



GOVERNANCE SELF ASSESSMENT FORM

MERALCO is committed to adhering to the highest standards of good governance consistent with international corporate best practices. Part of the process for ensuring that these standards are maintained is a regular self-assessment by MERALCO's Board of Directors of its performance.

This questionnaire is intended to assess the performance of the Board as a whole, during the previous year. The questionnaire shall also serve as a self-evaluation of the performance of the individual directors during the covered period.

INSTRUCTIONS

Please go over each statement carefully and answer using the following scale:

Scale	Category
1	Not at all Satisfied; Poor (NS)
2	Slightly Satisfied; Needs improvement (SS)
3	Satisfied; Meets requirements (S)
4	Moderately Satisfied; Exceeds requirements (MS)
5	Very Satisfied; Outstanding (VS)

Note: You may check (✓) the appropriate box to indicate your answer.

I. THE BOARD					
Please rate the performance of Board based on the following criteria:					
	1	2	3	4	5
A. BOARD STRUCTURE	NS	SS	S	MS	VS
1. The Board has a proper mix of directors with the appropriate skills, knowledge and experience to enable them to effectively participate in Board deliberations. (SCG/MCG)					
2. The Board has a process of selection that ensures an optimum mix of directors and officers who can perform competently and professionally and add value to the Company. (SCG/MCG)					
3. The powers, roles, responsibilities and accountabilities between the Board and management are clearly defined, segregated and understood. (SCG/MCG)					
4. The Board has the necessary committees in place to assist the Board in the performance of its duties and responsibilities. (SCG/MCG)					
5. The Board formulates and reviews, as well as updates, the Company's corporate vision and mission, values and purpose, strategic objectives, policies and procedures that serves as a guide to the Company's activities. (SCG/MCG)					

	1	2	3	4	5
B. BOARD DUTIES AND RESPONSIBILITIES	NS	SS	S	MS	VS
6. The Board sets sound strategic objectives and business plans aimed at sustaining the Company's long-term viability. (SCG/MCG)					
7. The Board oversees management's implementation of sound strategic policies and guidelines on major capital expenditures, business strategies, operational budgets, plans and policies. (SCG/MCG)					
8. The Board regularly and periodically monitors the Company's corporate performance against such strategic objectives and business plans. (SCG/MCG)					
9. The Board regularly and periodically monitors the management's compliance with policies set by the Board and its performance based on approved targets and objectives. (SCG/MCG)					
10. The Board oversees the implementation of the Company's human resource and personnel development programs and provides for a succession plan for senior management. (SCG/MCG)					
11. The Board oversees the implementation of policies for the performance evaluation and compensation of the officers of the Company (SCG/MCG)					
12. The Board ensures that the Company complies with all relevant laws and regulations and endeavors to adopt accepted best business practices. (SCG/MCG)					
13. The Board ensures the establishment of appropriate corporate governance policies and procedures. (SCG/MCG)					

	1	2	3	4	5
	NS	SS	S	MS	VS
14. The Board provides oversight with regard to enterprise risk management and identifies key risk areas and key performance indicators and monitor these factors with due diligence. (SCG/MCG)					
15. The Board adopts a system of check and balance within the Board and regularly reviews its system of checks and balances for effectiveness. (SCG/MCG)					
16. The Board has adopted a Code of Ethics which shall govern the conduct of the Board, the officers and employee of the Company. (SCG/MCG)					
17. The Board ensures the continuing soundness, effectiveness and adequacy of the Company's control environment. (SCG/MCG)					
C. MEETINGS					
18. The Board schedules and holds regular meetings and convenes special meetings when required by business exigencies. (SCG/MCG)					
19. The Board meetings are duly minuted. (SCG/MCG)					
20. At least one independent director is always in attendance in all Board meetings. (SCG/MCG)					
21. There is active solicitation of views and opinions of the members of the Board in the process of arriving at a decision. (SCG/MCG)					

II. DUTIES AND RESPONSIBILITIES OF THE INDIVIDUAL DIRECTORS Please evaluate your performance as an individual director of the Board based on the following criteria:					
	1	2	3	4	5
	NS	SS	S	MS	VS
22. I understand the mission, vision and values of the Company. (SCG/MCG)					
23. I act in a manner characterized by transparency, accountability, integrity and fairness fully aware that the office of a director is one of trust and confidence. (SCG/MCG)					
24. I devote sufficient time and attention necessary to properly discharge and effectively perform my duties and responsibilities as a member of the Board. (SCG/MCG)					
25. I keep myself updated on developments in the Company, including its financial and operational performance. (SCG/MCG)					
26. I ensure that my personal interest do not conflict with the interest of the Company. (SCG/MCG)					
27. I exercise independent judgment. (SCG/MCG)					
28. I have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the SEC, and where applicable, the requirements of other regulatory agencies. (SCG/MCG)					
29. I observe confidentiality of non-public information acquired by reason of my position as a director. (SCG/MCG)					

	1	2	3	4	5
	NS	SS	S	MS	VS
30. I attend all board meetings except when prevented by justifiable cause. (SCG/MCG)					
31. I actively participate in board discussions and deliberations. (SCG/MCG)					
<p><i>If you rated an item with 1 (Not at all Satisfied; Poor) or 2 (Slightly Satisfied; Needs Improvement), please state your reason on the space provided below for comments and suggestions so it can be addressed.</i></p>					

Accomplished by:

Date Accomplished:

Printed Name and Signature
