CORPORATE GOVERNANCE REPORT

A Future Re-energized

Powering the Nation through Excellence in Governance

One Meralco Thrusts

In renewing our pledge to power customers, communities, and the country sustainably, we at Meralco reinforce our unwavering commitment to strong, transparent, and responsible corporate governance. The Company recognizes that sustainable progress is rooted not only in operational excellence but also in governance practices that safeguard stakeholder trust and uphold the highest ethical standards.

Central to this commitment is Meralco's governance philosophy anchored in FAITH—Fairness, Accountability, Integrity, Transparency, and Honesty. These principles guide the Company's decisions, shape our organizational culture, and ensure that governance is both a moral compass and a strategic driver of sustainable growth. By embedding FAITH into our governance systems, we strengthen Meralco's role as a responsible organization dedicated to powering the nation with integrity and purpose.

Concomitantly, Meralco fully complies with applicable laws, rules, and regulations set by the Securities and Exchange Commission ("SEC"), the Philippine Stock Exchange ("PSE"), and other regulatory bodies in a manner that reflects our steadfast pursuit of integrity and ethical business decision-making. These standards form the foundation of the Company's governance structure and reinforce the confidence placed in it by our stakeholders.

Guided by our vision and mission, we consistently enhance the Company's corporate governance framework, policies, and controls to align with the SEC Memorandum Circular No. 19, Series of 2016 ("Code of Corporate Governance for Publicly-Listed Companies" or "SEC CG Code") and the ASEAN Corporate Governance Scorecard ("ACGS"). Through these sustained improvements, we ensure that Meralco's governance approach remains resilient, future-ready, and reflective of global best practices.

Meralco's commitment to FAITH-driven governance was once again recognized during the 2025 Golden Arrow Awards, where the Company earned four (4) Golden Arrows from the Institute of Corporate Directors ("ICD"). It affirms our strengthened dedication to transparency, ethical leadership, and consistent compliance—qualities essential to our mandate of powering the nation sustainably.

As the Company renews our pledge to serve customers and communities with excellence, our governance principles remain at the core of our operations. Through fairness in our dealings, accountability in our actions, integrity in our conduct, transparency in our reporting, and honesty in our relationships, Meralco continues to build a governance culture that fuels long-term value creation and supports a more sustainable and empowered Philippines.

A. Board Governance Responsibilities

Serving as the corporate governance stewards of the Company, the competent, working Board of Directors ("Board") fosters the long-term success of Meralco and ensures that the Company sustains competitiveness and profitability in a manner consistent with our corporate objectives and the long-term best interests of our shareholders and other stakeholders.

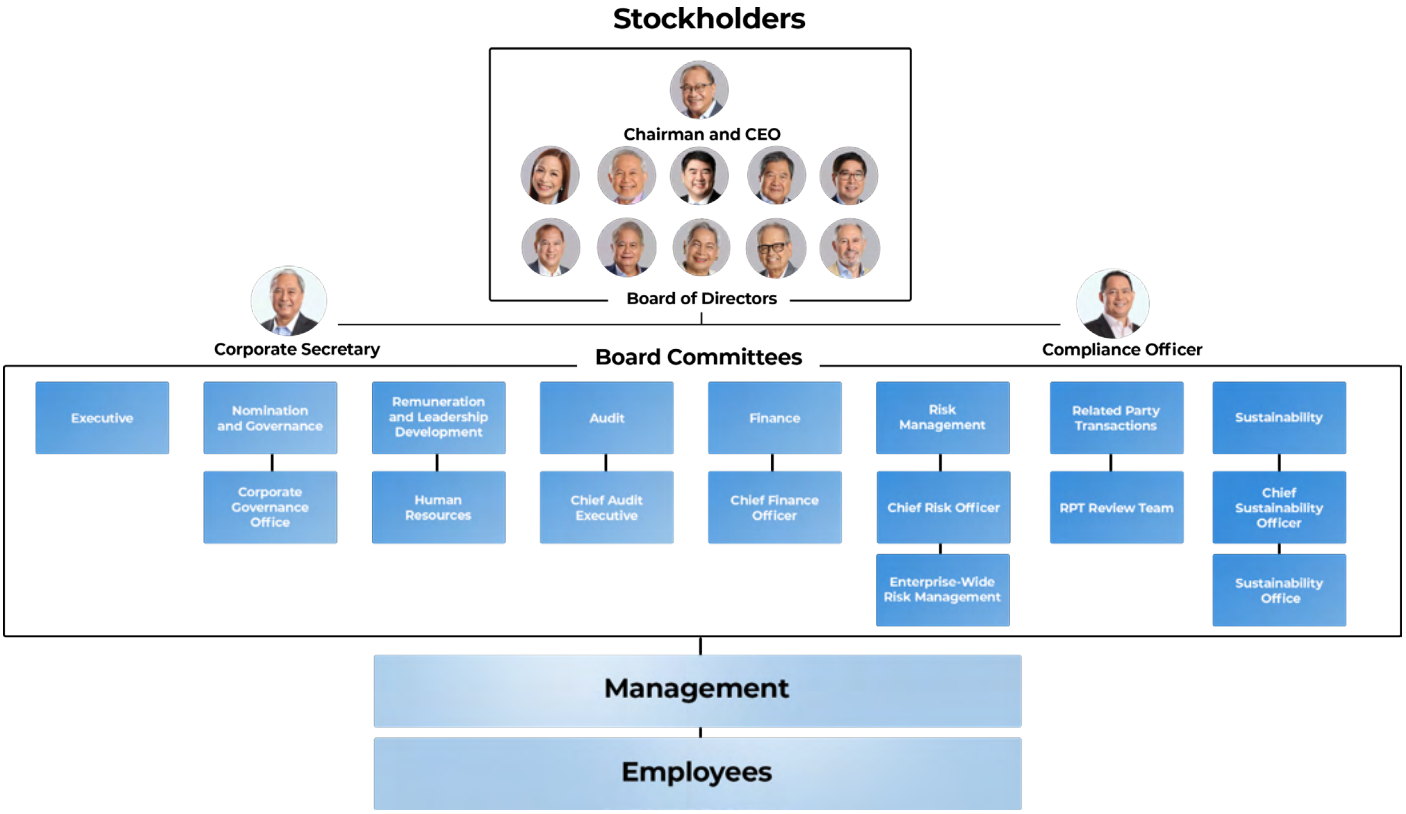
The Board is responsible for defining and reviewing the Company's vision, mission, overall strategic directions, corporate objectives, long-term goals and core values annually. It oversees and monitors the development and implementation of the Company's business objectives and strategy and ensures that obligations to stockholders and to all stakeholders are understood and fulfilled.

Pursuant to the SEC CG Code, the Board adopted a Manual of Corporate Governance ("CG Manual") in 2017, which provides the framework for good governance and ethical business practices that the Company's directors, officers, and employees are expected to observe and adhere to in dealing with various stakeholders. Management, in turn, ensures that the operations of the Company are aligned with the CG Manual.

The CG Manual conforms to regulations set forth by the SEC, the PSE, and other relevant regulatory bodies and is reviewed annually to ensure that it is up to date with local and international best practices and in keeping with the Company's strategic direction. The CG Manual was amended by the Board on July 29, 2024.

In accordance with the CG Manual, the Board formulates and annually reviews the Company's vision and mission statement, strategic objectives, key policies, and the mechanism for performance assessment of the Board and Management, principally the President and/or Chief Executive Officer ("CEO") as well as other key officers.

The Board, in its regular meeting held on January 27, 2025, as part of the Board's assessment of Meralco's performance in the past year, reviewed the Company's material controls (including operational, financial, and compliance controls) and risk management systems and confirmed the Company's full compliance with the SEC CG Code. In 2021, the Board revised the vision, mission, and values statements as well as the corporate strategic objectives of the Company and the same was again reviewed and confirmed by the Board in 2025.



A.1 Composition

The Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the Company's industry/sector. In accordance with the Revised Corporation Code, the Company has a diverse Board consisting of eleven (11) directors, majority of whom are non-executive directors, while three (3) are independent directors ("IDs"), including a female independent director.

The Nomination and Governance Committee ("Nom&Gov") reviews the nomination, selection, and composition of the Board pursuant to the Nomination and Election Policy. Additionally, the Board affirms that its members have a proper mix of qualifications, background, experience, independence, and skills needed to effectively perform its responsibilities, and that its members 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 Board adopts a Board Diversity Policy promoting diversity to encourage critical discussion and foster balanced decision-making in the attainment of the Company's strategic objectives and sustainable development. The Policy likewise provides for measurable objectives for implementation and for reporting on progress in achieving its objectives.

The Board ensures that independent discussion is encouraged, and that no individual director dominates decision-making. The non-executive directors actively participate in discussions at the Board and Board Committee levels, as well as with Management.

A.2 Independent Directors

On March 13, 2025, the Nom&Gov assessed the profiles of the directors and found that the independent, non-executive directors are indeed free of relationships with the Company, its related corporations, its management, or substantial shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of directors' independent business judgment. The Nom&Gov had reviewed the multiple board representations held presently by the directors and assessed that they do not hinder in any way the performance of their duties to the Company.

Under the Company's CG Manual, independent directors are allowed to serve for a maximum of nine (9) consecutive years reckoned from 2012, making sure, however, that the shareholders' legal right to vote and be voted remains inviolable.

If an independent director who has served for nine (9) consecutive years is being nominated and considered for reelection, the Company is mandated to provide meritorious justification and advise the shareholders of such justification during the annual shareholders' meeting. Given the nomination for election to the Board of Directors of independent directors Retired Chief Justice Artemio V. Panganiban and Mr. Pedro Emilio O. Roxas after the maximum nine-year term, the Board provided for the meritorious justification for their retention in accordance with the CG Manual, which was consequently approved by the shareholders during the 2025 Annual Stockholders' Meeting ("ASM").

The retention of Retired Chief Justice Panganiban and Mr. Roxas as independent directors was approved due to their extensive expertise and deep institutional knowledge, which are vital for the Company's stability and growth. Their leadership was instrumental in securing the approval of Congress for Meralco's 25-year franchise renewal, ensuring reliable and efficient electricity distribution while driving growth and innovation. Additionally, Retired Chief Justice Panganiban and Mr. Roxas uphold robust corporate governance principles, reinforcing ethical leadership, transparency, and stakeholder confidence. Both directors have demonstrated strategic acumen, regulatory expertise, and strong stakeholder relationships, which have proven essential in navigating complex processes like the franchise renewal and the rate reset filing with the Energy Regulatory Commission. Their forward-thinking approach aligns with the Company's long-term goals, particularly in diversifying investments in renewable energy.

A.3 Chairman of the Board

The Chairman of the Board and Chief Executive Officer, Mr. Manuel V. Pangilinan, serves to represent the interests of all shareholders and stakeholders, and oversees the performance of the Board and its directors. He champions exemplary ethical governance principles for directors, officers, and employees to emulate and espouse.

Together with the Corporate Secretary, Atty. Simeon Ken R. Ferrer; and the Compliance Officer, Atty. William S. Pamintuan, the Chairman sets a clear agenda before each Board meeting. He provides opportunities for all directors to actively participate, addresses governance-related issues that non-executive, independent directors may raise, and ensures that the Board exercises strong oversight over the Company and the Management, such that any corporate risk or threat is adequately and effectively addressed. His roles and responsibilities are specified in the CG Manual accessible on the Company's website.

A.4 Meetings and Major Accomplishments

The Board of Directors reviews and approves major projects, 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 Board jointly plans meeting dates at the start of the calendar year, meets regularly once a month, and holds special meetings as may be required.

2025 ASM and board meeting attendance

Name	Designation	ASM	Board Meetings[27]
Manuel V. Pangilinan	Chairman	Present	**15/16**
Lance Y. Gokongwei	Director	Present	**16/16**
Ray C. Espinosa	Director	Present	**16/16**
June Cheryl A. Cabal-Revilla	Director	Present	**16/16**
James L. Go	Director	Present	**16/16**
Patrick Henry C. Go	Director	Present	**16/16**
Jose Ma. K. Lim	Director	Present	**16/16**
Victorico P. Vargas	Director	Present	**16/16**
Lydia B. Echauz	Independent Director	Present	**16/16**
Artemio V. Panganiban	Independent Director	Present	**16/16**
Pedro Emilio O. Roxas	Independent Director	Present	**16/16**

[27]Regular, Special, and Organizational Board Meetings

In 2025, 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 Procurement-related Complaints Management Guidelines and Procedures and amendments to the Insider Trading Policy
- Screening of nominees to the Board
- Approval of the updated long-term sustainability strategy ("LTSS")
- Conduct of the 2025 ASM
- Approval of 2026 schedule of Board meetings
- 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 Emergency Power Supply Agreement ("EPSA")
- Review and approval of power generation projects, power supply agreements ("PSAs"), technical services agreements, and other local and international business initiatives
- Approval of Audited Financial Statements
- Evaluation of incumbent external auditor and nomination of external auditor for 2025
- Approval of report of external auditors covering the Company's Audited Financial Statements
- Approval of dividend declaration
- Review and approval of material related party transactions ("RPTs")
- Enterprise performance evaluation and assessment
- Performance assessment of the Board, Board committees, and key officers
- Review and approval of rank conferment and appointment of officers
- Review and approval of executive promotions and succession planning
- Review and approval of employee performance management plan
- Review and approval of various supply contracts in excess of PhP 50 million

Business Plan and Annual Budgets

- Review and approval of the 2026 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

A.5 Corporate Secretary and Compliance Officer

All Board members have direct and independent access to the Corporate Secretary, the Compliance Officer, and Management.

The Corporate Secretary, a fellow of the ICD, Atty. Simeon Ken R. Ferrer, under the direction of the Chairman, is responsible for 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. He met all the qualifications and skills required for his position.

The Board is likewise assisted by Company's Compliance Officer and Senior Vice President, Atty. William S. Pamintuan, who monitors, reviews, evaluates and ensures the full compliance by the corporation, its directors and officers with relevant laws, rules and regulations and all governance issuances of regulatory agencies and report violations thereof to the Board and recommends the imposition of appropriate disciplinary action.

The qualifications, duties and responsibilities of the Corporate Secretary and Compliance Officer are stated in the CG Manual and Board Charter. Both of them regularly attend trainings on corporate governance.

A.6 Board Committees

The Board has formed various Board Committees, namely Executive Committee ("ExCom"), Audit Committee ("AuditCom"), Risk Management Committee ("RMC"), Nom&Gov Committee, Remuneration and Leadership Development Committee ("RLDC"), Finance Committee ("FinCom"), Related Party Transactions Committee ("RPTCom"), and Sustainability Committee ("SusCom"). The Board has delegated specific responsibilities to each of these Committees guided by their respective committee charters.

2025 board committee meeting attendance

Name	Finance	Audit	RMC	RPT	Nom & Gov	RLDC	Executive	Sustainability
Manuel V. Pangilinan	N/A	N/A	N/A	N/A	N/A	5/5	-	1/1
Lance Y. Gokongwei	10/12	N/A	N/A	N/A	N/A	5/5	-	0/1
Ray C. Espinosa	N/A	N/A	1/2	2/2	N/A	N/A	-	N/A
June Cheryl A. Cabal-Revilla	12/12	5/6	N/A	N/A	4/4	N/A	-	1/1
James L. Go	12/12	5/6	2/2	1/2	2/4	N/A	-	N/A
Patrick Henry C. Go	N/A	6/6	2/2	2/2	4/4	N/A	-	1/1
Jose Ma. K. Lim	12/12	5/6	2/2	2/2	4/4	N/A	-	N/A
Victorico P. Vargas	11/12	N/A	N/A	N/A	N/A	4/5	-	N/A
Lydia B. Echauz	12/12	6/6	N/A	N/A	4/4	N/A	-	N/A
Artemio V. Panganiban	N/A	6/6	2/2	2/2	N/A	N/A	-	N/A
Pedro Emilio O. Roxas	12/12	5/6	2/2	2/2	4/4	5/5	-	1/1

The functions, authority and responsibilities of each Board committee and their accomplishments are as follows:

A. Executive Committee ("ExCom")

is composed of five (5) directors, one (1) of whom is an independent director. The ExCom may act, by majority vote of all its members, on such specific matters within the competence of the Board, as may be delegated to it under the By-Laws, or upon a majority vote of the Board, subject to the limitations provided by the Revised Corporation Code.

B. Remuneration and Leadership Development Committee ("RLDC")

is composed of four (4) directors, one (1) of whom is an independent director. The duties and responsibilities of RLDC as defined in its charter include assistance to the Board in the development of the Company's overall performance management, compensation, retirement, and leadership development policies and programs based on the Company-approved philosophy and budget. The RLDC held five (5) meetings in 2025 and accomplished the following:

- Approval of candidates for rank conferment
- Approval of proposed budget for the 2025 salary review program
- Review of annual incentive plan
- Review of the collective bargaining agreement for rank and file union
- Review of performance evaluation plan results
- Approval of recommendation for appointment

The RLDC recommends to the Board, for the approval of the shareholders, a framework of remuneration for Directors and Management, including the President and/or CEO.

	Remuneration for Board Meetings Attended in 2025 (in PhP)	Remuneration for Committee Meetings Attended in 2025 (in PhP)	Total (in PhP)
Executive Director			
Manuel V. Pangilinan	2,040,000	222,000	2,262,000
Non-Executive Directors			
Lance Y. Gokongwei	2,240,000	594,000	2,834,000
June Cheryl A. Cabal-Revilla	2,240,000	814,000	3,054,000
Ray C. Espinosa	2,240,000	98,000	2,338,000
James L. Go	2,240,000	892,000	3,132,000
Patrick Henry C. Go	2,240,000	542,000	2,782,000
Jose Ma. K. Lim	2,240,000	964,000	3,204,000
Victorico P. Vargas	2,240,000	568,000	2,808,000
Independet Directors			
Lydia B. Echauz	2,240,000	840,000	3,080,000
Artemio V. Panganiban	2,240,000	370,000	2,610,000
Pedro Emilio O. Roxas	2,240,000	1,160,000	3,400,000
Total Independet Directors	**6,720,000**	**2,370,000**	**9,090,000**
Grand Total (in PhP)	**24,440,000**	**7,064,000**	**31,504,000**

The Directors and Officers are covered by a Casualty Line Insurance Policy effective until June 27, 2026. 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 Defence Costs, Gross Negligence Manslaughter Defense Costs and Environmental Violation (Defense Costs Including Civil and admin Fines).

For the 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.

On April 28, 2025, the Board of Directors of the Company endorsed for approval of the stockholders the increase in the per diem from PhP 140,000.00 to PhP 200,000.00 for each board meeting attended by each director. For each board committee meeting attended by each director, an increase in per diem from PhP 24,000.00 to PhP 50,000.00 was likewise endorsed for approval of the Company's stockholders. The increase was approved by the stockholders of the Company during their annual meeting held on May 27, 2025. The increase took effect on June 1, 2025.

Remuneration of Key Management and Employees

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 RLDC.

The top five (5) key officers of the Company have received an aggregate remuneration of PhP 360 million in 2025. For more information on the aggregate total remuneration paid to all key officers, please refer to the discussion entitled Compensation of Key Management Personnel in the Notes to Consolidated Financial Statements.

Advisers/Consultants to Remuneration and Leadership Development Committee

Meralco engaged a human resources consultancy firm to assist in the areas of employee engagement and compensation and benefits management.

C. Nomination and Governance Committee ("Nom&Gov")

The Nom&Gov is composed of six (6) directors with an independent director as chair. The duties and responsibilities of Nom&Gov 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.

The Nom&Gov undertakes the process of identifying the qualification of directors aligned with the Company's strategic directions. It reviews and recommends to the Board the appointment of members to the Board Committees. The process involves identifying, reviewing, and recommending potential candidates to the Board for consideration.

The Nom&Gov has put in place a formal and transparent process for the nomination of directors to the Board. Stockholders who have identified suitable candidates submit the Nomination and Acceptance Letters, Full Business Interest Disclosure Forms and curriculum vitae of such candidates to Nom&Gov for discussion and review on or before the deadline set by the Nom&Gov.

These candidates are sourced from the business networks of Board members and from professional search firms such as the ICD or from shareholders. These candidates should be skilled in core competencies such as strategic planning, business expertise, and industry knowledge.

In the previous years until May 27, 2025, the shareholders elect the directors during the ASM held on the last Tuesday of May. Beginning 2026, the ASM of the Company will be held on the last Tuesday of June each year. The change in the schedule of the ASM was approved by the stockholders during the ASM held last year, and the corresponding amendment of Article I of the By-Laws of the Company. The Company submitted the corresponding application to amend its By-Laws with the Securities and Exchange Commission, and the latter approved the application for amendment on June 26, 2025.

The Company sends out a formal letter setting the responsibilities of the duly elected director. The new director then attends an onboarding program facilitated by the CGO.

The Nom&Gov Comm held four (4) meetings in 2025 and performed the following:

- Reviewed the results of Board, Board Committees, and Key Officers performance assessment
- Assessed the Company's public ownership report
- Screened the nominees to the Board
- Reviewed the Board committee composition
- Assessed the Company's compliance to the Revised ACGS
- Reviewed and endorsed the Company's I-ACGR for 2024
- Reviewed and approved the Procurement-related Complaints Management Guidelines and Procedures and the amendments to the Insider Trading Policy
- Reviewed the Company's Vision, Mission, and Values Statements
- Facilitated the annual CG enhancement and continuing education programs

D. Audit Committee ("AuditCom")

The AuditCom consists of three (3) independent directors, and four (4) non-executive directors. Notably, Ms. June Cheryl A. Cabal-Revilla has extensive expertise in the areas of accounting, corporate finance, treasury, financial control and risk management. Her background includes serving as Chief Finance, Risk and Sustainability Officer of other companies and Appointed Member of the Financial and Sustainability Reporting Standards Council ("FSRSC") of the Philippines since 2010. The AuditCom is chaired by the lead independent director.

The AuditCom held six (6) meetings in 2025. Details of their accomplishments are provided in the Audit Committee Report on pages 256-261.

E. Risk Management Committee ("RMC")

The RMC, composed of two (2) independent directors and four (4) non-executive directors, assists the Board in its oversight responsibilities over the Company's risk management framework and processes.

In 2025, the RMC convened two (2) meetings and undertook the following key activities:

- Reviewed One Meralco's Key Enterprise Risks Report for the Distribution Utility and its subsidiaries
- Reviewed and discussed with the Chief Risk Officer and external auditors One Meralco's key business risks, including existing, ongoing, and proposed risk mitigation measures.
- Evaluated the effectiveness of One Meralco's risk management process and certified that these remain adequate, ensuring that material risks are periodically identified, assessed, managed, and appropriately reported by Management.

Through the RMC, the Board of Directors establishes and maintains a framework of prudent and effective internal controls that enables the timely identification, assessment, and management of risks across the organization.

F. Finance Committee ("FinCom")

The FinCom is composed of seven (7) directors, two (2) of whom are independent directors, with the Chief Finance Officer ("CFO") as ex-officio member. It reviews the financial operations of the Company and matters regarding major purchase contracts, and acquisition and/or divestment of investments, businesses, or ventures.

In its twelve (12) meetings in 2025, the FinCom's major accomplishments were:

- Review and approval of all service and supply contracts in excess of PhP 50 million
- Review of Unaudited Quarterly Consolidated Financial Statements and Audited Annual Consolidated Financial Statements
- Treasury updates
- Declaration of cash dividend
- Renewal of credit lines and bonds
- Review and approval of cash optimization strategy
- Review and approval of PSAs and any changes or issues regarding their execution
- Review and approval of annual budget and medium-term business plan and forecast
- Review of Meralco directors' and officers' insurance policy
- Review additional capital call, surety bonds, capital infusions for subsidiaries
- Review of capital and debt structure
- Review of equity call
- Review of investments
- Review and endorsement of the renewal of Wholesale Electricity Spot Market surety bond for the retail electricity supply transactions

G. Related Party Transactions Committee ("RPTCom")

The RPTCom consists of six (6) directors, two (2) of whom are independent directors. It assists the Board in reviewing De Minimis, Significant, and Material RPTs to determine whether they are in the best interest of the Company and shareholders, and ensure that all RPTs of the Company are conducted in fair and at arms' length terms. In 2025, the RPTCom had two (2) meetings. The following activities were accomplished by the RPTCom:

- Reviewed and approved De Minimis, Significant, and Material RPTs
- Reviewed RPT Reports together with the RPT Review Team, and evaluated the Company's purchases of goods and services from related parties to be fair and at arm's length terms
- Endorsed Material RPTs to the Board for approval

H. Sustainability Committee ("SusCom")

In 2021, the SusCom was established to institutionalize the Company's sustainability commitment and corporate ESG imperatives. Composed of six (6) members, including the Chairman and CEO and the Chief Sustainability Officer, who acts as a non-voting member, SusCom is responsible for overseeing the Company's sustainability strategy, policies, and programs. The Committee also accounts for and monitors the economic, environmental, social, and governance ("EESG") performance of the Company in alignment with the UN SDGs, with the aim of delivering long-term value to all the stakeholders.

In 2025, the SusCom formally met once to review updates on One Meralco's LTSS and progress on 30 by '30: Thirty Key Sustainability Plays Through 2030, and thereafter endorsed the same to the Board for final approval.

A.7 Orientation and Continuing Education Programs

The Board of Directors ensures that the Company complies with all relevant laws, regulations, and endeavors to adopt best business practices. Towards this end, the Board keeps abreast with the latest developments in the corporate governance regulatory landscape and implements a policy on orientation and continuing training for all directors and key officers, including an annual CG training with SEC-accredited providers, in accordance with the Board Charter and the CG Manual.

The Company has a policy that encourages directors to attend annual continuing training programs. In fulfillment of such policy and the requirements of the Company's CG Manual, the ERC Resolution No. 1, Series of 2004, and the SEC Memo Circular No. 20, Series of 2013, the Directors, together with the Senior Management, attended the MVP Group Annual Corporate Governance Enhancement Session ("ACGES") on November 18, 2025, entitled Decision Intelligence and SuperCreativity: Leading in the Age of AI by Cassie Kozyrkov and James Taylor. This session covered four (4) hours of governance training and was accredited by the SEC.

2025 attendance to corporate governance training and continuing education programs

Director	Program	Resource Person / Name of Training Institution
Manuel V. Pangilinan June Cheryl A. Cabal-Revilla Lydia B. Echauz Ray C. Espinosa Jose Ma. K. Lim Ret. Chief Justice Artemio V. Panganiban Victorico P. Vargas	MVP Group Annual Corporate Governance Enhancement Session: Decision Intelligence and SuperCreativity: Leading in the Age of AI	Cassie Kozyrkov James Taylor
Lance Y. Gokongwei Patrick Henry C. Go	Corporate Governance in the Age of AI: Navigating Opportunities and Risks for a Future-Ready Gokongwei Group	2025 Gokongwei Group Corporate Governance Training for Directors and Officers
Pedro Emilio O. Roxas	Powering Trust: The Critical Role of Transparency and Accountability in Corporate Disclosures	Kenneth V. Nerecina
James L. Go	SEC Granted Mr. James L. Go a permanent exemption from the corporate governance training requirement in its en banc meeting on November 10, 2015.	

A.8 Board, Committee, and Key Officers Performance Assessment

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 performance assessment on February 24, 2025, wherein directors were given the opportunity to give their opinions and suggestions or identify special issues of interest about their performance or different aspects of the Company's operation.

Every three years, the assessments are supported by an external facilitator. The Company engaged the services of the Good Governance Advocates and Practitioners of the Philippines ("GGAPP") in the evaluation of the 2019, 2022, and 2025 performance of the board, board committees, and key officers.

Board, committee, and key officers performance assessment forms

- **Collective Board Assessment** – each director assessed the board performance as a whole based on the following categories:
  - Board composition;
  - Board efficiency and performance;
  - Board meetings and participation.
- **Individual Director Self-Rating** – each director evaluated their performance for the previous year.
- **Board Committee Assessment** – each director assessed the overall performance of the board committees as well as the individual board committees based on the provisions of Board Committee Charters.
- **Key Officer Rating**s – each director assessed the performance of the Chairman and Chief Executive Officer, Chief Compliance Officer, Chief Risk Officer, and Chief Audit Executive in the previous year.

Financial	Non-Financial

Measures reflecting the financial results and financial position of the Company to stakeholders, such as revenues, consolidated core net income, reported net income, EBITDA, cash and cash equivalents, debt and stockholders' equity, dividend payouts, etc.	• S-Factor Indicators
	  • System Loss ("SL")
	  • System Average Interruption Frequency Index ("SAIFI")
	  • System Average Interruption Duration Index ("SAIDI")
	  • Momentary Average Interruption Frequency Index ("MAIFI")
	  • Time to Process Applications ("TPA")
	  • Time to Connect Premises ("TCP")
	  • Call Center Performance ("CCP")
	• Guaranteed Service Level ("GSL") Metrics
	• Energy Sales in GWh
	• Customer Count

B. Respecting the Rights of Shareholder

The Company recognizes the rights of all shareholders as provided in the Revised Corporation Code of the Philippines, other pertinent laws, rules, and regulations, the Company's Articles of Incorporation, Amended By-Laws, and the CG Manual.

B.1 Right to dividends

Dividend Policy

The Company's dividend policy, as approved by the Board on February 22, 2010, and ratified by the shareholders during the May 25, 2010 ASM, calls for the payment of regular cash dividends equivalent to 50% of the audited 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 2025:

Declaration Date	Record Date	Payable Date	Rate per Share
February 24, 2025	March 12, 2025	April 4, 2025	PhP 13.736
July 28, 2025	August 27, 2025	September 22, 2025	PhP 11.328

B.2 Right to participate in decisions

The Company upholds the rights of all shareholders, including the minority shareholders, to participate in:

- changes or amendments to the Company's Articles of Incorporation or By-laws
- authorization for issuance of additional shares
- authorization of extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the Company
- approval of remuneration or increase in remuneration of directors
- voting by proxy and attendance in stockholders' meeting in absentia or through remote communication.

B.3 Right to vote and participate effectively, disclosure and release of notice to ASM

To provide shareholders enough time to examine the Company's information, the ASM Notice was posted on the Company's website on January 27, 2025. The Definitive Information Statement ("DIS") was distributed to the shareholders starting April 24, 2025. Similar to all Company notices and circulars, the ASM Notice is written and published in English.

ASM

It is the Company's policy to encourage stockholders, including institutional and minority stockholders, to attend and actively participate in the ASM. The 2025 ASM was held on Tuesday, May 27, 2025, at 10:20 AM at the Meralco Theater, Ortigas Avenue, Barangay Ugong, Pasig City. The proceedings were likewise made available via live broadcast through the Stockholders Electronic Registration and Voting Express ("SERVE"). Stockholders were given opportunity to propound questions and raise concerns to the Board during the meeting.

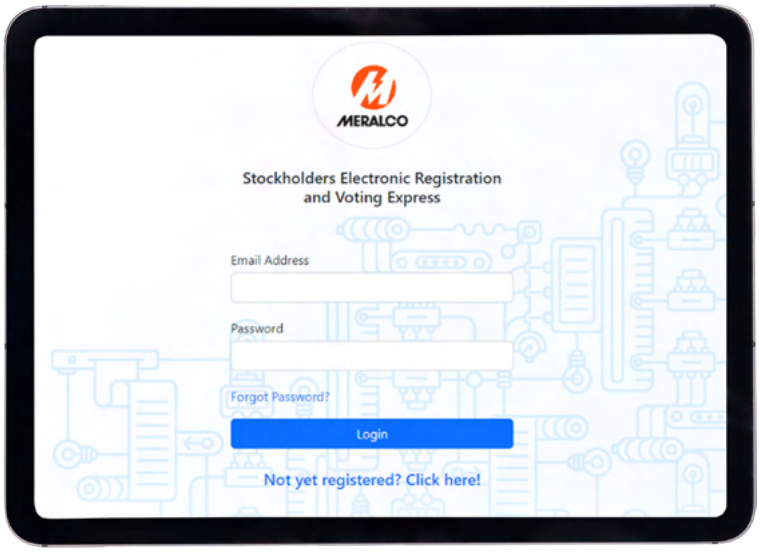
As in the previous years, the Company facilitated participation of stockholders who cannot attend the ASM in person or online by enclosing proxy forms in the ASM Notice where they can indicate their votes on matters that are taken up during the ASM. Shareholders can download the proxy forms together 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, 2025, for submission of proposed agenda and nomination of qualified candidates on or before March 7, 2025. The agenda and nominees were approved by the Board on January 27, 2025, and March 18, 2025, respectively.

Voting Procedures

The Corporate Secretary reported a quorum with the attendance of stockholders who own or hold a total of 910,775,522 shares or approximately 80.81% 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 and CEO, Chairman of the AuditCom, Chairman of the RLDC, Chairman of the Nom&Gov, Chairman of the Finance Committee, the Board, the CFO, Corporate Secretary, Assistant Corporate Secretary, Chief Investor Relations Officer, other officers of the Company, and our 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 resolutions approved during the ASM were posted on Meralco's official website the following day so that non-attending shareholders may be immediately informed.

B.4 Right to approve mergers and acquisition

In the event of mergers and acquisitions requiring shareholders' approval, the Company appoints an independent party to evaluate the merits of the transaction as well as the fairness of the transaction price.

B.5 Institutional investors

The Company recognizes the exercise of ownership rights by all shareholders, including institutional investors. The Company does not have any shareholder owning more than 50% of the total outstanding shares.

For the detailed Map Showing the Relationships among the Companies in the Group as at December 31, 2025, please refer to Schedule I of the Definitive Information Statement.

C. Equitable Treatment of Shareholders

C.1 Shares and voting rights

The Company has only one (1) classification of shares (common shares), with each share entitled to one (1) vote.

C.2 Notice of ASM and definitive information statement ("DIS")

The Notice of ASM and DIS contain, among others, the resolutions to be considered by the stockholders for each agenda item during the ASM. There is no bundling of several items into one resolution. It also provides the following information:

- Profiles of each director seeking election/ re-election—age, academic qualification, date of first appointment, experience, and directorships in other listed companies
- External auditor seeking appointment/ re-appointment
- Dividend policy
- Amount of dividends declared and any dividends payable
- Readily available proxy statements
- The Notice of ASM and DIS are available on the Company's website.

C.3 Policy on dealings in company shares of stocks (insider trading/blackout period)

The Insider Trading Policy prohibits directors, officers, and employees from benefiting from information that is not generally available to the investing public through observance of a blackout period ten (10) trading days before and two (2) trading days after the release or announcement of the Company's material information or financial and operating results, during which trading in Company shares is prohibited.

The Company strictly enforces and monitors compliance with our policy on insider trading. Under the revised policy approved for implementation on July 28, 2025, directors and officers are required to disclose to the Compliance Officer the details of any trading, dealing, acquisition, disposal, or change in their beneficial ownership of the Company (MER) shares, not later than one (1) trading day after the transaction.

C.4 Related party transactions ("RPTs") by directors and key executives

The RPT Policy requires the review of material/significant RPTs, to determine whether they are in the best interest of the Company and our shareholders and ensure that all RPTs of the Company are conducted in fair and at arm's length terms. The Policy provides for materiality thresholds, i.e., de minimis, significant, material RPTs including SEC material RPTs which constitute ten percent (10%) of the Company's assets.

The Company provides all the names of related parties, degree of relationship, nature, and value for each material/ significant RPT. Details are found in Note 23 to the Consolidated Financial Statements.

In 2025, all the RPTs were conducted in fair and at arm's length terms and there was no case of insider trading or policy violations involving directors and officers of the Company. Also, no RPT that can be classified as financial assistance to entities other than wholly owned subsidiary companies. The Company is fully compliant with the Code and policies on corporate governance.

Conflict of Interest ("COI") Policy

The COI Policy requires all directors, officers and employees to annually disclose their interest in transactions and any other conflicts of interest affecting the Company through the Full Business Interest Disclosure ("FBID") Form for directors and officers, and the COI Form for employees. The Company requires directors and key Management personnel to abstain from and/or inhibit themselves from participating in discussions on a particular agenda when a conflict exists or may exist between their personal interest and that of the Company.

C.5 Protecting minority shareholders from abusive actions

The Company's policies recognize and protect the rights of the minority stockholders while pursuing corporate interest. Some salient provisions include:

- Timely, fair, and accurate disclosure of material information
- Review of existing and development of new policies that will prevent the major stockholders from gaining undue advantage over and at the expense of minority stockholders
- RPTs are disclosed in Note 23 of the consolidated financial statements
- Disinterested stockholders decide on all RPTs which require stockholders' approval

D. Role of Stakeholders

D.1 Respecting the rights of stakeholders

We strictly observe the principles of FAITH in the Company's obligations to, and dealings with, our various stakeholders. We value all our stakeholders and protect their rights, as mandated by relevant laws and internal policies. Sanctions and penalties based on the provisions of the Company's COREC and other related policies are imposed upon violators.

Customers

The Company renders excellent service, ensures fair treatment, and provides complete and accurate information to our customers.

Suppliers/Contractors

To ensure a mutually beneficial relationship with our suppliers and contractors, the Company prescribes clearly defined and transparent procurement and supplier selection process through the Vendor's Code of Business Conduct and Ethics and Vendor Accreditation Program. We ensure faithful compliance with all the terms and conditions of our procurement contracts.

Creditors

The Company faithfully complies with all loan agreements with creditors. We ensure timely payment of our loans and efficiently operates our business to assure creditors of the Company's sound financial standing and loan payment capabilities.

Environment and Communities

As an advocate of sustainable development, the Company is committed to operate profitably within the bounds of our social and environmental responsibility.

Employees

We are committed to the development and welfare of our employees. We provide them with opportunities for learning and development, fair and competitive remuneration, and programs to promote health and safety. The Company devotes conscious effort to build a culture of excellence, knowledge sharing, personnel integrity, and development.

D.2 Performance-enhancing mechanisms for employees

Employee Development Programs

Training programs and other developmental interventions including job-specific development training programs and managerial/ leadership development training are implemented to enable employees and officers to acquire the technical and leadership competencies to effectively perform their jobs for their professional growth. The Company uses globally accepted training and development metrics relevant to value creation for business and society.

Details on the Company's learning and development initiatives are found on pages 147-149 of this report.

Compensation Philosophy/ Principles

The Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest. The Company's performance management process measures employee performance on the basis of: 1) actual vs. desired results; and 2) how results were delivered in light of corporate core values. The achievement of financial and non-financial indicators is reflected in performance planning and assessment, which drives the Company's merit and incentive pay programs.

The Company implements short-term and long-term incentive programs to attract, retain, and motivate employees. The Company compensates employees based on Company, team, and individual performance to help achieve corporate goals and targets. The Company evaluates performance beyond short-term financial measures. It also provides for short-term incentives through variable pay, such as annual performance-based bonuses and variable incentive plan, to reward individual and team performance that contribute to the achievement of corporate goals and objectives.

Long-term incentives include additional compensation conditioned on the Company's achievement of a specified level of Consolidated Core Net Income ("CCNI") approved by the Board and determined on an aggregate basis for a three (3)-year period as well as executives' attainment of a specified performance rating.

Succession Planning of President and/or CEO and Senior Management

The Company's Board and the RLDC are responsible for overall guidance and direction on succession planning and leadership development of the President and/or CEO and senior management. The RLDC, 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/or CEO, senior management, middle management, and first line management.

Presently, the succession plan covers 700 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 42 candidates in senior management pool, who, subject to the realization of their development plans, could become management committee members within the next five (5) years.

Code of Business Conduct and Ethics

The Company's 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. Copies of the Code of Ethics are disseminated to all officers and employees. On July 25, 2022, the Code of Ethics was amended and renamed "Code of Business Conduct and Ethics."

For more information about our Code of Business Conduct and Ethics and how we enforce it across the Company, please refer to the Business Ethics section under Our Governance on pages 208-211.

Anti-corruption Programs and Procedures

The Code of Business Conduct and Ethics requires directors, officers, and employees to observe professionalism, integrity, and good faith in transactions with and obligations to the Company's customers, suppliers, business partners, regulators, creditors, competitors, and employees.
It enforces practicing ethical standards of behavior and avoiding the commission of any act that may be construed as direct or indirect bribery and corruption, as defined by law, to facilitate any transaction to gain any perceived or actual favor or advantage.

Meralco's policies related to anti-bribery and corruption are available to all stakeholders through the Company's website (www.meralco.com.ph).

For more information about Meralco's anti-bribery and corruption initiatives, please refer to the Business Ethics section under Our Governance on pages 208–211.

D.3 Effective redress for violation of stakeholders' rights and means of communication of illegal or unethical practices by employees

Corporate Governance Office
Manila Electric Company (Meralco)

8F, Lopez Building
Ortigas Avenue, Barangay Ugong
Pasig City, Philippines 1605

Tel: (+632) 1622 2798
Mobile: (+63) 9209484787
Email: cgo.staff@meralco.com.ph

The Speak Out Policy (Whistleblowing Policy) 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.

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 contact information provided therein.

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 CGO by filling out a Retaliation Protection Report Form.

To maintain the integrity and impartiality of the review process, the Company's whistleblowing system is managed by an independent party. Currently, the Chairman of the Nomination and Governance Committee, who is an independent director, spearheads the review of all whistleblowing reports received by the Corporate Governance Office. This includes overseeing the investigation of reported concerns, ensuring appropriate follow-up actions are taken, and safeguarding the anonymity and protection of whistleblowers in accordance with the company's Speak Out Policy and other relevant regulations.

In 2025, 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.

E. Disclosure and Transparency

E.1. Transparent ownership structure

The following stockholders directly own more than 5% of the Company's (MER) shares as at December 31, 2025.

Name of Shareholder and Beneficial Owner	Total Shares	% to Total Share
Beacon Electric Asset Holdings, Inc.	394,059,235	34.96%
JG Summit Holdings, Inc.	297,189,397	26.37%
Metro Pacific Investments Corporation	140,906,807	12.50%
Total	**832,155,439**	**73.83%**

E.2. Enterprise-wide risk management

The Company maintains a robust internal control system and an Enterprise Risk Management ("ERM") framework designed to identify, monitor, and manage strategic, legal and regulatory, operational, ESG, and financial risks. These risks are periodically reviewed by the Board to assess the continued effectiveness of the ERM framework in relation to the Company's corporate objectives and evolving business and regulatory environment.

Meralco has adopted ISO 31000 as the foundation of the Company's ERM framework. This framework promotes a structured and systematic approach to risk management by fostering collaboration among internal functions and external stakeholders to identify best practices, strengthen controls, and pursue process improvement opportunities.

The Enterprise Risk Management Manual, approved and adopted by the Company, defines the methodology and processes for managing risks, including:

- the identification, assessment, evaluation, and mitigation of risks, as well as the exploitation of opportunities;
- the delineation of management responsibilities and accountabilities; and
- the escalation, monitoring, and reporting of the Company's key enterprise risks.

The EWRM function leads the periodic enterprise-wide risk assessment. This assessment validates existing and emerging risks arising from changes in regulations, market structure developments, technological and operational challenges, and external factors such as changing weather patterns, customer satisfaction trends, and evolving environmental sustainability considerations. Significant risks are quantified, and designated risk owners are required to develop and implement appropriate risk treatment and mitigation plans. The results of the enterprise-wide risk assessment, together with Management's mitigation strategies, are presented to and reviewed by the RMC.

The Board of Directors, through the RMC, provides oversight of the EWRM function and regularly reviews the Company's key enterprise risks, as well as the effectiveness of Management's risk mitigation strategies and treatment plans.

For further discussion of the Company's key risks and corresponding mitigation strategies, please refer to pages 58–61 of this report.

Information, Communications, and Technology ("ICT") Government

The Board, through its Risk Management Committee, oversees the 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.

The Management, through ICT Governance Office and ICT Planning and Program Management Office, uses Control Objectives for Information and Related Technology ("COBIT") framework to ensure that IT goals and objectives are in line with the overall business strategy of the Company. This involves delivering value from IT investments, managing IT risks, optimizing IT resources, measuring performance, and communicating with stakeholders. ICT Governance Office provides a comprehensive approach to aligning IT with business objectives, mitigating risks, and ensuring compliance with policies and standards.

Management is likewise accountable to the Board for the Company's information security governance. As a key pillar of the Company's sustainability, the Management–through the Cyber Security Group ("CSG")–drives Meralco's cybersecurity initiatives, providing strategic direction and resources to effectively manage the information security risks. It ensures the highest standard of protection across all aspects of operations, with a strong focus on mission-critical and business critical assets.

The Group conducts regular assessments, and reviews, approving information security policies and standards to ensure continuous monitoring, implementation, and enhancement of a robust information security management system. Aligned with global best practices and international standards, including ISO/IEC 27001, ISO/IEC 27002, and the NIST Cybersecurity Framework, these initiatives are effectively coordinated and integrated into the Organization's relevant processes and core business functions, with clear designation of authority, roles, and responsibilities.

The Company's information security policies and standards integrate cybersecurity into the workforce's responsibilities in our increasingly digital world. These policies form the foundation for developing strategies and controls to prevent and mitigate cybersecurity risks, ensuring that the Company and our employees are cyber-resilient and capable of effectively detecting, protecting against, and responding to cyber threats.

The Group evaluates the organization's maturity posture and identifies any gaps that require action based on the result of the regular maturity assessment. Moreover, the CSG ensures that business units, shared units, and third-party vendors remain compliant and accountable for the organization's cybersecurity requirements and protocols.

The commitment to inculcating adoption and compliance within the organization will not only protect information assets but also cultivate a culture of trust, accountability, and resilience, which are essential for Meralco's long-term sustainability.

Details on the Company's cybersecurity initiatives are found on pages 183-190 of this report.

E.3 Economic, environmental, social, and governance information

The Company is committed to the environment and mitigating the adverse impact of climate change and strictly monitors our business activities and operations to contribute to sustainable development and help safeguard the quality of life of society, communities, and the environment in the areas where we operate.

We also disclose our policies and practices on the management of economic, environmental, social and governance ("EESG") in this Integrated Report, in accordance with the Global Reporting Initiative ("GRI") Standards, adhering to SASB Standards for Electric Utilities and Power Generators, and adopting the IFRS[28] S2 Standard.

[28]International Financial Reporting Standards

E.4 Directors' and officers' dealings in company shares

Shareholdings of directors and officers as of December 31, 2025

Name	January 1, 2025	Buy	Sell	December 31, 2025	Direct Holdings	Indirect Holdings	Total Shares	% to Total Shares
MANUEL V. PANGILINAN	65,000	33,000	-	98,000	89,015	8,985	98,000	0.01%
LANCE Y. GOKONGWEI	29,313	5,000	-	34,313	10	34,303	34,313	0.00%
RAY C. ESPINOSA	66,000	5,000	-	71,000	41,668	29,332	71,000	0.01%
JUNE CHERYL A. CABAL-REVILLA	5,010	5,000	-	10,010	10,010	-	10,010	0.00%
LYDIA B. ECHAUZ	16,100	5,000	-	21,100	100	21,000	21,100	0.00%
PATRICK HENRY C. GO	1,677	5,000	-	6,677	6,677	-	6,677	0.00%
JAMES L. GO	209,450	5,000	-	214,450	40,010	174,440	214,450	0.02%
JOSE MA. K. LIM	178,910	5,000	-	183,910	5,010	178,900	183,910	0.02%
ARTEMIO V. PANGANIBAN	32,251	5,000	-	37,251	1	37,250	37,251	0.00%
PEDRO EMILIO O. ROXAS	1,000	5,000	-	6,000	6,000	-	6,000	0.00%
VICTORICO P. VARGAS	23,917	5,000	-	28,917	100	28,817	28,917	0.00%
SIMEON KEN R. FERRER	767	-	-	767	767	-	767	0.00%
RONNIE L. APEROCHO	14	-	-	14	14	-	14	0.00%
MARIA LUISA V. ALVENDIA	-	-	-	-	-	-	-	0.00%
EDGARDO V. CARASIG[1]	-	-	-	-	-	-	-	0.00%
ARNEL PACIANO D. CASANOVA	-	-	-	-	-	-	-	0.00%
FERDINAND O. GELUZ	15,877	-	-	15,877	12,877	3,000	15,877	0.00%
MELANIE T. OTEYZA	-	-	-	-	-	-	-	0.00%
WILLIAM S. PAMINTUAN	-	-	-	-	-	-	-	0.00%
BETTY C. SIY-YAP	-	-	-	-	-	-	-	0.00%
JOSE RONALD V. VALLES	-	-	-	-	-	-	-	0.00%
ROQUE D. BACANI	-	-	-	-	-	-	-	0.00%
BENNETTE D. BACHOCO	-	-	-	-	-	-	-	0.00%
REDEL M. DOMINGO	-	-	-	-	-	-	-	0.00%
HANS JOACHIM R. MONTENEGRO[2]	-	200	-	200	-	200	200	0.00%
CHARINA P. PADUA	42,609	-	-	42,609	-	42,609	42,609	0.00%
RAYMOND B. RAVELO	-	-	-	-	-	-	-	0.00%
FROILAN J. SAVET	8,435	-	-	8,435	8,435	-	8,435	0.00%
FRANCIS EUSTON R. ACERO	500	-	-	500	-	500	500	0.00%
IRENEO B. ACUÑA	18,355	-	-	18,355	18,355	-	18,355	0.00%
JOSEPH L. AMOSCO	5,198	-	-	5,198	5,198	-	5,198	0.00%

Notes:
[1]Retired effective December 31, 2025
[2]Appointed as First Vice President and Deputy Head for Human Resources effective October 3, 2025
[3]Appointed as Senior Assistant Vice President Treasurer and Head, Treasury DU Subsidiaries and Other Business Units effective June 1, 2025
[4]Appointed as Vice President and Head, Regulatory Legal Case Management effective January 1, 2025

Name	January 1, 2025	Buy	Sell	December 31, 2025	Direct Holdings	Indirect Holdings	Total Shares	% to Total Shares
ALDWIN CHRISTIAN C. ANG[3]	-	400		400	-	400	400	0.00%
FRANCIS DINO S. ANTONIO[4]	1,203	-	-	1,203	-	1,203	1,203	0.00%
REMIGIO R. ANGELES JR.[5]	1,075	-	-	1,075	75	1,000	1,075	0.00%
PATRICK DAVE B. BACANI	-	-	-	-	-	-	-	0.00%
JOSEPH ALLAN C. BALTAZAR	-	-	-	-	-	-	-	0.00%
CHRISTOPHER REDEEMSON R. BROCALES[6]	-	-	-	-	-	-	-	0.00%
SANTE C. BUELLA	-	-	-	-	-	-	-	0.00%
RICARDO CARMELO D. BUENAFE	6,070	-	-	6,070	-	6,070	6,070	0.00%
ALBERTO N. CASTILLO	600	-	-	600	600	-	600	0.00%
ANTHONY MATTHEW N. CO	2,150	-	-	2,150	-	2,150	2,150	0.00%
MA. CECILIA M. DOMINGO	1,495	-	-	1,495	-	1,495	1,495	0.00%
LAWRENCE S. FERNANDEZ	4,500	-	-	4,500	-	4,500	4,500	0.00%
MARVIN G. GONSALVES	11,780	-	-	7,580	4,200	-	11,780	0.00%
DANILO R. IGNACIO	7,871	-	-	7,871	7,871	-	7,871	0.00%
JERRY B. LAO	-	-	-	-	-	-	-	0.00%
EDELIZA T. LIM[7]	-	-	-	-	-	-	-	0.00%
ARIEL G. LUCAS	-	-	-	-	-	-	-	0.00%
ERVILLE D. MAGTUBO	-	20	20	-	-	20	20	0.00%
RALPH M. MENCHAVEZ	-	-	-	-	-	-	-	0.00%
RODERICK DENNISON N. NACU	31	-	-	31	31	-	31	0.00%
NOEL S. PORCIUNCULA	144	-	-	144	144	-	144	0.00%
PAUL JAYSON I. RAMOS	-	-	-	-	-	-	-	0.00%
JOSE S. REYES, JR.	8,827	-	-	8,827	8,727	100	8,827	0.00%
GLEN N. SAN PEDRO[8]	-	-	-	-	-	-	-	0.00%
ANDREW JASON B. TAN	3,000	-	-	3,000	-	3,000	3,000	0.00%
JEFFREY O. TARAYAO	-	-	-	-	-	-	-	0.00%
MARILENE P. TAYAG	-	-	-	-	-	-	-	0.00%
PAOLA MARGUERITE A. VERAYO	-	-	-	-	-	-	-	0.00%
MARIA ZARAH R. VILLANUEVA-CASTRO	-	-	-	-	-	-	-	0.00%
JOCELYN C. VILLAR-ALTAMIRA	-	-	-	-	-	-	-	0.00%
AGAPITO R. ZALDARRIAGA	10,369	-	-	10,369	6,858	3,511	10,369	0.00%
MA. CYNTHIA C. SOLUREN[9]	11,575		-	11,575	-	11,575	11,575	0.00%
Total	**791,073**	**83,620**	**20**	**870,473**	**272,753**	**552,360**	**874,693**	**0.06%**

[5]Appointed as Vice President and Head, South Distribution Services effective January 1, 2025
[6]Appointed as Vice President and Head, Shared Services HR and Labor Relations effective January 1, 2025
[7]Appointed as Vice President and Head, Marketing and Brand Experience effective January 1, 2025
[8]Retired effective December 31, 2025
[9]Retired effective May 31, 2025

E.5 Audit

Internal Audit

Meralco Internal Audit adopts a risk-based audit approach in formulating the annual audit plan and strategy that aligns with the key strategies and risks across the Group's business and is reassessed quarterly to consider business changes and emerging risks. This plan is developed in coordination with the relevant business units and subsidiaries and reviewed and approved by the AuditCom. The assurance and control advisory reviews are aimed at assisting the Board through the AuditCom in promoting sound enterprise risk management, robust internal controls, and good corporate governance. Design and operating effectiveness of controls that govern the key business processes, systems and risk areas at the Distribution Utility and subsidiaries are evaluated particularly on financial reporting, operations, information technology systems reviews, cybersecurity, data privacy, sustainability, revenue assurance, legal and regulatory compliance and subsidiary oversight. This provides an independent assurance to the Audit Committee on the adequacy and effectiveness of the governance, risk management, internal controls, and compliance systems.

Meralco Internal Audit communicates the results of audit engagements covering various units of the Company and our subsidiaries including specific areas of concerns identified by Management to the AuditCom. The findings and any improvement opportunities are reviewed by AuditCom which then are reported to the Board for guidance and oversight. Significant concerns, which have been reported by Internal Audit Group and the implementation of responsive remedial measures by Management, are acted upon by Management and monitored by AuditCom. The AuditCom Report to the Board included the review of One Meralco's system of internal controls (financial, operational, and compliance controls) and risk management systems which are found to be in place and functioning. A certification attestation of the internal controls is issued bi-annually as a result of the combined risk and control assessment of the Management and Internal Audit including the scope of audit review for the financial year.

Meralco's Internal Audit is headed by the Group Chief Audit Executive and Senior Vice President, Ms. Melanie T. Oteyza, who reports functionally to the AuditCom and administratively to the Chairman and CEO, as outlined in the Company's Internal Audit Charter. The appointment and removal of the Chief Audit Executive require the approval of the AuditCom.

All internal auditors are members of the Institute of Internal Auditors ("IIA") and adopt the Global Internal Auditing Standards laid down in the International Professional Practices Framework. The internal auditors are comprised of highly certified professionals – Certified Public Accountants, Certified Internal Auditors, Certified Information Systems Auditors, Certified Quality Assurance Validator, Certified Fraud Examiner, Registered Electrical Engineers and others with Certification in Control Self-Assessment, Certification in Risk Management Assurance, and Qualification in Internal Audit Leadership.

Meralco Internal Audit recruits and employs suitable and qualified professional staff with the requisite skillsets, competencies, and experience. Relevant training and continuing professional development opportunities are provided to its staff to ensure that internal audits are performed effectively and that the team possess the technical knowledge needed for the job and to remain relevant and value-adding to the organization.

Meralco Internal Audit also provides a confirmation of their independence to the Audit Committee on an annual basis.

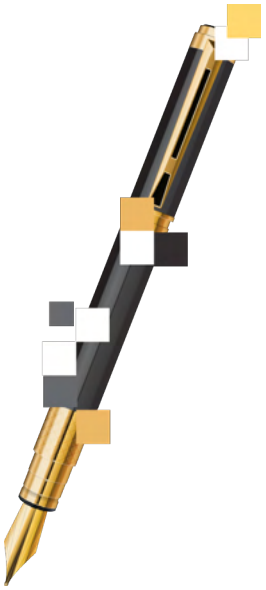
Consolidated external auditor's fees* (in million PhP)

	2025	2024
Financial Statements Audit*	26.9	24.8
Audit of financial statements in accordance with the requirements of the Business Separation and Unbundling Plan of the ERC and Audit of universal charge reports as required by PSALM	11.0	2.0

***Note**: The fees for non-audit services did not exceed those for audit services.*

External Audit

The Company's external auditor, SGV, was evaluated, nominated, and recommended for appointment, including its audit fees, by the AuditCom, and such recommendation was approved by the Board. The re-appointment of SGV was thereafter confirmed by the shareholders at the ASM held on May 27, 2025.



E.6 Medium of communication

Quarterly Reports

We report the Company's quarterly and full year financial results through the SEC and the PSE 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/investor-relations/quarterly-reports

Financial Results:
http://www.meralco.com.ph/investor-relations/financial-results

Annual Reports:
http://www.meralco.com.ph/investor-relations/annual-reports

Investors' Briefings/Media Briefings

The officers of the Company, led by the Chairman and CEO, with the CFO, Investor Relations Office 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 the 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.

Schedule of Events: http://www.meralco.com.ph/investor-relations/calendar-of-events

Press Releases: http://www.meralco.com.ph/investor-relations/press-releases

Company Website

Our website provides information on Meralco's products and services as well as the following corporate governance information:

Section	Link
Business Operations	http://biz.meralco.com.ph/ http://corporatepartners.meralco.com.ph/ http://www.meralco.com.ph/news
Financial Statements/Reports	http://www.meralco.com.ph/investor-relations/financial-results https://company.meralco.com.ph/investor-relations/quarterly-reports
Materials provided in briefings to analysts and media	http://www.meralco.com.ph/investor-relations/press-releases
Shareholding Structure	http://www.meralco.com.ph/about-us/meralco-shareholding-structure
Group Corporate Structure	http://www.meralco.com.ph/about-us/organizational-structure
Downloadable Annual Report	http://www.meralco.com.ph/investor-relations/annual-reports
Notice of ASM	http://www.meralco.com.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings
Minutes of ASM	http://www.meralco.com.ph/company-disclosures/minutes-of-all-general-or-special-stockholders-meetings
Company's By-Laws and Articles of Incorporation	https://company.meralco.com.ph/corporate-profile/articles-of-incorporation-and-by-laws

E.7 Timely filing/ release of annual/ quarterly financial reports

The Company's 2025 Audited Financial Statements were released on March 1, 2026, 60 days after financial year-end. The true and fair representation of the Annual Financial Reports was affirmed by the Board through the Chairman and CEO, as well as the CFO of the Company on the Statement of Management's Responsibility section of this Annual Report. This can be accessed on the Company website.

E.8 Investor relations

Meralco's Investor Relations Office regularly communicates relevant and timely information about the Company to both current and potential investors, analysts, fund managers, potential business partners, and the general public.