

ASEAN CG SCORECARD			
Country		Philippines	
PLCName		Manila Electric Company	
StockCode		MER	
Sector		Energy	
Year		2011	
Date of Financial Year End		31/12/2011	
A. Rights of Shareholders			
A.1 Basic Shareholder Rights			
Question		Answer	Remarks
A.1.1	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 annual general meeting (AGM) for final dividends?	Y	<p>YES. All shareholders were given their equitable shares and paid within 30 days after record date. This announcement was disclosed to the PSE, SEC, and published in the Company's website shown below.</p> <p>Sources:</p> <p>Cash Dividend (Common): P2.65/share Announcement: February 28, 2011 Record Date: March 28, 2011 Payable: April 20, 2011 http://www.meralco.com.ph/pdf/disclosures/2011.02/20110228%20SEC%20FORM%2017C.pdf</p> <p>Cash Dividend (Preferred): 10% par value on the Company's 10% Cumulative Preferred Stocks, Series "B". Announcement: March 28, 2011 Record Date: March 31, 2011 Payable: April 29, 2011 http://www.meralco.com.ph/pdf/disclosures/2011.03/032811%20SEC%20FORM%2017C%20BOD.pdf</p> <p>Cash Dividend (Preferred): 10% par value on the Company's 10% Cumulative Preferred Stocks, Series "B". Announcement: June 27, 2011 Record Date: June 30, 2011 Payable: July 29, 2011 http://www.meralco.com.ph/pdf/disclosures/2011.07/20110725%20SEC%20FORM17C.pdf</p> <p>Cash Dividend (Common): P1.70/share Announcement: November 2, 2011 Record Date: December 2, 2011 Payable: December 27, 2011 http://www.meralco.com.ph/pdf/disclosures/2011.11/20111102%20SEC%20FORM%2017%20C.pdf</p> <p>==</p> <p>2011 Annual Report Management's Discussion and Analysis, Equity Financing, Paragraph 5, Page 70.</p> <p>"The table below summarizes the cash dividends declared in 2011 and 2010:</p> <p>(Summary Table of Dividend pay-outs in 2010 and 2011)"</p> <p>==</p> <p>2011 Annual Report Notes to Consolidated Financial Statements, Note 18. Equity, Unappropriated Retained Earnings, Paragraph 2, Page 119.</p> <p>" The following are cash dividends declared on common shares in 2011 and 2010:</p> <p>(Summary Table of Dividend pay-outs in 2010 and 2011)"</p> <p>http://meralco.com.ph/pdf/aboutmeralco/2012/meralco_ar2011.pdf</p> <p>==</p> <p>Company Website About Us Section, Investor Relations, Stockholders Meeting, Stock Price & Dividend Payouts, Meralco Dividend Payouts</p> <p>"(Summary Table of Dividend pay-outs in 2010 and 2011)"</p> <p>http://www.meralco.com.ph/company/page-about-investor-stockmeeting.html</p>
A.2 Right to participate in decisions concerning fundamental corporate changes.			
Do shareholders have the right to participate in:			
A.2.1	Amendments to the company's constitution?	Y	<p>YES. Shareholders have the right to participate in the Amendments to the company's By-Laws.</p> <p>Sources:</p> <p>Manual of Corporate Governance, page 25 Part V. Investor's Right and Protection Section 6.0 Appraisal Right, Item a.</p> <p>"The stockholders shall have appraisal right under any of the following circumstances:</p> <p>a. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any aspect superior to those of outstanding shares of any class, or of extending or reducing the term of corporate existence;"</p> <p>http://www.meralco.com.ph/pdf/aboutmeralco/Revised_Corporate_Governance_2011.pdf</p>

A.2.2	The authorisation of additional shares?	Y	<p>YES. Shareholders have the right to participate in the authorisation of additional shares.</p> <p>Sources:</p> <p>Manual of Corporate Governance, page 25 Part V. Investor's Right and Protection Section 6.0 Appraisal Right, Item a.</p> <p>"The stockholders shall have appraisal right under any of the following circumstances:</p> <p>a. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any aspect superior to those of outstanding shares of any class, or of extending or reducing the term of corporate existence,"</p> <p>http://www.meralco.com.ph/pdf/aboutmeralco/Revised_Corporate_Governance_2011.pdf</p> <p>===</p> <p>Company Website Corporate Governance Section, Policies and Implementing Rules Amended Articles of Incorporation (2007) Article 7, page 4.</p> <p>"That the capital stock of the Corporation is FIFTEEN BILLION FIVE HUNDRED MILLION PESOS (Php 15,500,000,000.00) and the said capital stock is divided into: ... (As approved by the Board of Directors on 26 February 2007 and by the stockholders representing at least 2/3 of the outstanding capital stock on 29 May 2007.)"</p> <p>http://www.meralco.com.ph/pdf/corporategovernance/Articles_of_Incorporation.pdf</p>
A.2.3	The transfer of all or substantially all assets, which in effect results in the sale of the company?	Y	<p>YES. Shareholders have the right to participate in the transfer of all or substantially all assets.</p> <p>Source:</p> <p>Manual of Corporate Governance, page 25 Part V. Investor's Right and Protection Section 6.0 Appraisal Right, Item b.</p> <p>"b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Company,"</p> <p>http://www.meralco.com.ph/pdf/aboutmeralco/Revised_Corporate_Governance_2011.pdf</p>
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.			
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?	Y	<p>YES. Shareholders have the opportunity to approve compensation or any increases in remuneration for the non-executive directors.</p> <p>This is clearly stated in Meralco's Ammended By-Laws (page 6), which is also accessible in the company website.</p> <p>Sources:</p> <p>Ammended By-Laws Company Website, Corporate Governance Section, Policies and Implementing Rules, Downloadable By-Laws, Article 2, Section 7. Compensation, Page 6.</p> <p>"SECTION 7. COMPENSATIION. - Directors, as such, shall not receive any stated salary for their services, but by resolution of the stockholders, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors; but nothing herein contained shall be construed to preclude any director from serving the Company in any other capacity and receiving compensation therefore."</p> <p>http://www.meralco.com.ph/pdf/corporategovernance/Amended_By_Laws.pdf</p> <p>==</p> <p>Company Website About Us Section, Disclosures and Communications, PSE & SEC, April 20, 2012 Disclosure, Definitive Information Statement for Annual Meeting of Stockholders Meeting on May 29, 2012, Record Date on March 16, 2012, Paragraph 2, Page 17.</p> <p>"Compensation of Directors and Officers...</p> <p>As provided in MERALCO's Amended By-Laws, directors, as such, shall not receive any stated salary for their services, but by resolution of the stockholders, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors; but nothing herein contained shall be construed to preclude any director from serving the Company in any other capacity and receiving compensation therefore.</p> <p>MERALCO has no standard arrangement on the remuneration of its existing directors and officers aside from the compensation herein stated."</p> <p>http://www.meralco.com.ph/pdf/disclosures/2012.04/2012_Definitive_Information_Statement.pdf</p>
A.3.2	Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners?	Y	<p>YES. The Company provides non-controlling shareholders a right to nominate candidates for board of directors.</p> <p>Source:</p> <p>Manual of Corporate Governance, page 25 Part V. Investor's Right and Protection Section 1.0 Voting Right, Item 1.1.</p> <p>"1.1 Stockholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code."</p> <p>http://www.meralco.com.ph/pdf/aboutmeralco/Revised_Corporate_Governance_2011.pdf</p>

A.3.3	Does the company allow shareholders to elect directors/commissioners individually?	Y	<p>YES. The company allows shareholders to elect directors individually.</p> <p>Source:</p> <p>Manual of Corporate Governance, page 25 Part V. Investor's Right and Protection Section 1.0 Voting Right.</p> <p>"1.1 Stockholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the corporation Code. 1.2 Cumulative voting shall be used in the election of directors.."</p> <p>http://www.meralco.com.ph/pdf/aboutmeralco/Revised_Corporate_Governance_2011.pdf</p>
A.3.4	Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds?	Y	<p>YES. The company discloses the voting and vote tabulation procedures used, declaring both before the meeting proceeds.</p> <p>Source:</p> <p>Company Website About Us Section, Disclosures and Communication, PSE & SEC, April 20, 2012 Disclosure, Notice of Annual Meeting of Stockholders and Information Statement, Voting Procedures, Page 19.</p> <p>"Voting Procedures (a) The matters in the agenda require the affirmative vote of stockholders entitled to vote. Each common stockholder shall be entitled to one vote for each share. (b) In the election of directors, each stockholder entitled to vote may cumulate and distribute his votes in accordance with the Corporation Code of the Philippines. (c) Voting and counting of votes shall be by balloting, show of hands or viva voce. Auditors and inspectors appointed by the Board will be present to canvass and inspect ballots."</p> <p>http://www.meralco.com.ph/pdf/disclosures/2012.04/2012_Definitive_Information_Statement.pdf</p>
A.3.5	Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues?	Y	<p>YES. Item No. 10 (Other business that may properly be brought before the meeting) of the AGM Agenda provided an opportunity allowing for shareholders to ask questions or raise issues. This is evidenced by the excerpts of the summary of the minutes of the 2012 AGM which states that:</p> <p>" There was an opportunity allowing for shareholders to ask questions or raise issues.</p> <p>No questions were raised except for questions pertaining to specific customer billing and service concerns, raised by Messrs. Guillermo Gili and Mr. Emil, which were addressed immediately after the meeting."</p> <p>http://www.meralco.com.ph/pdf/corporategovernance/052912_AGM_MINUTES.pdf</p>
A.3.6	Do the minutes of the most recent AGM record questions and answers?	Y	<p>YES. The questions and issues raised by the shareholders were duly recorded in the AGM minutes. The excerpts of the summary of the minutes of the 2012 AGM states that:</p> <p>" There was an opportunity allowing for shareholders to ask questions or raise issues.</p> <p>No questions were raised except for questions pertaining to specific customer billing and service concerns, raised by Messrs. Guillermo Gili and Mr. Emil, which were addressed immediately after the meeting."</p> <p>Company Website About Us Section, Investor Relations Stockholders Meeting, Stock Price & Dividend Payouts</p> <p>http://www.meralco.com.ph/company/page-about-investor-stockmeeting.html ==</p> <p>Item No. 10 "Other business that may properly be brought before the meeting" of the AGM Agenda provided an opportunity allowing for shareholders to ask questions or raise issues. The questions and answers discussed were duly recorded in the AGM minutes.</p> <p>http://www.meralco.com.ph/pdf/corporategovernance/052912_AGM_MINUTES.pdf</p> <p>http://www.meralco.com.ph/pdf/disclosures/2012.04/2012_Definitive_Information_Statement.pdf</p>

A.3.7	Does the disclosure of the outcome of the most recent AGM include resolution(s)?	Y	<p>YES. The disclosure of the outcome of the most recent AGM includes resolutions.</p> <p>Source:</p> <p>Company Website About Us Section, Disclosures & Communications, PSE & SEC, May 29, 2012 Disclosure, Results of Annual Stockholders' Meeting and Organizational Meeting of Board of Directors</p> <p>"(SEC-Form 17C - Results of Annual Stockholders' Meeting and Organizational Meeting of Board of Directors) "</p> <p>http://www.meralco.com.ph/pdf/disclosures/2012.05/052912_SEC_FORM_17C_2012SHMeeting.pdf</p>
A.3.8	Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM?	Y	<p>YES. The Company discloses the voting results for each agenda item for the most recent AGM. The voting procedures and resolutions during the AGM are duly recorded in the minutes.</p> <p>Source:</p> <p>Company Website About Us Section, Disclosures & Communications, PSE & SEC, May 29, 2012 Disclosure, Results of Annual Stockholders' Meeting and Organizational Meeting of Board of Directors</p> <p>"(SEC-Form 17C - Results of Annual Stockholders' Meeting and Organizational Meeting of Board of Directors) "</p> <p>http://www.meralco.com.ph/pdf/disclosures/2012.05/052912_SEC_FORM_17C_2012SHMeeting.pdf</p> <p>http://www.meralco.com.ph/pdf/corporategovernance/052912_AGM_MINUTES.pdf</p>
A.3.9	Does the company disclose the list of board members who attended the most recent AGM?	Y	<p>YES. The company discloses the list of board members who attended the most recent AGM.</p> <p>Sources:</p> <p>2011 Annual Report Corporate Governance Report, Part III. Board of Directors, Item F. Board Performance, page 39.</p> <p>"The following table shows the participation of the Board in the AGM, Organizational Meeting and its regular meetings:... (Table of Board Attendance in the AGM/Organization Meeting and Board Meetings in 2011)"</p> <p>http://meralco.com.ph/pdf/aboutmeralco/2012/meralco_ar2011.pdf</p> <p>=</p> <p>Website: Corporate Governance Section, Meetings and Seminars, 1. Board Meetings</p> <p>http://www.meralco.com.ph/company/page-about-corgovernance-board.html</p>
A.3.10	Did the chairman of the board of directors/commissioners attend the most recent AGM?	Y	<p>YES. The Chairman (Mr. Manuel M. Lopez) of the board of directors attended the most recent AGM.</p> <p>Sources:</p> <p>2011 Annual Report Corporate Governance Report, Part III. Board of Directors, Item F. Board Performance, page 39.</p> <p>"The following table shows the participation of the Board in the AGM, Organizational Meeting and its regular meetings:... (Table of Board Attendance in the AGM/Organization Meeting and Board Meetings in 2011)"</p> <p>2011 Annual Report Corporate Governance Report, Part II. Shareholder Relations, Annual General Meeting, page 38.</p> <p>"The Chairman of the Board, Ambassador Manuel M. Lopez, presided over the meeting. All of the members of the Board elected at the AGM, except for Mr. Ray C. Espinosa and Mr. Napoleon L. Nazareno, were present."</p> <p>http://meralco.com.ph/pdf/aboutmeralco/2012/meralco_ar2011.pdf</p> <p>**</p> <p>Website: Corporate Governance Section, Meetings and Seminars, 1. Board Meetings</p> <p>http://www.meralco.com.ph/company/page-about-corgovernance-board.html</p>
A.3.11	Did the CEO/Managing Director/President attend the most recent AGM?	Y	<p>YES. The CEO & President (Mr. Manuel V. Pangilinan) attended the most recent AGM.</p> <p>Sources:</p> <p>2011 Annual Report Corporate Governance Report, Part III. Board of Directors, Item F. Board Performance, page 39.</p> <p>"The following table shows the participation of the Board in the AGM, Organizational Meeting and its regular meetings:... (Table of Board Attendance in the AGM/Organization Meeting and Board Meetings in 2011)"</p> <p>2011 Annual Report Corporate Governance Report, Part II. Shareholder Relations, Annual General Meeting, page 38.</p> <p>"The Chairman of the Board, Ambassador Manuel M. Lopez, presided over the meeting. All of the members of the Board elected at the AGM, except for Mr. Ray C. Espinosa and Mr. Napoleon L. Nazareno, were present."</p> <p>http://meralco.com.ph/pdf/aboutmeralco/2012/meralco_ar2011.pdf</p> <p>**</p> <p>Website: Corporate Governance Section, Meetings and Seminars, 1. Board Meetings</p> <p>http://www.meralco.com.ph/company/page-about-corgovernance-board.html</p>

A.3.12	Did the chairman of the Audit Committee attend the most recent AGM?	Y	<p>YES. The chairman of the Audit Committee (Ret. Chief Justice Artemio V. Panganiban) attended the most recent AGM.</p> <p>Sources:</p> <p>2011 Annual Report Corporate Governance Report, Part III. Board of Directors, Item F. Board Performance, page 39.</p> <p>"The following table shows the participation of the Board in the AGM, Organizational Meeting and its regular meetings:... (Table of Board Attendance in the AGM/Organization Meeting and Board Meetings in 2011)"</p> <p>=</p> <p>2011 Annual Report Corporate Governance Report, Part II. Shareholder Relations, Annual General Meeting, page 38.</p> <p>"The Chairman of the Board, Ambassador Manuel M. Lopez, presided over the meeting. All of the members of the Board elected at the AGM, except for Mr. Ray C. Espinosa and Mr. Napoleon L. Nazareno, were present."</p> <p>http://meralco.com.ph/pdf/aboutmeralco/2012/meralco_ar2011.pdf</p> <p>==</p> <p>2011 Annual Report Audit and Risk Management Committee Report, page 71.</p> <p>The Audit and Risk Management Committee Report was signed by its Committee Chairman, Former Chief Justice Artemio V. Panganiban, Chairman of the Audit and Risk Management Committee.</p> <p>http://meralco.com.ph/pdf/aboutmeralco/2012/meralco_ar2011.pdf</p> <p>==</p> <p>Website: Corporate Governance Section, Key Players, C. Board Committees, 3. Audit and Risk Management Committee (AuditCom)</p> <p>[Table of the members of the Audit and Risk Management Committee]</p> <p>"Artemio V. Panganiban - Chairman (Independent Director)"</p> <p>http://www.meralco.com.ph/company/page-about-corgovernance-keyplayers-2011.html</p> <p>#boardcommittees</p> <p>==</p> <p>Website: Corporate Governance Section, Meetings and Seminars, 1. Board Meetings http://www.meralco.com.ph/company/page-about-corgovernance-board.html</p>
A.3.13	Did the company organise their most recent AGM in an easy to reach location?	Y	<p>YES. The company organized its most recent AGM in an easy to reach location (Company Head Office).</p> <p>Source: Company Website About Us Section, Disclosures and Communication, PSE & SEC, April 20, 2012 Disclosure, Notice of Annual Meeting of Stockholders and Information Statement, Voting Procedures, Page i, Paragraph 1.</p> <p>Notice of Annual Meeting of Stockholders</p> <p>"NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Meralco will be held at the Meralco Theater, Lopez Building, Ortigas Avenue, Pasig City on Tuesday, May 29, 2012, at 10:00 AM..."</p> <p>http://www.meralco.com.ph/pdf/disclosures/2012.04/2012_Definitive_Information_Statement.pdf</p>

A.3.14	Does the company allow for voting in absentia?	Y	<p>YES. The company allows for voting in absentia (by proxy).</p> <p>Sources:</p> <p>Company Website About Us Section, Disclosures and Communications, PSE and SEC Disclosure, PSE&SEC Archive, 2010, September 8, 2010 Disclosure, SEC approval of amendments to By-Laws, Amended By-Laws of the Manila Electric Company, Article I - Meetings of Stockholders, Section 3 - Voting , page 1;</p> <p>"At all meetings of the stockholders, each stockholder entitled to vote thereat shall be entitled to one vote for each share held of record by him, which vote may be given personally or by attorney or proxy authorized in writing. The instrument authorizing an attorney or proxy to act shall be filed with the Office of the Corporate Secretary of the Company not later than twenty (20) business days prior to the scheduled stockholders meeting. In the election of directors each stockholder entitled to vote for directors may accumulate and distribute his votes in accordance with provisions of law applicable in such case."</p> <p>http://www.meralco.com.ph/pdf/disclosures/2010.09/20100908_Amended%20By-Laws.pdf</p> <p>**</p> <p>Company Website About Us Section, Disclosures and Communication, PSE & SEC, April 20, 2012 Disclosure, Notice of Annual Meeting of Stockholders and Information Statement, Voting Procedures, Page i, Paragraph 4.</p> <p>" In accordance with Article I, Section 3 of the Company's Amended By-Laws, any instrument authorizing a proxy to act shall be submitted to and received at the principal office of the Company on or before April 30, 2012, 5:00 PM, addressed to the attention of the Corporate Secretary. Validation of proxies is set on May 16, 2012, 8:00 AM, at Lopez Building, Ortigas Avenue, Pasig City."</p> <p>http://www.meralco.com.ph/pdf/disclosures/2012.04/2012_Definitive_Information_Statement.pdf</p> <p>**</p> <p>2011 Annual Report Corporate Governance Report, Part II. Shareholder Relations, Annual General Meeting, page 37.</p> <p>" ... Shareholders are encouraged to personally attend the AGM and if unable to do so, are advised of their right to appoint a proxy on their behalf. Notarization of a proxy is not required but has to comply with the requirements of law, in particular, the Corporation Code and SRC, pertinent rules and regulations, By-Laws, and rules and policies adopted by the Board."</p> <p>http://meralco.com.ph/pdf/aboutmeralco/2012/meralco_ar2011.pdf</p> <p>**</p> <p>Company Website: About Us Section, Investor Relations, Stockholders Meeting & Stock Prices, Paragraph 3.</p> <p>"Stockholders who cannot attend the meeting or vote in person can send a signed proxy form authorizing another person to attend and vote in the meeting. Meralco must receive the proxy form not later than twenty (20) days before the scheduled meeting. "</p> <p>http://www.meralco.com.ph/company/page-about-investor-stockmeeting.html</p>
A.3.15	Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM?	Y	<p>YES. The Company votes by poll (as opposed to by show of hands) for all resolutions at the most recent AGM.</p> <p>Source:</p> <p>Notice of Annual Meeting of Stockholders and Information Statement Voting Procedures, Page 19.</p> <p>"Voting Procedures ... (c) Voting and counting of votes shall be by balloting, show of hands or viva voce. Auditors and inspectors appointed by the Board will be present to canvass and inspect ballots."</p> <p>http://www.meralco.com.ph/pdf/disclosures/2012.04/2012_Definitive_Information_Statement.pdf</p>
A.3.16	Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM?	Y	<p>YES. The company discloses that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM.</p> <p>Source:</p> <p>Company Website About Us Section, Disclosures and Communication, PSE & SEC, April 20, 2012 Disclosure, Notice of Annual Meeting of Stockholders and Information Statement, Voting Procedures, Page 19.</p> <p>"Voting Procedures ... (c) Voting and counting of votes shall be by balloting, show of hands or viva voce. Auditors and inspectors appointed by the Board will be present to canvass and inspect ballots."</p> <p>http://www.meralco.com.ph/pdf/disclosures/2012.04/2012_Definitive_Information_Statement.pdf</p>

A.3.17	Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions?	Y	<p>YES. The Company make publicly available, immediately after the meeting, the results of the votes taken during the most recent AGM for all resolutions.</p> <p>Source:</p> <p>Company Website About Us Section, Disclosures & Communications, PSE & SEC, May 29, 2012 Disclosure, Results of Annual Stockholders' Meeting and Organizational Meeting of Board of Directors</p> <p>"(SEC-Form 17C - Results of Annual Stockholders' Meeting and Organizational Meeting of Board of Directors) "</p> <p>http://www.meralco.com.ph/pdf/disclosures/2012.05/052912_SEC_FORM_17C_2012SHMeeting.pdf</p>
A.3.18	Do companies provide at least 21 days notice for all resolutions?	Y	<p>YES. The company provided the notice for all resolutions within 34 days prior to the AGM. Sent out Date: April 25, 2012.</p> <p>Source:</p> <p>Company Website About Us Section, Disclosures and Communication, PSE & SEC, April 20, 2012 Disclosure, Notice of Annual Meeting of Stockholders and Information Statement, Page i, Paragraph 1.</p> <p>Notice of Annual Meeting of Stockholders</p> <p>"NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Meralco will be held at the Meralco Theater, Lopez Building, Ortigas Avenue, Pasig City on Tuesday, May 29, 2012, at 10:00 AM with the following agenda:</p> <ol style="list-style-type: none"> 1. Call to Order 2. Certification of Notice and Quorum 3. Approval of the Minutes of the Annual Meeting of Stockholders held on May 31, 2011 4. Report of the Chief Operating Officer 5. Prospect/ Outlook from the President and Chief Executive Officer 6. Approval of the 2011 Audited Financial Statements 7. Ratification of Acts of the Board and Management 8. Election of Directors for the esuing year 9. Appointment of External Auditors 10. Other business that may properly be brought before the meeting 11. Adjournment" <p>http://www.meralco.com.ph/pdf/disclosures/2012.04/2012_Definitive_Information_Statement.pdf</p>
A.3.19	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?	Y	<p>YES. The company provides the agenda items which require shareholders’ approval in the Notice of Annual Meeting of Stockholders.</p> <p>Source:</p> <p>Company Website About Us Section, Disclosures and Communication, PSE & SEC, April 20, 2012 Disclosure, Notice of Annual Meeting of Stockholders and Information Statement, Page 3.</p> <p>Notice of Annual Meeting of Stockholders</p> <p>"NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Meralco will be held at the Meralco Theater, Lopez Building, Ortigas Avenue, Pasig City on Tuesday, May 29, 2012, at 10:00 AM with the following agenda:</p> <ol style="list-style-type: none"> 1. Call to Order 2. Certification of Notice and Quorum 3. Approval of the Minutes of the Annual Meeting of Stockholders held on May 31, 2011 4. Report of the Chief Operating Officer 5. Prospect/ Outlook from the President and Chief Executive Officer 6. Approval of the 2011 Audited Financial Statements 7. Ratification of Acts of the Board and Management 8. Election of Directors for the esuing year 9. Appointment of External Auditors 10. Other business that may properly be brought before the meeting 11. Adjournment" <p>http://www.meralco.com.ph/pdf/disclosures/2012.04/2012_Definitive_Information_Statement.pdf</p>
A.4 Markets for corporate control should be allowed to function in an efficient and transparent manner.			
A.4.1	In cases of mergers, acquisitions and/or takeovers, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price?	Y	<p>YES. Our Manual of Corporate Governance specifies that In cases of mergers, acquisitions and/or takeovers, does the board of directors/commissioners of the offeree company appoint an independent party to evaluate the fairness of the transaction price. However, in 2011, no such events transpired to warrant such action.</p> <p>Source:</p> <p>Manual of Corporate Governance, page 25 Part V. Investor’s Right and Protection Section 6.0 Appraisal Right, Item c.</p> <p>"The stockholders shall have appraisal right under any of the following circumstances:</p> <p>c. In case of merger or consolidation"</p> <p>http://www.meralco.com.ph/pdf/aboutmeralco/Revised_Corporate_Governance_2011.pdf</p>

A.5 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.

A.5.1	Does the company publicly disclose policies to encourage shareholders including institutional shareholders to attend the AGM?	Y	<p>YES. The company publicly disclosed policies to encourage shareholders including institutional shareholders to attend the AGM.</p> <p>Sources:</p> <p>Company Website: Corporate Governance Section, Key Players, A. Shareholders, Paragraph 3.</p> <p>http://www.meralco.com.ph/company/page-about-corgovernance-keyplayers.html</p> <p>=</p> <p>2011 Annual Report Corporate Governance Report, Part II. Shareholder Relations, Annual General Meeting, Paragraph 3, page 36.</p> <p>"Investors’ briefings are held quarterly, where equity and credit analysts of both local and foreign-based institutions are invited. Analysts who are unable to attend in person participate through a teleconferencing facility with playback feature available up to three days after the event. Members of Senior Management make themselves available for meetings with institutional investors through Company visits, teleconferences, briefings and attendance in local and international investor conferences."</p> <p>http://meralco.com.ph/pdf/aboutmeralco/2012/meralco_ar2011.pdf</p>
A.5.2	Is the share ownership by institutional investors, other than controlling shareholders, greater than 5%?	Y	<p>YES. The share ownership by institutional investors, other than controlling shareholders, is greater than 5%.</p> <p>Sources:</p> <p>2011 Annual Report Corporate Governance Report, Part IX. Disclosures on Ownership Structure, Paragraph 2 (including Table), Page 44.</p> <p>"Based on Meralco’s stock and transfer book, the security ownership as at December 31, 2011 of beneficial owners of more than 5% of any class of its voting securities is as follows:</p> <p>Name / No. of Shares / Percentage Beacon Electric Asset Holdings, Inc. / 480,033,776 / 42.6% San Miguel Corporation / 241,872,280 / 21.5% PCD Nominee Corporation (Filipino) / 64,135,540 / 5.7% Social Security System / 62,990,689 / 5.6% San Miguel Purefoods Company, Inc. / 59,090,909 / 5.2%</p> <p>Complete list is found in the “List of Top 100 Stockholders as at December 31, 2011” as filed with the PSE on January 12, 2012."</p> <p>http://meralco.com.ph/pdf/aboutmeralco/2012/meralco_ar2011.pdf</p> <p>==</p> <p>Company Website: About Us Section, Disclosures & Communications, PSE & SEC, April 20, 2012 Disclosure, Definitive Information Statement, Security Ownership of Certain Record and Beneficial Owners, Page 3</p> <p>"Based on MERALCO’s stock and transfer book, the security ownership as of March 16, 2012 of certain record and beneficial owners of more than 5% of any class of its voting securities is as follows:</p> <p>(Table of Beneficial Ownership)"</p> <p>http://www.meralco.com.ph/pdf/disclosures/2012.04/2012_Definitive_Information_Statement.pdf</p> <p>==</p> <p>Company Website: About Us Section, Disclosures & Communications, PSE & SEC, January 12, 2012 Disclosure, LIST OF TOP 100 STOCKHOLDERS</p> <p>"MANILA ELECTRIC COMPANY LIST OF TOP 100 STOCKHOLDERS AS OF DECEMBER 31, 2011</p> <p>Name / No. of Shares / Percentage 1 BEACON ELECTRIC ASSET HOLDINGS, INC. / 480,033,776 / 42.589219% 2 SAN MIGUEL CORPORATION / 241,872,280 / 21.459222% 3 PCD NOMINEE CORPORATION (FILIPINO) / 64,135,540 / 5.690188% 4 SOCIAL SECURITY SYSTEM / 62,990,689 / 5.588616% 5 SAN MIGUEL PUREFOODS COMPANY, INC. / 59,090,909 / 5.242622%"</p> <p>http://www.meralco.com.ph/pdf/disclosures/2012.01/011212%20Top%20100%20Stockholders%20as%20of%2031De11.pdf</p>