

<p style="text-align: center;">ORGANIZATIONAL CHARTER MERALCO</p>		Rev. Code . 2	Page 1 of 2
Section:	Board of Directors	Effectivity Date: June 25, 2007	
Subject:	Finance Committee	Sensitivity Classification: Confidential	

A. Functions

The Finance Committee is appointed by the Meralco Board of Directors to review the financial operations of the Company and matters regarding the acquisitions/divestiture of or investments in companies, business or projects. It endorses recommendations to the Board as deemed appropriate or approves actions within its delegated authority.

B. Responsibilities

1. To review, advise and recommend approval, decision or action on financial matters involving the management and operation of the Company. Such reviews include but are not limited to the following:
 - a) Establishment of and changes to financial and treasury policies.
 - b) All major financing transactions.
 - c) Issuance of shares, share repurchases, valuation of shares, and other such activities involving existing shares.
 - d) The Company's corporate plans and budgets.
 - e) Major procurement and supply contracts and variations worth P50 million and above.
 - f) Proposals for dividends and transfers to reserve.
 - g) Any actual, potential, major exception or occurrence which has, or may have, a major financial impact on the Company.
 - h) Capitalization of subsidiary or associated companies including guarantees, financial support, undertakings, and indemnities in respect of investments or liabilities.
 - i) Proposed Principal Agreements with Government, Joint Ventures and Shareholders' Agreement, Major Acquisitions, Divestment and Property Redevelopment.
 - j) Investments worth P50 million and above except for investments transactions defined under the Investment Policy.

2. To address and deal with such other matters as maybe delegated by the Board to the Committee.

Prepared by: Corporate Governance Office	Reviewed by: Sgd. Finance Committee	Approved by: Sgd. Manuel M. Lopez Chairman of the Board
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C. Members

The Finance Committee shall preferably have at least three (3) voting Directors, one of whom must be independent.

The Chief Financial Officer and the Treasurer of the Company shall be the non-voting representatives of the Management in this Committee.

D. Meetings

The meetings and proceedings are governed by the provision contained in the Company's Articles of Incorporation for regulating the meetings and proceedings of Directors. Summaries of matters discussed at such meetings are to be tabled at the next succeeding meeting of the Board.

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