

	<p align="center">ORGANIZATIONAL CHARTER</p> <p align="center">MERALCO</p>	Rev. Code: 3	Page 1 of 4
Section : Board of Directors		Effectivity Date : Sept. 28, 2009	
Subject : Nomination and Governance Committee		Sensitivity Classification : Confidential	

A. Functions

The Nomination and Governance Committee shall make recommendations to the Board on the qualified nominees for election as Directors, improvements on board organization and procedures, mechanisms for evaluating performance of the Board, the Board Committees and Management and the continuing education of the Board including that for individual Directors.

B. Responsibilities

1. Review and monitor the structure, size and composition of the Board and make recommendations to ensure that the Board has the required number of Independent Directors with the qualifications and none of the disqualifications as provided in applicable laws, regulations, listing rules and the Company's policies.
2. Screen and shortlist qualified individuals nominated for election as Directors in order to ensure that all nominations are fair and transparent and in accordance with applicable laws, regulations, listing rules and the Company's policies.
3. Identify and recommend qualified individuals for nomination and election as additional Directors or to fill Board vacancies as and when they arise. The election of such additional or replacement Directors shall be done in accordance with applicable laws and regulations.
4. Ensure that the Company shall have at least two (2) Independent Directors or such number of Independent Directors which constitute at least twenty percent (20%) of the members of the Board, whichever is lesser.
5. Review with the Board on an annual basis the appropriate skills and characteristics required on the Board in the context of the strategic direction of the Company.
6. Review and endorse to the Board recommendations of the Compliance Officer in relation to violations of provisions and requirements of the Revised Code of Corporate Governance and other corporate governance rules applicable to the Company, including the Company's Manual on Corporate Governance.
7. Recommend Committee assignments, including Committee Chairmanships, to the full Board for approval after receiving advice from the Chairman of the Board and CEO and with consideration of the desires of individual Board members.
8. Review annually the Charters of all Board Committees and recommend to the Board any needed changes. In reviewing the Charters of the Board Committees, the Committee should consult with the concerned Board Committee. The Committee's recommendation on any change in any of the Charters shall be submitted to the Board for approval.

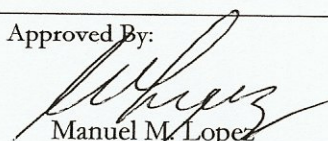
Prepared By:

Reviewed By:

Approved By:



Nomination and Governance
Committee


 Manuel M. Lopez
 Chairman of the Board

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9. Specify annually elements of the Board's Corporate Governance improvement program and recommend to the Board the development of corporate governance principles, structure, best practices and rules for adoption by the Company, and assist the Board in the implementation thereof.
10. Design an orientation program for new Directors and related continuing education program for existing Directors.
11. Review annually the prescribed Full Business Interest Disclosure of all incoming Directors and officers.
12. Assess the effectiveness of the Board's processes and procedures in the election or replacement of Directors.

C. Members

1. The Nomination and Governance Committee shall preferably have at least three (3) voting Directors, one of whom must be an Independent Director. The Company's HR Head may be appointed as a non-voting member. The members of the Committee including the Chairman thereof shall be appointed by the Board of Directors annually.
2. The Board of Directors may appoint one or more persons to serve as advisor(s) to the Committee. Advisors shall have the rights to attend and speak at any meeting of the Committee, but shall have no right to vote in respect of any action of the Committee.
3. The Chairman or any member or advisor of the Committee may be removed from office only by the Board of Directors.

D. Meetings

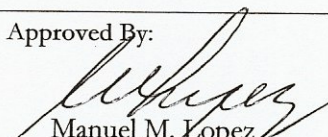
1. The Committee shall hold meetings at such times and places as it considers appropriate provided that not less than four (4) meetings shall be held each year.
2. Meetings of the Committee shall be convened by the Chairman of the Committee as and when he considers appropriate and the Chairman shall convene a meeting upon the request of a majority in number of the voting Members of the Committee.
3. A Committee meeting shall be convened by not less than three (3) calendar days' notice in writing, specifying the place, date and time for the meeting and the general nature of the businesses to be transacted at the meeting.

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Manuel M. Lopez
Chairman of the Board

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4. Notwithstanding that a meeting is called by shorter notice, it shall be deemed to have been duly convened if it is so agreed by the Members of the Committee present in the meeting at which there is a quorum. A Member may consent to short notice and may waive notice of any meeting of the Committee and any such waiver may be retrospective.
5. Each Member/Advisor shall give to the Secretary of the Committee an address and a facsimile number for the service of notices of meetings of the Committee.
6. Notice of a meeting of the Committee shall be deemed to be duly given to a Member/Advisor if it is given to him personally, in writing or orally, or sent to him by mail or facsimile transmission to his address or facsimile number, as appropriate, given by him to the Secretary of the Committee in accordance with Section (5) above.
7. The quorum for a meeting of the Committee shall be a majority of the voting Members of the Committee present throughout the meeting.
8. Members and Advisors of the Committee may participate in a meeting of the Committee through teleconference or video conference by means of which all persons participating in the meeting can hear each other.
9. Resolutions at a meeting of the Committee at which there is a quorum shall be passed by a simple majority of votes of the voting Members present at such meeting. Each Member, including the Chairman of the Committee shall have one (1) vote. In case of an equality of votes, the Chairman of the Committee shall not have a second or casting vote.

E. Remuneration of Members

No fees or other remuneration shall be payable to the Members/Advisors of the Committee in respect of their services provided in connection with the Committee or in respect of their attendance at meetings of the Committee, save and except fees or remuneration authorized and approved by the Board and/or any fees or remuneration such Member/Advisor would otherwise be entitled to in his capacity as consultant, advisor or employee of the Company.

F. Minutes and Records

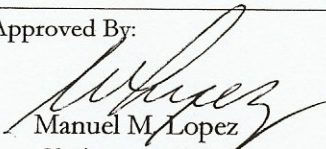
1. The Committee shall appoint a Secretary who shall prepare minutes of meetings of the Committee and keep books and records of the Committee.

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2. The Committee shall cause records to be kept for the following:
 - (a) appointments and resignations of the Members/Advisors of the Committee;
 - (b) all agenda and other documents sent to the Members/Advisors of the Committee; and
 - (c) minutes of proceedings and meetings of the Committee.
3. Any such books and records shall be open for inspection by any Member/Advisor of the Committee upon reasonable prior notice during usual office hours of the Company.

G. Resources and Authorities

The Committee shall have the resources and authorities appropriate to discharge its functions, duties and responsibilities including the authority to obtain advice from external consultants and functional specialists within the Company.

H. Committee Reports and Performance Evaluation

1. The Committee shall report its activities to the Board on a regular basis and make such recommendations with respect thereto and other matters as the Committee may deem necessary or appropriate.
2. The Committee shall prepare and review with the Board of Directors an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of its Charter, set forth the goals and objectives of the Committee for the ensuing year and include any recommendation to the Board of Directors on any improvements to the Charter deemed necessary or desirable by the Committee.

I. Amendment or Alteration of this Charter

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by resolutions of the Board of Directors.

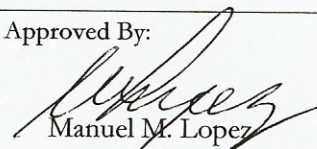
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Manuel M. Lopez
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