93:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web2_1.pdf?null	**YES.** The Audit Committee Report found in 2020 Annual Report discloses that the Board of Directors has conducted a review of and has found adequate the company's material controls (including operational, financial and compliance controls) and risk management systems. The directors have reviewed the effectiveness of the internal

		operational and compliance controls.	**Internal Controls and Audit page, Meralco Website:** https://company.meralco.com.ph/corporate-governance/internal-controls-and-audit	control system to ensure the integrity, effectiveness and adequacy of Meralco's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. The review of internal controls is conducted annually by the directors based on the reports of the Management, Internal and external auditors.
E.3.21	Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?	**G20/OECD PRINCIPLE V: Disclosure and Transparency** (A) Disclosure should include, but not be limited to, material information on: 7. Foreseeable risk factors Disclosure of risk is most effective when it is tailored to the particular industry in question. Disclosure about the system for monitoring and managing risk is increasingly regarded as good practice.	**Enterprise-Wide Risk Management page, Meralco Website:** https://company.meralco.com.ph/corporate-governance/enterprise-wide-risk-management The Company's ERM framework and key risks are also disclosed in the **Annual Report, page 73:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-	**YES.** The Risk Management Committee oversees the conduct of the annual risk assessment and update on the risk mitigation activities for specific risks. These are reported to the Board by the Risk Management Committee. The following are the key enterprise risks of the Company: Regulatory and Compliance risks, Strategic and Corporate Risks, Financial Risks, and Operational Risks. In 2020, regulatory/Legal risks

			05/meralco_2020_annual_report_for_web2_1.pdf?null A more detailed discussion on the major risks/ factors affecting the Company's financial position and results of operations, i.e., Regulated rates and cost recoveries; Sales volume and Philippine economic conditions; Electricity Supply Industry restructuring, is found in the Definitive Information Statement: **Definitive Information Statement 2021:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	remain the key enterprise risks of the Company such risks related to the pending legal cases before the Supreme Court and Court of Appeals among others, changes in the regulatory environment that may affect the rules on system loss and PBR rules under the 4th and 5th Regulatory Periods. Any adverse decisions or changes might bear on the financials of the Company. The Company operates an extensive and complex Operations Technology and Information technology (OT/IT) infrastructures that are susceptible to both natural disasters such as typhoons or earthquakes and man-made threats such as cybersecurity and data privacy risks. These risks might also affect the safety and health of the Company employees, partners and other stakeholders. Meralco maintain relationships with different stakeholders, monitors new policies and regulations, and implement several management systems to be able to anticipate potential events, prepare contingency plans to be able to effectively respond to any risk events that might happened. The Company

				also has established several dedicated offices and groups to manage the above risks by implementing preventive, detective and corrective controls.
E.3.22	Does the Annual Report/Annual CG Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (D) The board should fulfil certain key functions, including: 7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. In some jurisdictions it is considered good practice for the internal auditors to report to an independent audit committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board. It should also be	**Meralco website:** https://company.meralco.com.ph/corporate-governance/corporate-governance-and-compliance-office **Certificate of Compliance to CG Manual for the Year 2020:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-02/sec_17-c_-_certificate_of_attendance_and_compliance_to_cg_manual_for_the_year_2020_0.pdf **Annual Report, page 56; Report of the Audit Committee, Annual Report, pages 92 and 93:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web2_1.pdf?null The Company's President and Chief Executive Officer and Chief	**YES.** The Audit Committee Report in 2020 discloses that the Board of Directors has conducted a review of and has found adequate the company's material controls (including operational, financial and compliance controls) and risk management systems. The directors have reviewed the effectiveness of the internal control system to ensure the integrity, effectiveness and adequacy of Meralco's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. This review is conducted annually by the directors based on the reports of the Management, Internal and external auditors.

		regarded as good practice for this committee, or equivalent body, to review and report to the board the most critical accounting policies which are the basis for financial reports. However, the board should retain final responsibility for ensuring the integrity of the reporting systems. Some countries have provided for the chair of the board to report on the internal control process.	Audit Executive reviewed the adequacy and effectiveness of the overall internal control system of MERALCO and its subsidiaries, covering all material controls, including financial, operational internal control for 2020 are adequate and effective. and compliance controls and confirmed that the MERALCO Group's systems of **Meralco website:** https://company.meralco.com.ph/corporate-governance/internal-controls-and-audit **Confirmation Statement on Internal Control:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/6%20Confirmation%20Statement%20on%20Internal%20Control.pdf?null	

E.4	People on the Board	Guiding Reference	Source	Reference
	Board Chairman			
E.4.1	Do different persons assume the roles of chairman and CEO?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (E) The board should be able to exercise objective independent judgement on corporate affairs. In a number of countries with single tier board systems, the objectivity of the board and its independence from management may be strengthened by the separation of the role of chief executive and chairman, or, if these roles are combined, by designating a lead non-executive director to convene or chair sessions of the outside directors. Separation of the two posts may be regarded as good practice, as it can help to achieve an appropriate balance of power, increase accountability and improve the board's capacity for decision making independent of management.	**Amended 2020 General Information Sheet, page 4:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-01/meralco_2020_amended_gis_-_retirement_of_mr._j.m.p._melendres.pdf	**YES.** The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals. The Company's Chairman is Mr. Manuel V. Pangilinan and the President and CEO is Atty. Ray C. Espinosa as disclosed in the General Information Sheet.
E.4.2	Is the chairman an independent director/commissioner?		*Profile of the Chairman of the Board: **Meralco website:** https://company.meralco.com.ph/corporate-governance/board-directors **Definitive Information Statement 2021, pages 6-17:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Definitive Information Statement 2020, pages 7-8:**	**NO.** The Board is headed by a very competent and qualified Chairman, Mr. Manuel V. Pangilinan who, although not an independent directors, is a non-executive director who serves to represent the interests of all shareholders and stakeholders, and to oversee the performance of the Board and its directors. He champions exemplary ethical governance principles for directors, officers, and employees to emulate and likewise espouse. Considering that the Chairman

		UK Code (2016) A.3.1 The chairman should on appointment meet the independence criteria set out in B.1.1 below. A chief executive should not go on to be chairman of the same company. If, exceptionally, a board decides that a chief executive should become chairman, the board should consult major shareholders in advance and should set out its reasons to shareholders at the time of the appointment and in the next Annual Report. **ASX (2016)** **Recommendation 2.5** The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null **Annual Report, page 65 and 78:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	of the Board is not an independent director, the appointment of a Senior or Lead Independent Director was endorsed to, and approved by, the Board of Directors. The Board subsequently appointed Independent Director (ID) Ret. Chief Justice Artemio V. Panganiban as the Lead Independent Director to serve as such until the next Lead ID is appointed.
E.4.3	Is any of the directors a former CEO of the company in the past 2 years?		**Annual Report, pages 65, 66 and 78**: https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Annual Report/Audited Financial Statement (SEC Form 17-A), page 127:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?null	**NO.** None of the directors is a former CEO of the Company in the last two (2) years. The Company Chairman, Mr. Manuel V. Pangilinan was the President and CEO from July 1, 2010 until May 28, 2012. This is disclosed the Annual Report. The only executive director in the Board, Atty. Ray C. Espinosa, is the current President and CEO of the Company and has been holding said position since May 2019. Mr. Oscar S. Reyes was the Company's former President and CEO but is no longer a member of the Board of Directors.

E.4.4	Are the roles and responsibilities of the chairman disclosed?	**ICGN (2014): Leadership and Independence**	**Revised Manual of Corporate Governance, pages 9-10:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1494223701.734f71990a1a231c0712493180035b01.pdf **By-Laws, page 9:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/by-laws.pdf	**YES.** The Chairman serves to represent the interests of all shareholders and stakeholders, and to oversee the performance of the Board and its directors. He champions exemplary ethical governance principles for directors, officers, and employees to emulate and likewise espouse. The roles and responsibilities of the Chairman and the Chief Executive Officer are disclosed in the Revised Manual of Corporate Governance as well as in the By-Laws.
	Lead Independent Director			
E.4.5	If the Chairman is not independent, has the Board appointed a Lead/Senior Independent Director and has his/her role been defined?	**King Code 2009** **2. Boards and directors** Role and function of the board - The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfill the role of the chairman of the board 2.16.3 A lead independent director should be appointed in	**Annual Report, pages 56 and 65:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Meralco website:** https://company.meralco.com.ph/co	**YES.** Section 4.4 of the Revised Manual of Corporate Governance provides that the Board shall consider designating a lead director among the independent directors if the Chairman of the Board is not independent and if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.

		the case where an executive chairman is appointed or where the chairman is not independent or conflicted. **ICGN (2014): 2.2 Lead independent director** The chair should be independent on the date of appointment. If the chair is not independent, the company should adopt an appropriate structure to mitigate any potential challenges arising from this, such as the appointment of a lead independent director. The board should explain the reasons why this leadership structure is appropriate and keep the structure under review. A lead independent director also provides shareholders and directors with a valuable channel of communication should they wish to discuss concerns relating to the chair.	rporate-governance/board-matters **Article I, Section 4.4. (page 9) of the Revised Manual of Corporate Governance:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1494223701.734f71990a1a231c0712493180035b01.pdf	Considering that the Chairman of the Board is not an independent director, the appointment of a Senior or Lead Independent Director was endorsed to, and approved by, the Board of Directors. The Board subsequently appointed Independent Director (ID) Ret. Chief Justice Artemio V. Panganiban as the Lead Independent Director to serve as such until the next Lead ID is appointed. As Lead ID, he has the following functions: a. To serve an intermediary between the Chairman and the other directors when necessary; b. To convene and chair meeting of the non-executive directors; and c. To contribute to the performance evaluation of the Chairman, as required. The Lead Independent Director will not, however, act as Chairman in the absence of the Chairman, the same having been delegated to the Vice-

				Chairman.

	Skills and Competencies			
E.4.6	Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in?	**ICGN (2014): 3.1 Composition** The board should comprise a majority of non-executive directors, the majority of whom are independent, noting that practice may legitimately vary from this standard in controlled companies where a critical mass of the board is preferred to be independent. There should be a sufficient mix of individuals with relevant knowledge, independence, competence, industry experience and diversity of perspectives to generate effective challenge, discussion and objective decision-making.	Profile of Directors: **Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-directors **Annual Report/ Audited Financial Statement (SEC Form 17-A), pages 124 to 133:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?null **Definitive Information Statement 2020, pages 7-19:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null **Definitive Information Statement 2021, pages 6-17:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null *Qualification standards for	**YES.** All the directors have a collective working knowledge, experience and expertise relevant to power, energy and electric distribution industry/sector. Also, the Board represents an appropriate mix of competence and expertise in the area of business, finance, operations, regulatory and legal disciplines relevant to the Company's industry, with each director capable of adding value and exercising independent judgment, ensuring that the directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization. The profiles of the directors are disclosed in MERALCO Website, in the Definitive Information Statement and in the Annual Report while the required qualifications of a director are

			directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance are found in page 5 of the **By-Laws**: https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/by-laws.pdf	provided in Article II, Section 5 of the Company's By-Laws, page 4 of the Board Charter, and Article I, Section 6.1 of the Revised Manual of Corporate Governance.

E.5	Board Performance	Guiding Reference		
	Directors Development			
E.5.1	Does the company have orientation programmes for new directors/commissioners?	This item is in most codes of corporate governance.	**Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-matters *Policy on annual continuing training program of directors is found in page 9 of the **Revised Manual of Corporate Governance:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null *Same provision appears in page 14 of the **Board Charter**: https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Board_Charter.pdf?null Contents of the Orientation Program for New Directors can be downloaded from the Company website. **Orientation Program Kit:** https://meralcomain.s3-ap-southeast-	**YES.** The Company's Board Charter and Article I, Section 4.5 of its Revised Manual of Corporate Governance provides that all directors shall undergo relevant and continuing training for a duration equal to or longer than what is required by law and regulations. First time directors shall undergo an orientation program covering SEC mandated topics on corporate governance and an introduction to the company's business, Articles of Incorporation, and Code of Conduct. The orientation and continuing education program should be able to meet the specific needs of the company and the individual directors and aid any new director in effectively performing his or her functions. On January 7, 2020, newly-elected director, Mr. Frederick D. Go, attended a 4-hour

			1.amazonaws.com/documents/pdf_listing/2017-11/b8fe9d50f21d0f67778dad90976778826_0.pdf?null	Onboarding Program for New Directors conducted by Meralco Corporate Governance Office.
E.5.2	Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (E) The board should be able to exercise objective independent judgement on corporate affairs. 3. Board members should be able to commit themselves effectively to their responsibilities. In order to improve board practices and the performance of its members, an increasing number of jurisdictions are now encouraging companies to engage in board training and voluntary self-evaluation that meets the needs of the individual company. This might include that board members acquire appropriate skills upon appointment, and thereafter remain abreast of relevant new laws, regulations, and changing commercial risks through in-house training and external courses.	**Policy on annual continuing training program of directors is found in page 9 of the Revised Manual of Corporate Governance:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null *Same provision appears in page 14 of the **Board Charter**: https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Board_Charter.pdf?null The trainings attended by the Company Directors are disclosed in the Annual Report and in the Company Website. **2020 Annual Report, pages 71 and 72:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-	**YES.** The Company's Board Charter and Article I, Section 4.5 of its Revised Manual of Corporate Governance provides that all directors shall undergo relevant and continuing training for a duration equal to or longer than what is required by law and regulations. First time directors shall undergo an orientation program covering SEC mandated topics on corporate governance and an introduction to the company's business, Articles of Incorporation, and Code of Conduct. The orientation and continuing education program should be able to meet the specific needs of the company and the individual directors and aid any new director in effectively performing his or her functions. The annual continuing training program, on the other hand,

			southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-matters	makes certain that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the company. Article II, Section 5 (d) of the Company's By-Laws requires that a director must have attended a corporate governance seminar conducted by a duly recognized private institution or government entity or must have issued an undertaking to attend such seminar as soon as practicable.
	CEO/Executive Management Appointments and Performance			
E.5.3	Does the company disclose the process on how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (D) The board should fulfil certain key functions, including: 3. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning. In two tier board systems the supervisory board is also responsible for appointing the management board which will normally comprise most of the	**Revised Manual of Corporate Governance, pages 8, 13, 19, 23:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1494223701.734f71990a1a231c0712493180035b01.pdf **Annual Report, pages 59:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-	**YES.** Together with the Board, the Nomination and Governance Committee (Nom&Gov) is responsible for recommending a succession planning program for its members while the Remuneration and Leadership Development Committee (RLDC) is responsible for overall guidance and direction on succession planning and leadership development of the President and CEO and Senior Management. The Committee,

		key executives.	southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Meralco website:** https://company.meralco.com.ph/corporate-governance/management-team-and-executive-officers	working closely with the head of Human Resources (HR), drives the strategy for succession planning, leadership development, and talent management. The HR head develops and implements the processes and the tools to ensure robust pools of succession candidates for the President and CEO, senior management, middle management and first line management. Talent Management and Succession Planning Programs are top priorities in the Human Resources (HR) agenda by ensuring that the right leaders and talents are in place to drive our business plans. Progressive talent management assessment tools and methodologies were used to identify, assess, and develop leaders for critical positions. Presently, the succession plan covers the top 636 leaders of the Company. The succession planning process involves the assessment of the Company's

				leaders' career aspirations, strengths, and development needs. A key feature of the Company's succession planning process is the talent review conducted at the senior management level and at various levels of the organization. The senior management talent review has resulted in a pool of about of 20 candidates who, subject to realization of their development plans, could become management committee members within the next five (5) years.

E.5.4	Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** (D) The board should fulfil certain key functions, including: 2. Monitoring the effectiveness of the company's governance practices and making changes as needed. Monitoring of governance by the board also includes continuous review of the internal structure of the company to ensure that there are clear lines of accountability for management throughout the organisation. In addition to requiring the monitoring and disclosure of corporate governance practices on a regular basis, a number of countries have moved to recommend or indeed mandate self-assessment by boards of their performance as well as performance reviews of individual board members and the CEO/Chairman.	**Meralco website (Board Matters):** https://company.meralco.com.ph/corporate-governance/board-matters **Annual Report, page 72:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**YES.** The Board annually conducts performance assessment of the President and CEO. The assessment results are key factors in the enhancement of President and CEO' performance and effectiveness in the discharge of his duties. The Board conducted the Y2020 performance assessment on March 9, 2021, through employment of the following assessment forms, with the following processes and criteria: **President and CEO Performance Assessment –** each director assessed the President & CEO's leadership, working relations with the Board, communication and working relations with Management.
	Board Appraisal			

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E.5.5	Did the company conduct an annual performance assessment of the board of directors/commissioners and disclose the criteria and process followed for the assessment?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** **(D) The board should fulfil certain key functions, including:** 2. Monitoring the effectiveness of the company's governance practices and making changes as needed. **G20/OECD PRINCIPLE VI (E)** 4. Boards should regularly carry out evaluations to appraise their performance and assess whether they possess the right mix of background and competences. In order to improve board practices and the performance of its members, an increasing number of jurisdictions now encourage companies to engage in board training and voluntary board evaluation that meet the needs of the individual company.	**Meralco website (Board Matters):** https://company.meralco.com.ph/corporate-governance/board-matters **Annual Report, page 72:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**YES.** The Board annually conducts a self-assessment of its performance individually, collectively, and as members of the different Board Committees. The self-assessment results are key factors in the enhancement of directors' performance and effectiveness in the discharge of their duties. The Board conducted the Y2020 performance assessment on March 9, 2021, through employment of the following assessment forms, with the following processes and criteria: 1. **Board Self-Assessment** - each director assessed the board performance as a whole and their individual performance on the following categories: a) Board structure and qualifications b) Board duties and responsibilities c) Duties and responsibilities as an individual director

				2. **General Board Committee Performance Assessment –** each director assessed the overall performance of the following committees, based on the provisions of the Board Committee Charters. 3. **Board Committee Self-Assessment –** each committee member assessed his committee's performance vis-à-vis the respective charters and SEC's Guidelines for the Assessment of the Performance of Audit Committee of Companies Listed on the Exchange. 4. **President and CEO Performance Assessment –** each director assessed the President & CEO's leadership, working relations with the Board, communication and working relations with Management.

Director Appraisal				
E.5.6	Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment?	**G20/OECD PRINCIPLE VI: Responsibilities of the Board** **(D) The board should fulfil certain key functions, including:** 2. Monitoring the effectiveness of the company's governance practices and making changes as needed. **G20/OECD PRINCIPLE VI (E)** 4. Boards should regularly carry out evaluations to appraise their performance and assess whether they possess the right mix of background and competences. In order to improve board practices and the performance of its members, an increasing number of jurisdictions now encourage companies to engage in board training and voluntary board evaluation that meet the needs of the individual company.	**Meralco website (Board Matters):** https://company.meralco.com.ph/corporate-governance/board-matters **Annual Report, page 72:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**YES.** The Board annually conducts a self-assessment of its performance individually, collectively, and as members of the different Board Committees. The self-assessment results are key factors in the enhancement of directors' performance and effectiveness in the discharge of their duties. The Board conducted the Y2020 performance assessment on March 9, 2021, through employment of the following assessment forms, with the following processes and criteria: 1. **Board Self-Assessment** - each director assessed the board performance as a whole and their individual performance on the following categories: a) Board structure and qualifications b) Board duties and responsibilities

				c) Duties and responsibilities as an individual director 2. **General Board Committee Performance Assessment –** each director assessed the overall performance of the following committees, based on the provisions of the Board Committee Charters. 3. **Board Committee Self-Assessment –** each committee member assessed his committee's performance vis-à-vis the respective charters and SEC's Guidelines for the Assessment of the Performance of Audit Committee of Companies Listed on the Exchange. 4. **President and CEO Performance Assessment –** each director assessed the President & CEO's leadership, working relations with the Board, communication and

				working relations with Management.
	Committee Appraisal			
E.5.7	Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment?	**UK CODE (2016)** B.6 Evaluation: The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.	**Meralco website (Board Matters):** https://company.meralco.com.ph/corporate-governance/board-matters **Annual Report, page 72:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**YES.** The Board annually conducts a self-assessment of its performance individually, collectively, and as members of the different Board Committees. The self-assessment results are key factors in the enhancement of directors' performance and effectiveness in the discharge of their duties. The Board conducted the Y2020 performance assessment on March 9, 2021, through employment of the following assessment forms, with the following processes and criteria: 1. **Board Self-Assessment** - each director assessed the board performance as a whole and their individual performance on the following categories: a) Board structure and qualifications b) Board duties and responsibilities

				c) Duties and responsibilities as an individual director 2. **General Board Committee Performance Assessment –** each director assessed the overall performance of the following committees, based on the provisions of the Board Committee Charters. 3. **Board Committee Self-Assessment –** each committee member assessed his committee's performance vis-à-vis the respective charters and SEC's Guidelines for the Assessment of the Performance of Audit Committee of Companies Listed on the Exchange. 4. **President and CEO Performance Assessment –** each director assessed the President & CEO's leadership, working relations with the Board, communication and

				working relations with Management.

LEVEL 2 – BONUS ITEMS

(B)A. RIGHTS OF SHAREHOLDERS

(B)A.1	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.	Guiding Reference	Source	Reference
(B)A.1.1	Does the company practice secure electronic voting in absentia at the general meetings of shareholders?	**OECD Principle II (C)** (5)The objective of facilitating shareholder participation suggests that jurisdictions and/or companies promote the enlarged use of information technology in voting, including secure electronic voting in all listed companies. The principles recommend that voting by proxy be generally accepted. Indeed, it is important to the promotion and protection of shareholders rights that investors can place reliance upon directed proxy voting.	**Meralco Website SERVE Portal for Electronic Voting in Absentia:** https://company.meralco.com.ph/corporate-governance/serve https://company.meralco.com.ph/corporategovernance/key-players **Minutes of the 2020 Annual Stockholders' Meeting:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_draft_1.pdf	**YES.** During Meralco's 2020 Annual Stockholders' Meeting (ASM), in light of the COVID-19 pandemic, the Company conducted its first virtual ASM via live broadcast of the proceedings through the Stockholders Electronic Registration and Voting Express (SERVE). The online platform fully enabled the electronic voting in absentia by the stockholders during the ASM. Stockholders were also given opportunity to propound questions and raise concerns to the Board during the meeting.

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(B)B. EQUITABLE TREATMENT OF SHAREHOLDERS

(B)B.1	Notice of AGM	Guiding Reference	Source	Reference
(B)B.1.1	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	**OECD Principle II (C)** (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.	**Notice of the 2020 Annual Stockholders' Meeting with detailed agenda:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null **2020 ASM Minutes:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2020-05/minutes_2020_annual_sh_meeting_draft_1.pdf **Annual Report, pages 61 and 63:** https://company.meralco.com.ph/investorrelations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**YES.** The Company released its notice of Annual Stockholders' Meeting (with detailed agenda and explanatory circulars), as announced to the Exchange, on April 15, 2020, 41 days before the May 26, 2020 scheduled date of the meeting in accordance with the Revised Corporation Code and the By-Laws of the Company. The Company upholds the rights of all shareholders, including minority stockholders, to participate in decisions affecting the Company such as in the approval of remuneration or increase in remuneration of non-executive and executive directors.

		OECD Principle III (A) **ICGN 8.3.2 Shareholder participation in governance** Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors on an individual basis and also the right to appoint external auditors. **ICGN 8.4.1 Shareholder ownership rights** The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote. **CLSA-ACGA (2010) CG Watch 2010 - Appendix 2.** (I) CG rules and practices (25) Do company release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?		

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(B)C. ROLE OF STAKEHOLDERS

(B)C.1		Guiding Reference	Source	Reference
(B)C.1.1	Does the company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)?	OECD - IV. The role of Stakeholders	**2020 Sustainability Report incorporated in the Annual Report/Audited Financial Statement (SEC Form 17-A), pages 456 - 550*:*** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?null https://edge.pse.com.ph/openDiscViewer.do?edge_no=fda6bd28016a48085d542af6f1e997b9 **2020 Sustainability Report:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/1621836039709586.pdf?null https://company.meralco.com.ph/investor-relations/annual-reports	**YES.** The Company's Sustainability Report for 2020 was prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option with external assurance from DNV GL which is an independent organization and global provider of certification, assurance assessment, and training services. The organization validated the data presented in this report through a two-week external assurance process which included interviews with pertinent data handlers across the group. A copy of the Sustainability Report for 2020 was submitted to the SEC on May 13, 2021.

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(B)D. DISCLOSURE AND TRANSPARENCY

(B)D.1		Guiding Reference	Source	Reference
(B)D.1.1	Are the audited annual financial report /statement released within 60 days from the financial year end?	**OECD Principle V (A)**	**2020 Audited Consolidated Financial Results of the Company:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2021-03/2020_audited_financial_statement.pdf **Audited Financial Statements:** https://company.meralco.com.ph/company-disclosures/audited-financial-statement https://company.meralco.com.ph/company-disclosures/sec-filings **2020 Quarterly Report, 1st Quarter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/q1_2020_results_briefing_reports.pdf **2020 Quarterly Report, 2nd Quarter:**	**YES.** The Company's 2020 Audited Consolidated Financial Statements were released on March 1, 2020, sixty (60) days after financial year-end. The Company distributes or makes available annual consolidated reports, cash flow statements, and special audit revisions. Further, 2020 Quarterly reports are likewise disclosed and published within forty-five (45) days from reporting period. These interim reports and the 2020 Audited Consolidated Financial Results of the Company are disclosed in the Company website.

			https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-07/1h_2020_results_briefing_reports.pdf **2020 Quarterly Report, 3rd Quarter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-10/9m_2020_results_briefing_reports.pdf	

		(1) The financial and operating results of the company. Audited financial statements showing the financial performance and the financial situation of the company (most typically including the balance sheet, the profit and loss statement, the cash flow statement and notes to the financial statements) are the most widely used source of information on companies. **OECD Principle V (E)** **ICGN 7.2 Timely disclosure** **ICGN 7.3 Affirmation of financial statements** The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.		
(B)D.1.2	Does the company disclose details of remuneration of the CEO?	**OECD Principle V (A)** (4) Disclosure on an individual basis (including termination and retirement provisions) is increasingly regarded as good practice and is now mandated in many countries. In these cases, some jurisdictions call for	**Annual Report, page 68:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web2_1.pdf	**YES.** The Company discloses details of remuneration of the CEO and other directors as seen on the Company's Annual Report. The Aggregate remuneration for Board Meetings of the CEO as an Executive Director is

		remuneration of a certain number of the highest paid executives to be disclosed, while in others it is confined to specified positions.	**Definitive Information Statement 2021, pages 33-34:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	P1,960,000 in 2020. **Details of 2020 Board Remuneration (in PhP)** Remuneration for Board Meetings Attended in 2020 / Remuneration for Committee Meetings Attended in 2020 / TOTAL EXECUTIVE DIRECTOR Ray C. Espinosa — ₱1,960,000 — - — ₱1,960,000 NON-EXECUTIVE DIRECTOR Manuel V. Pangilinan — ₱1,960,000 — ₱120,000 — ₱2,080,000 Lance Y. Gokongwei — ₱1,960,000 — ₱360,000 — ₱2,320,000 Anabelle L. Chua — ₱1,960,000 — ₱648,000 — ₱2,608,000 James L. Go — ₱1,960,000 — ₱648,000 — ₱2,608,000 Frederick D. Go — ₱1,820,000 — ₱360,000 — ₱2,180,000 Elpidio L. Ibañez — ₱1,960,000 — ₱312,000 — ₱2,272,000 Jose Ma. K. Lim — ₱1,680,000 — ₱312,000 — ₱1,992,000 Victorico P. Vargas — ₱1,960,000 — ₱432,000 — ₱2,392,000 INDEPENDENT DIRECTORS Pedro E. Roxas — ₱1,960,000 — ₱768,000 — ₱2,728,000 Artemio V. Panganiban — ₱1,680,000 — ₱264,000 — ₱1,944,000 TOTAL INDEPENDENT DIRECTORS — ₱3,640,000 — ₱1,032,000 — ₱4,672,000 GRAND TOTAL — ₱20,860,000 — ₱4,224,000 — ₱25,084,000 *The Directors and Officers are covered by a Casualty Line Insurance Policy effective until June 27, 2021. The policy covers Company Securities, Company Employment Practices Breach, Regulatory Crisis Event Costs, Investigation Costs, Public Relations Expenses, Investigation Costs for Derivative Demands, Tax Liability and other additional limits such as Bodily Injury & Property Damage Defense Costs, Health & Safety Costs, Gross Negligence Manslaughter Defense Costs and Environmental Violation (Defense Costs Including Civil and admin Fines).* The Company discloses the aggregate annual compensation for the last two fiscal years and projected compensation for the ensuing year of Meralco's CEO and four most highly compensated executive officers, as a group, and all other key officers, other officers and directors, as a group, in the Annual Report and Definitive Information Statement. NAME / YEAR / SALARIES[1] / BONUS[2] / OTHER ANNUAL COMPENSATION[3] Amounts in Millions Chief Executive Officer (CEO) and four (4) most highly compensated executive officers[4] — Projected 2021 — ₱119 — ₱75 — ₱16 2020 — 131 — 84 — 10 2019 — 117 — 184 — 7 All other key officers, other officers and directors as a group (excluding the CEO and four most highly compensated executive officers) — Projected 2021 — 213 — 110 — 28 2020 — 215 — 103 — 23 2019 — 204 — 309 — 23 [1] Basic salaries and allowances. [2] Includes government-mandated payout and variable pay [3] Commutation of unused leave benefits. [4] Comprised of the following: Ray C. Espinosa, President and CEO; Betty C. Siy-Yap, Senior Vice President and Chief Finance Officer; Rogelio L. Singson, Senior Vice President and President and CEO, Meralco PowerGen Corporation; William S. Pamintuan, Senior Vice President, Chief Legal Counsel, Assistant Corporate Secretary, Compliance Officer and Head, Legal and Head, Corporate Governance and Data Privacy Officer; Ronnie L. Aperocho, Senior Vice President and Head, Networks and President and Chief Executive Officer, MESCOR.

				All directors, including the CEO, are entitled to a reasonable per diem for their attendance in meetings of the BOD and Board Committees plus an additional compensation, provided that the total value of such additional compensation, in whatever form so given, shall not exceed one (1) percent of the income before income tax of MERALCO during the preceding year.

(B)E. RESPONSIBILITIES OF THE BOARD

(B)E.1	Board Competencies and Diversity	Guiding Reference	Source	Reference
(B)E.1.1	Does the company have at least one female independent director/commissioner?	**OECD Principle VI (E)** (4) Countries may wish to consider measures such as voluntary targets, disclosure requirements, boardroom quotas, and private initiatives that enhances gender diversity on boards and in senior management	**Annual Report, page 79:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web2_1.pdf **Definitive Information Statement 2021, pages 16-17:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-	**NO.** The Company has a Board Diversity Policy, which among others, aims to have at least one (1) female director among its Board members. In 2020, the Board was composed of ten (10) male directors and one (1) female director, Ms. Anabelle L. Chua, who has over twenty (20) years of experience in the areas of accounting, corporate finance, treasury, financial

			04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Board Diversity Policy, page 1:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/boarddiversitypolicy.pdf?null	control and credit risk management. A female independent director, Ms. Lydia Echauz, was elected during the 2021 Annual Stockholders' Meeting held on May 25, 2021. Her nomination, profile and qualifications were disclosed in the Definitive Information Statement.

(B)E. 1.2	Does the company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives?	OECD Principle VI (E) (4) Countries may wish to consider measures such as voluntary targets, disclosure requirements, boardroom quotas, and private initiatives that enhances gender diversity on boards and in senior management	**Board Diversity Policy:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/boarddiversitypolicy.pdf?null **Revised Manual of Corporate Governance, pages 5 and 8:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null	**YES.** In line with Meralco's commitment to the principles of good corporate governance, the Company adopted a Board Diversity Policy to ensure that the Board has an appropriate mix of expertise, experience, independence, and skills that would encourage critical discussion and promote a balanced decision in the attainment of the Company's strategic objectives and sustainable development. Under the Board Diversity Policy, the members of the Board of Directors shall be selected from a broad pool of qualified nominees. In order to achieve a diverse board, varied aspects are to be considered as measurable objectives, including, but not limited to: academic, professional and business background, age, gender, and other regulatory requirements. The final composition of the Board shall be grounded on merit and potential

				contribution of the selected directors to the Company. The measurable objectives, including racial/cultural classification, vis-a-vis Board composition are stated in the Company website. To avoid groupthink and ensure that optimal decision making is achieved, the Company's Revised Manual of Corporate Governance states that Board Diversity policy must endeavour to achieve a board composition that is diverse in gender, skills, competence, knowledge, experience and expertise. It is also the duty of the Board to adopt a process of selection that encourages diversity and ensures a mix of competent directors and officers, without regard to gender, race, or religion.

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(B)E.2	**Board Structure**			
(B)E.2.1	Is the Nominating Committee comprised entirely of independent directors/commissioners?	**ICGN 2.4.4 Composition of board committees** The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners.	**Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-committees **Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-directors **Annual Report/Audited Financial Statement (SEC Form 17-A), pages 134 - 143 in relation to 144:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?null **Definitive Information Statement 2021, pages 6-17:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**NO.** The Nomination and Governance Committee effectively ensures the Company's compliance with corporate governance principles and practices. Independent and objective judgment is practiced at all times by the Committee given that the Chairman, is an Independent Director while all other members are non-executive directors.

ACMF	ASEAN CORPORATE GOVERNANCE SCORECARD v.2.0			
(B)E. 2.2	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?	**OECD Principle VI** (5) Ensuring a formal and transparent board nomination and election process. While actual procedures for nomination may differ among countries, the board or a nomination committee has a special responsibility to make sure that established procedures are transparent and respected. The board or nominating committee has a key role in (but not limited to): (i) Defining the general or individual profile of board members that the company may need at any given time; (ii) Considering the appropriate knowledge, competencies and expertise to complement the existing skills of the board; (iii) Identifying potential candidates to meet desired profiles and proposing them to shareholders, and/or (iv) Considering those candidates advanced by shareholders with the right to make nominations	**Revised Nomination and Governance Committee Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Nomination%20and%20Governance%20Committee%20Charter.pdf?null **Annual Report, pages 65 and 69:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web2_1.pdf	**YES.** The duties and responsibilities of the Company's Nomination and Governance Committee as reflected in its Charter include screening qualified nominees for election as directors, assessing the independence of directors, introducing improvements on Board organization and procedures, setting-up of mechanisms for performance evaluation of the Board and Management, and providing programs for continuing education of the Board. Moreso, the Nomination and Governance Committee undertook the process of identifying the qualification of directors aligned with the Company's strategic directions. It reviews and recommends to the Board for the appointment of Directors and members to the Board Committees. The process involves identifying, reviewing, and recommending potential candidates to the Board for consideration.

(B)E.3	**Board Appointments and Re-Election**			
(B)E.3.1	Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners?	**OECD Principle VI (D)** (5) The board or nomination committee has the responsibility to identify potential candidates to meet desired profiles and propose them to shareholders, and/or consider those candidates advanced by shareholders with the right to make nominations. There are increasing calls for open search processes extending to a broad range of people. **WORLDBANK PRINCIPLE 6** (VI.I.21) Are boards known to hire professional search firms when proposing candidates to the board?	**Annual Report:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web2_1.pdf	**YES.** The Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors, such as the Institute of Corporate Directors (ICD) to search for candidates to the Board of Directors. The Company's Corporate Secretary, Atty. Simeon Ken R. Ferrer is an ICD Fellow. These candidates would be skilled in core competencies such as strategic planning, business expertise, and industry knowledge. The shareholders will then elect the directors during the Annual Stockholders' Meeting (ASM) held every last Tuesday of May. Upon appointment, the Company sends out a formal letter setting out the Director's roles and responsibilities and

				the new Director will then attend various briefings with Management as seen on the Annual Report.

(B)E.4	**Board Structure & Composition**			
(B)E.4.1	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners for a company with independent chairman?	**OECD Principle VI (E)** (1) Boards should consider assigning a sufficient number of non- executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest.	**Meralco website:** https://company.meralco.com.ph/corporate-governance/board-directors **Audited Financial Statement (SEC Form 17-A), pages 124 to 133:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?null **Definitive Information Statement 2021, pages 6-17:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **2020 Annual Report, pages 65-66 and 68:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for	**NO.** The Board is composed of a majority of non-executive directors and is able to constantly exercise objective and independent judgment on all corporate affairs. Out of 11 members, although at present only two (2) are independent directors, only one (1), the President and CEO is executive director, while the remaining eight (8) are all non-executive directors. The Company has evaluated the prospect of adding independent directors to comply with the Revised Corporation Code. Meralco's Manual of Corporate Governance, Section 1.2 constitutes the Board's Independence Statement which states that the Board shall be composed of a majority of non-executive directors and

			web.pdf?null **Revised Manual of Corporate Governance, page 5:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null	at least two or an optimal number of independent directors in the Board to ensure proper checks and balances including prevention of conflicts of interest, the exercise of independent judgment on corporate affairs, proper oversight of managerial performance and balancing of competing demands of the corporation.
(B)E. 5	**Risk Oversight**			
(B)E. 5.1	Does the board describe its governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the board?	**King Code 2009** 5. The governance of information technology The board should be responsible for information technology (IT) governance 5.1.1. The board should assume the responsibility for the governance of IT and place it on the board agenda. 5.1.2. The board should ensure that an IT charter and policies are established and implemented.	**Meralco Website:** https://company.meralco.com.ph/corporate-governance/information-security-governance-and-data-privacy **Risk Management Committee Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Risk%20Management%20Committee%20Charter_1.pdf?null https://company.meralco.com.ph/corporate-governance/enterprise-wide-risk-management	**YES.** MERALCO is committed to protect its information assets and critical infrastructure from security threats to ensure availability, integrity, confidentiality, privacy, safety, and reliability. Through a well-defined Information Security Management System, the company is governed by policies and controls embodied in its Information Security Policy Manual. The primary objectives of Information Security Management System are to:

			Definitive Information Statement 2021, page 24: https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	1) Establish clear roles and responsibilities from the management to the asset controllers and its users for the protection of information; 2) Provide reasonable security assurance to support business objectives through secure technologies, regulatory compliance, and defined security maturity for energy utilities; and 3)Provide guidance in the implementation of security controls to manage security risks. Information on the Company's Information Security Governance process is detailed in the Company website. The Board reviews the Company's material Controls, including operational, financial, and compliance controls, and risk management systems (including IT and data governance) with the advice and recommendation of the Audit Committee, which in turn conducts a regular review of

				the Company's risk management activities. This is included in the accomplishment of the Board and the Risk Management Committee in 2020. The Risk Management Committee oversees the conduct of the annual risk assessment and update on the risk mitigation activities for specific risks. These are reported to the Board by the Risk Management Committee. Meralco also has a Chief Information Security Officer (CISO), who heads the Cyber Security Group of the Company. She ensures technology and process initiatives are designed, implemented and maintained in accordance with Meralco's information security policies and standards, as well as industry best practices.

ACMF	ASEAN CORPORATE GOVERNANCE SCORECARD v.2.0			
(B)E.6	**Board Performance**			
(B)E.6.1	Does the company have a separate board level Risk Committee?	**ICGN 5.5 Risk Committee** While ultimate responsibility for a company's risk management approach rests with the full board, having a risk committee (be it a stand-alone risk committee, a combined risk committee with nomination and governance, strategy, audit or other) can be an effective mechanism to bring the transparency, focus and independent judgement needed to oversee the company's risk management approach.	**Meralco Website:** https://company.meralco.com.ph/corporate-governance/enterprise-wide-risk-management **Annual Report, pages 67, 70-71, and 73:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**YES.** The Company has a Board Risk Management Committee which assists the Board in its oversight role concerning risk management process. The Company also has a separate risk management function to identify, assess and monitor key risk exposures. Meralco has a robust Enterprise-Wide Risk Management (EWRM) framework to monitor and manage its strategic, regulatory, operational and financial risks.

				The EWRM is also a proactive process that is well linked to corporate goals and objectives, embedded in the corporate culture and is well-integrated into critical and strategic planning and operational processes of the company. EWRM helps manage risks by influencing and collaborating with internal organizations and external stakeholders to identify best practices, controls and process improvement opportunities to address risks. The Risk Management Committee oversees the EWRM framework, the identification and assessment of top risks, and reviews the effectiveness of risk mitigation strategies and treatment plans developed by management.

LEVEL 2 – PENALTY ITEMS

(P)A. RIGHTS OF SHAREHOLDERS

(P)A.1	Basic Shareholder Rights	Guiding Reference	Source	Reference
(P)A.1.1	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	**OECD Principle II (A)**	**Revised Manual of Corporate Governance, Article V, pages 31 to 33:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null **Key Players page:** https://company.meralco.com.ph/corporate-governance/key-players	**NO.** The company treats all shareholders fairly and equitably. Shareholders' rights are all provided in the Revised Manual of Corporate Governance. Furthermore, the rights of shareholders are separately discussed in the Company Website under the page discussing Key Players in ensuring the application of good governance practices and policies within the Company.
(P)A.2	**Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.**	**Guiding Reference**	**Source**	**Reference**

(P)A.2.1	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	**OECD Principle II (G)** Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.	**Revised Manual of Corporate Governance, Article V, page 33:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null **Annual Report, page 61:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**NO.** There are no barriers or impediments preventing shareholders from consulting or communicating with one another, with the Directors and with the Corporate Secretary. The Company respects its stakeholders' rights (including stockholders). Its Revised Manual of Corporate Governance also states that the Board shall promote cooperation among stakeholders. Stakeholder engagement touchpoints/offices have also been strengthened to support such.
(P)A.3	**Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.**	**Guiding Reference**	**Source**	**Reference**
(P)A.3.1	Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?	**OECD Principle II (C) 2**	**Revised Manual of Corporate Governance, page 32:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-	**NO.** The Company does not include any additional and unannounced agenda item in the Annual Stockholders' Meeting (ASM) if not disclosed prior to the ASM. Stockholders are informed of the agenda

			09/1494223701.734f71990a1a231c0712493180035b01.pdf **Notice of the 2020 Annual Stockholders' Meeting with detailed agenda:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null **Company Website, Notice of Annual or Special Stockholders' Meeting:** https://company.meralco.com.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings	items ahead of the Meetings. Under the Revised Manual of Corporate Governance, the Board affords stockholders the right to propose the holding of meetings and to include agenda items ahead of the scheduled Annual and Special Shareholders' Meeting. The Company granted all stockholders, including minority stockholders, the right to nominate directors and propose or inquire on agenda items. The "Call for Nominations" was posted on the Company's website on January 27, 2020 for submission of proposed agenda and nomination of qualified candidates on or before March 6, 2020. The agenda and nominees were approved by the Board during its meeting on January 27, 2019 and March 30,2020, respectively. The Notice of 2020 ASM issued to all shareholders last April 15, 2020 also provided the rationale for each agenda item requiring shareholders'

				approval/ratification. Copy of the Notice of 2020 ASM was also posted in the Company website.
(P)A .3.2	Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM?	**OECD Principle II (C)** **ICGN 2.4.2 Time Commitment** All directors need to be able to allocate their time effectively and attendance at AGMs to meet and directly communicate with shareholders is a key responsibility of all directors and the CEO.	**Annual Report, page 66:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Meralco website** https://company.meralco.com.ph/corporate-governance/board-matters **2020 Board Committee Meeting Attendance is stated in the 2021 Definitive Information Statement, page 31:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**YES.** The Annual Stockholders' Meeting (ASM) was attended by the President and CEO, Atty. Ray C. Espinosa; the Chairperson of the Audit Committee, Retired Chief Justice Artemio V. Panganiban; and all other members of the Board elected at the ASM. Before the start of the 2020 Annual Stockholders' Meeting, the Chairman of the Company, Mr. Manuel V. Pangilinan introduced the members of the Board of Directors who were present. The record of attendance of the directors in the 2020 ASM and Board meetings was disclosed in the 2020 Annual Report (page 66), the company's Definitive Information Statement (page 31), and posted in the Company website. Please refer to the section on Board Performance for the

				detailed attendance of the Board to the ASM.

(P)A.4	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.	Guiding Reference	Source	Reference
(P)A.4.1	Shareholders Agreement?	**OECD Principle II (D)**	**Annual Report, pages 63:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Revised Manual of Corporate Governance, Article V. Investors' Rights and Protection, pages 31 to 33:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/documents/pdf_listing/2017-09/1494223701.734f71990a1a231c0712493180035b01.pdf **Public Ownership Report:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-02/amended-	**NO.** Meralco has no arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership. The Board commits to treat all shareholders fairly and equitably, and also recognize, protect, and facilitate the exercise of their rights. Salient provisions are: a) Timely, fair, and accurate disclosure of material information b) Review of existing, and development of new, policies that will prevent the major shareholders from gaining undue advantage over and at the expense of minority shareholders c) Related Party Transactions are disclosed in the Company's Notes to financial

			1_public_ownership_report_december_2020.pdf	statements d) Disinterested shareholders decide on all Related Party Transactions which require shareholders' approval. Policies with respect to protection of shareholders' rights are also detailed in the Company's Revised Manual of Corporate Governance.
(P)A.4.2	Voting Cap?		**Annual Report, page 63:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**NO.** Meralco has no arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership. The Company's class of outstanding shares entitles the holder to one vote for one share. The same is disclosed in the Annual Report.
(P)A.4.3	Mutiple Voting Rights?		**Annual Report, page 63:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**NO.** Meralco has no arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership. The Company has only one (1)

				classification of shares (common shares), with each share entitled to one (1) vote. The Board ensures that all shareholders of the same class are treated equally with respect to voting rights, among others.
(P)A.5	**Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.**	**Guiding Reference**	**Source**	**Reference**
(P)A.5.1	Is a pyramid ownership structure and/ or cross holding structure apparent?	**OECD Principle II (D):** Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed. Some capital structures allow a shareholder to exercise a degree of control over the corporation disproportionate to the shareholders' equity ownership in the company. Pyramid structures, cross shareholdings and shares with limited or	**Annual Report/Audited Financial Statement (SEC Form 17-A), pages 148:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/manila_electric_company_sec_17-a_final_2020_with_sr.pdf?nullhttps://edge.pse.com.ph/openDiscViewer.do?edge_no=fda6bd28016a48085d542af6f1e997b9 **Definitive Information Statement, page 391; Schedule I: Map Showing the Relationships among the**	**NO.** The Company has a straightforward structure of alliance among its affiliates, and joint ventures, with no joint-holding or cross-holding of shares. There is no pyramid shareholding structure within the Group. There is also an equitable treatment of all shareholders. The complete list of the Public Ownership Report of Meralco as at December 31,2020 was disclosed to the SEC, PSE, and

		multiple voting rights can be used to diminish the capability of non-controlling shareholders to influence corporate policy.	**Companies within the Group (Conglomerate Map):** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Annual Report, page 62:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Public Ownership Report:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-02/amended-1_public_ownership_report_december_2020.pdf	PDEx on January 11, 2021, where approximately 79.03% of the Company shares are held by principal and strategic shareholders, and the remaining 20.97% shareholdings are held by directors, officers, employees, the government, other corporations, and other individuals.

(P)B. EQUITABLE TREATMENT OF SHAREHOLDERS

(P)B.1	Insider trading and abusive self-dealing should be prohibited.	Guiding Reference	Source	Reference
(P)B.1.1	Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?	**OECD Principle III: The Equitable Treatment of Shareholders** (B) Insider trading and abusive dealing should be prohibited. **ICGN 3.5 Employee share dealing** Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market. **ICGN 8.5 Shareholder rights of action** ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.	**Insider Trading Policy:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507537559.0c7102e38f99560a3b96d3d9a605c801.pdf?null **Disclosures on actual dealings of directors and officers (SEC Form 23-A):** https://company.meralco.com.ph/company-disclosures/sec-filings **Annual Report, pages 63,74 and 75:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null	**NO.** There has been no violation and conviction of insider trading and abusive self-dealing by directors, management, and employees. The Company has an Insider Trading Policy which regulates the trading of shares by Company executives, officers and employees with direct access to unpublished information relating to the Company's financial and operating results, in the interest of good corporate governance and transparency. This Policy took effect on July 1, 2014. The actual dealings of the directors and officers for Y2020 are reported to the SEC through Statement of Beneficial Ownership of Securities (23-A) and published in the Company Website. The list of actual dealings in 2020 of directors and officers

				involving the corporation's shares including their nature, and number/percentage is stated in the Annual Report.

(P)B.2	**Protecting minority shareholders from abusive action**	**Guiding Reference**	**Source**	**Reference**
(P)B.2.1	Has there been any cases of non compliance with the laws, rules and regulations pertaining to material related party transactions in the past three years?	**OECD Principle III** (B) Insider trading and abusive dealing should be prohibited **ICGN 2.11.1 Related party transactions** Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair. **ICGN 2.11.2 Director conflicts of interest** Companies should have a process for identifying and managing any conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those	**Revised Manual of Corporate Governance, Article III (page 29) in relation to Article I, Section 9.7 (pages 24-25):** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null **Definitive Information Statement, Certain Relationships and Related Transactions, page 32 in relation to Note 22 of the Notes to Consolidated Financial Statement, pages 79-81:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Related Party Transactions Policy:** https://meralcomain.s3.ap-southeast-	**NO.** Meralco's Related Party Transactions (RPT) Policy ensures that transaction of the Company with its related parties are conducted in fair and at arms' length terms. It requires review of material/significant RPTs by the RPT Committee to determine whether these RPTs are in the best interest of the Company. The RPT Policy is disclosed in the Company's Revised Manual of Corporate Governance, and the Company Website. Except with respect to the Related Party Transactions as discussed in Note 22 to the Consolidated Financial Statements as at December 31, 2019 and for each of the three (3) years in the period ended December 31, 2019, there was no transaction during the last three (3) years involving MERALCO in which any of its directors or executive officers,

		discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.	1.amazonaws.com/images/ckeditor-documents/Signed%20RPT%20Policy.pdf?null **Related Party Transactions Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2018-01/2017_rptcom_0.pdf **Conflict of Interest Policy:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507537560.fea8c510112d9a9c74e8b490b5e46cde.pdf?null	any nominee for election as director, or security holder owning 10% or more of MERALCO's total outstanding shares and members of their immediate family had a material interest. Note 22 does not include transaction which would require abstention by a director. The Company also has a Conflict of Interest Policy which requires directors and officers to annually sign and submit a Full Business Interest Disclosure form not later than January 31 of each year detailing all their material transactions or conflict of interest situations. Also, as soon as a director, officer, or employee becomes aware of an actual or potential conflict of interest situation where he is involved in, he must disclose this in writing to the appropriate Clearance Authority to seek clearance or advice within fifteen (15) days from occurrence thereof.

		ICGN 8.5 Shareholder rights of action Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.		
(P)B. 2.2	Were there any RPTs that can be classified as financial assistance (i.e not conducted at arms length) to entities other than wholly-owned subsidiary companies?	**OECD Principle III (G)** Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress. Abusive self-dealing should be prohibited.	**Definitive Information Statement, Certain Relationships and Related Transactions, page 32 in relation to Note 22 of the Notes to Consolidated Financial Statement, pages 79-81:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Related Party Transactions Policy:** https://meralcomain.s3.ap-southeast-	**NO.** Meralco's Related Party Transactions (RPT) Policy ensures that transaction of the Company with its related parties are conducted in fair and at arms' length terms. It requires review of material/significant RPTs by the RPT Committee to determine whether these RPTs are in the best interest of the Company. The RPT Policy is disclosed in the Company's Revised Manual of Corporate Governance, and the Company Website. As expressly stated in Article II, Section 6 of the Related Party

			1.amazonaws.com/images/ckeditor-documents/Signed%20RPT%20Policy.pdf?null **Related Party Transactions Charter:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2018-01/2017_rptcom_0.pdf	Transactions Policy, the Company does not grant loans or any special financial assistance to directors.

(P)C. ROLE OF STAKEHOLDERS

(P)C. 1	**The rights of stakeholders that are established by law or through mutual agreements are to be respected.**	**Guiding Reference**		

(P)C. 1.1	Have there been any violations of any laws pertaining to labour/employment/consumer/insolvency/commercial/competition or environmental issues?	**OECD Principle IV** (A) The rights of stakeholders that are established by law or through mutual agreements are to be respected. **OECD Principle IV (D)** (7) Companies are also well advised to establish and ensure the effectiveness of internal controls, ethics, and compliance programmes or measures to comply with applicable laws, regulations, and standards, including statues criminalizing the bribery of foreign public officials, as required under the OECD Anti-Bribery Convention, and other forms of bribery and corruption. Moreover, compliance must also relate to other laws and regulations such as those covering securities, competition and work and safety conditions.	**Annual Report, pages 34-37 and 58:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement 2021, pages 48 -52:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Meralco website:** https://company.meralco.com.ph/corporate-governance/key-players https://company.meralco.com.ph/corporate-governance/stakeholder-engagement	**NO.** The Company has policies and practices on the health, safety and welfare of its employees. In 2020, MERALCO was able to achieve 100% compliance to its regulatory Occupational Safety and Health (OSH) reportorial requirements, passed all seven (7) Department of Labor and Employment (DOLE) audits in its different operating facilities, and achieved a 24% year on year reduction on work-connected incidents. MERALCO also maintained its ISO 45001:2018 certification for OSH Management System after successfully passing the 2020 surveillance audit conducted by BRS Philippines. On the environment front, Meralco ensures compliance to all applicable laws and regulations and has also successfully passed the ISO Environmental Management System (14001: 2015) external audit in 2019, with validity up to 2022.

(P)C. 2	**Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.**	**Guiding Reference**	**Source**	**Reference**
(P)C. 2.1	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	**OECD Principle IV** (B) Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.	**Annual Report, page 63:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement, Certain Relationships and Related Transactions, page 32 in relation to Note 22 of the Notes to Consolidated Financial Statement, pages 79-81:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Meralco website (RPT Committee):**	**NO.** There has been no reported case of non-compliance with the laws, rules and regulations pertaining to significant or material related party transactions. The Company practices timely, fair, and accurate disclosure of material information.

			https://company.meralco.com.ph/corporate-governance/board-committees	

(P)D. DISCLOSURE AND TRANSPARENCY

(P)D.1	Sanctions from regulator on financial reports	Guiding Reference	Source	Reference
(P)D.1.1	Did the company receive a "qualified opinion" in its external audit report?	**OECD Principle V: Disclosure and Transparency** (B) Information should be prepared and disclosed in accordance with high quality standards of accounting and financial and non-financial disclosures. (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects. (D) External auditors should be accountable to the shareholders and owe a duty to	**Annual Report, pages 92-103:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement 2021:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**NO.** The Company did not receive any sanctions from regulators on financial reports nor did it receive any qualified opinion on its external audit report.
(P)D.1.2	Did the company receive an "adverse opinion" in its external audit report?		**Annual Report, pages 92-103:** https://company.meralco.com.ph/investor-relations/annual-reports	**NO.** The Company did not receive any sanctions from regulators on financial reports nor did it receive any adverse

		the company to exercise due professional care in the conduct of the audit. **ICGN 6.2 Annual audit** The annual audit carried out on behalf of shareholders is an essential part of the checks and balances required at a company. It should provide an independent and objective	https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement 2021:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	opinion on its external audit report.
(P)D.1.3	Did the company receive a "disclaimer opinion" in its external audit report?		**Annual Report, pages 92-103:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement 2021:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**NO.** The Company did not receive any sanctions from regulators on financial reports nor did it receive any disclaimer opinion on its external audit report.

(P)D.1.4	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?		**Annual Report, pages 94-103:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement 2021, page 35:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**NO.** There has been no event in the past year where the Company and its external auditors or the handling partner had any serious or material disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

		opinion that the financial statements fairly represent the financial position and performance of the company in all material respects, give a true and fair view of the affairs of the company and are in compliance with applicable laws and regulations. **ICGN 7.3 Affirmation of financial statements** The board of directors and the appropriate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts. **International Auditing Standard (ISA) No. 705 "Modifications to the Opinion in the Independent Auditor's Report" (2009).** Paras. 7, 8 and 9 specify the three types of modifications to the auditor's opinion; that is, Qualified opinion, Adverse opinion, and Disclaimer opinion respectively.		

(P)E. RESPONSIBILITIES OF THE BOARD

(P)E.1	Compliance with listing rules, regulations and applicable laws	Guiding Reference	Source	Reference
(P)E.1.1	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	**OECD Principle VI (D)** (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.	**Definitive Information Statement 2021:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Meralco Website, Disclosures:** https://company.meralco.com.ph/company-disclosures/sec-filings	**NO.** There has been no reported case of non-compliance with the laws, rules and regulations. Quantitative and Qualitative disclosures may be found in the Company website.

		Companies are also well advised to set up internal programmes and procedures to promote compliance with applicable laws, regulations and standards, including statutes to criminalise bribery of foreign officials that are required to be enacted by the OECD Anti-bribery Convention and measures designed to control other forms of bribery and corruption. Moreover, compliance must also relate to other laws and regulations such as those covering securities, competition and work and safety conditions. Such compliance programmes will also underpin the company's ethical code.		
(P)E. 1.2	Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?	**UK CODE (JUNE 2010)** A.4.3 Where directors have concerns which cannot be resolved about the running of the company or a proposed action, they should ensure that their concerns are recorded in the board minutes. On resignation, a non-executive director should provide a	**Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-matters	**NO.** There have been no instances where non-executive directors resigned and raised issues of governance-related concerns. The Company's directors also evaluated their individual and collective performances regarding the Board and its committees' structures,

		written statement to the chairman, for circulation to the board, if they have any such concerns.		processes and responsibilities.
(P)E. 2	**Board Structure**	**Guiding Reference**	**Source**	**Reference**
(P)E. 2.1	Does the Company have any independent directors/commissioners who have served for more than nine years or two terms of five years[1] each (which ever is higher) in the same capacity? [1] The five years term must be required by legislation which pre-existed before the introduction of the ASEAN Corporate Governance Scorecard in 2011	**ICGN 3.3 Tenure** Non-executive directors should serve for an appropriate length of time to properly serve the board without compromising the independence of the board. The length of tenure of each director should be reviewed regularly by the nomination committee to allow for board refreshment and diversity.	**Definitive Information Statement, pages 27-30:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**YES.** Meralco's two (2) Independent Directors (IDs) have served as such more than the nine-year term limit. Retired Chief Justice Artemio V. Panganiban has been the Company's ID since May 27, 2008, while Mr. Pedro O. Roxas served as an ID since May 25, 2010. However, the CG Manual and the SEC CG Code also provide that if the Company wants to retain an independent director who has served for nine consecutive years, the Board should provide meritorious justification and advise the shareholders of such justification during the annual shareholders' meeting. During Meralco's Annual Stockholders' Meeting (ASM) held on May 25, 2021, meritorious justification on the

				subject was taken up and also included in the Definitive Information Statement to allow the nominations of both Retired Chief Justice Panganiban and Mr. Roxas as IDs for 2021 to 2022. The proposed retention of Retired Chief Justice Artemio Panganiban and Mr. Pedro Roxas as independent directors should be viewed in light of the unprecedented backdrop of the COVID-19 Pandemic. The most recent corporate financial and operational indicators have clearly shown that the global COVID-19 pandemic has brought about unique and serious operational, legal and regulatory risks, that unfortunately have continued to loom relentlessly over the Company and the nation as a whole. In the midst of such uncertainty, MERALCO and its stakeholders will benefit from stability in the Board brought about in part by Ret. Chief Justice Panganiban's and Mr. Roxas' deep experience and

				knowledge of the Company that will enable them to continue to provide steady guidance and meaningful participation towards the crafting of policies and strategies to immediately address these risks.
(P)E. 2.2	Did the company fail to identify who are the independent director(s) / commissioner(s)?	**ICGN 2.5 Independence**	**Definitive Information Statement, pages 400-403:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null **Annual Report, page 65:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Revised Manual of Corporate Governance, page 5:** https://meralcomain.s3-ap-southeast-1.amazonaws.com/inline-files/1507250421.8dd4083abcd328358189a0b0f85bc682.pdf?null **Meralco Website:**	**NO.** The Board adopts a one-tier system consisting of eleven (11) directors, two (2) of whom are independent directors, eight (8) are non-executive directors, and one (1) is an executive director in 2020. Manuel V. Pangilinan: Chairman/Non-Executive Lance Y. Gokongwei: Non-Executive Director Ray C. Espinosa: Executive Director James L. Go: Non-Executive Director Victorico P. Vargas: Non-Executive Director Jose Ma. K. Lim: Non-Executive Director Elpidio L. Ibañez: Non-Executive Director Anabelle L. Chua: Non-Executive Director

			https://company.meralco.com.ph/corporate-governance/board-matters	Artemio V. Panganiban: Lead Independent Director Pedro O. Roxas: Independent Director Frederick D. Go: Non-Executive Director Meralco Manual of Corporate Governance, Section 1.2 constitutes the Board's Independence Statement which states that the Board shall be composed of a majority of non-executive directors and at least two or an optimal number of independent directors in the Board to ensure proper checks and balances including prevention of conflicts of interest, the exercise of independent judgment on corporate affairs, proper oversight of managerial performance and balancing of competing demands of the corporation. The Manual also defines what determines that a board member is independent, particularly:

				a. Is not, or has not been a senior officer or employee of the covered company unless there has been a change in the controlling ownership of the company; b. Is not, and has not been in the three years immediately preceding the election, a director of the covered company; a director, officer, employee of the covered company's subsidiaries, affiliates or related companies; or a director, officer, employee of the covered company's substantial shareholders and its related companies; c. Has not been appointed in the covered company, its subsidiaries, affiliates or related companies as Chairman "Emeritus," "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within

				three years immediately preceding his election; d. Is not an owner of more than two percent (2%) of the outstanding shares of the covered company, its subsidiaries, affiliates or related companies; e. Is not a relative of a director, officer, or substantial shareholder of the covered company or any of its related companies or of any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister; f. Is not acting as nominee or representative of any director of the covered company or any of its related companies; g. Is not a securities broker-dealer of listed companies and

				registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer; h. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the covered company, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the three years immediately preceding the date of his election; i. Does not engage or has not engaged, whether by himself

				or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the covered company or any of its related companies or substantial shareholders; j. Is not affiliated with any non-profit organization that receives significant funding from the covered company or any of its related companies or substantial shareholders; and k. Is not employed as an executive officer of another company where any of the covered company's executives serve as directors. Related companies, as used in this section, refer to (a) the covered entity's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company. The Company's Nomination and Election Policy also

				requires nominees for independent directorship to submit a certification of independent directors.
(P)E.2.3	Does the company have any independent directors/non-executive/commissioners who serve on a total of more than five boards of publicly-listed companies?	**OECD PRINCIPLE VI (E)** (3) Board members should be able to commit themselves effectively to their responsibilities. Service on too many boards can interfere with the performance of board members. Companies may wish to consider whether multiple board memberships by the same person are compatible with effective board performance and disclose the information to shareholders.	**Board Charter** https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/Board_Charter.pdf?null **Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-matters **Annual Report, pages 66 and 67:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement 2021, pages 6-17:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_i	**YES.** Retired Chief Justice Artemio Panganiban is an independent director serving on a total of more than five boards of publicly-listed companies. Non-executive Directors, Mr. Lance Gokongwei and Mr. James Go, similarly serve more than five boards of publicly-listed companies. In 2020, no director has attended less than 86% of the board meetings, indicating that all board members of Meralco are able to commit themselves and their time to their responsibilities with the Company. Under the Board Charter, the non-executive directors of the Board may concurrently serve as directors of other publicly listed companies but

			nformation_statement_april_27_2021.pdf?null **Definitive Information Statement 2020, pages 7-19:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2020-04/2020_meralco_definitive_is.pdf?null	they must ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Company. Non-executive directors are provided advance notice of proposed meeting agenda, together with supporting documents, so as to give them reasonable period of time within which to study and prepare for the meeting, challenge Management's proposals or views, and oversee the long-term strategy of the Company. Also, the Board ensures that all its members attend most, if not all, of its meetings, extensively discuss all matters affecting the Company and its stakeholders as well as its long-term strategy. The directorships of the directors in both listed and

				non-listed companies are stated in the Definitive Information Statement (DIS) 2020 and 2021.

(P)E. 3	**External Audit**	**Guiding Reference**	**Source**	**Reference**
(P)E. 3.1	Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?	**OECD Principle V** (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects. Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or	**Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-matters **Meralco Annual Report, pages 78-83:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement, pages 7-16 and 34-36:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null https://edge.pse.com.ph/openDiscViewer.do?edge_no=8874d9447615e7165d542af6f1e997b9	**NO.** The profiles of the Directors (i.e., age, academic qualifications, date of first appointment and hence, their tenure, experience, and directorships in other listed companies) are stated in Notice of Annual Stockholders' Meeting incorporated in the Definitive Information Statement. SGV & Co. was the Company's external auditor for 2020. SGV provides an external and objective assurance to the Board, and provides an additional protection to the rights of shareholders and creditors that the financial statements fairly represent the financial position and performance of the Company in all materials aspects.

		management role in the companies they audit.		
(P)E. 4	**Board Structure and Composition**	**Guiding Reference**	**Source**	**Reference**
(P)E. 4.1	Has the chairman been the company CEO in the last three years?	**OECD Principle VI (E)** The board should be able to exercise objective independent judgement on corporate affairs. In countries with single tier board system, the objectivity of the board and its independence from management may be strengthened by the separation of the role of chief executive and Chair.	**Meralco Website:** https://company.meralco.com.ph/corporate-governance/board-matters **Meralco Annual Report, pages 78-83:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement, pages 7-16:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null https://edge.pse.com.ph/openDiscViewer.do?edge_no=8874d9447615e7165d542af6f1e997b9	**NO.** The Company's Chairman and CEO are held separately by different individuals. The profiles of the Directors (i.e., age, academic qualifications, date of first appointment and hence, their tenure, experience, and directorships in other listed companies) are stated in Notice of Annual Stockholders' Meeting incorporated in the Definitive Information Statement. While the individual tenure of each director is disclosed to the SEC, the range of tenure is disclosed at Meralco website.

		Separation of the two posts is generally regarded as good practice, as it can help to achieve an appropriate balance of power, increase accountability and improve the board's capability for decision making independent management. The presence of a recent CEO as Chairman may unduly influence the views of the board		

(P)E. 4.2	Do independent non-executive directors/commissioners receive options, performance shares or bonuses?	**UK CODE (JUNE 2010)** (D.1.3) Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role. Remuneration for non-executive directors should not include share options or other performance-related elements. If, by exception, options are granted, shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the non-executive director leaves the board. Holding of share options could be relevant to the determination of a non-executive director's independence (as set out in provision B.1.1). **ASX CODE** Box 8.2: Guidelines for non-executive director remuneration Companies may find it useful to consider the following when considering non-executive director remuneration:	**Annual Report, page 68:** https://company.meralco.com.ph/investor-relations/annual-reports https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-05/meralco_2020_annual_report_for_web.pdf?null **Definitive Information Statement 2021, pages 33-34:** https://meralcomain.s3.ap-southeast-1.amazonaws.com/2021-04/meralco_amended_definitive_information_statement_april_27_2021.pdf?null	**NO.** Remuneration for non-executive directors does not include share options or other performance-related shares. The Company discloses details of remuneration of all its directors as seen on the Company's Annual Report.

		1. Non-executive directors should normally be remunerated by way of fees, in the form of cash, noncash benefits, superannuation contributions or salary sacrifice into equity; they should not normally participate in schemes designed for the remuneration of executives. 2. Non-executive directors should not receive options or bonus payments. 3. Non-executive directors should not be provided with retirement benefits other than superannuation.		

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