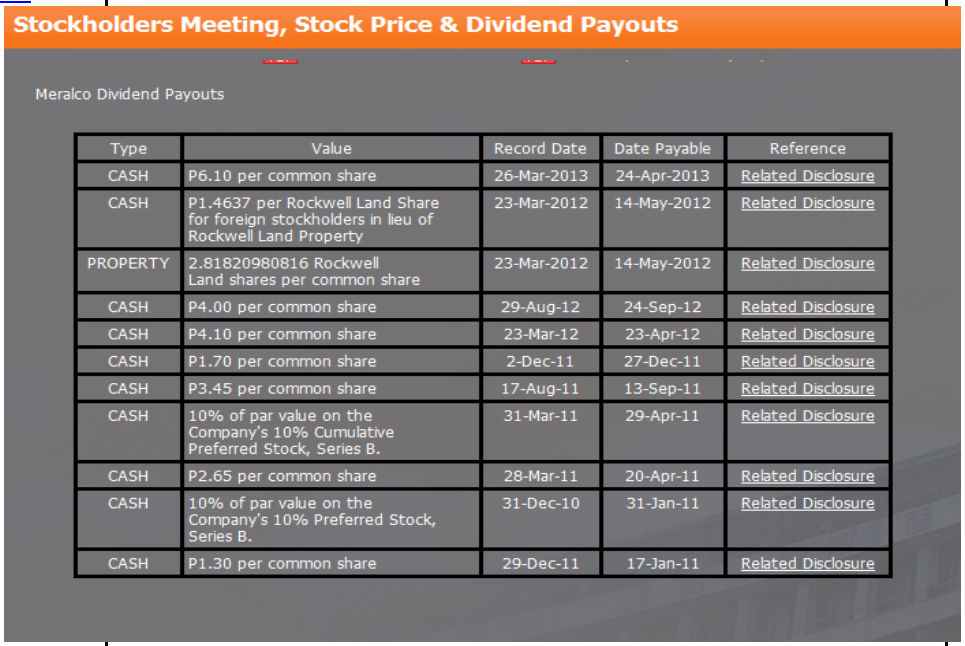
| A. RIGHTS OF SHAREHOLDERS | | ANSWER | SOURCE | REFERENCE |
|---|---|---|---|---|
| **A.1** | **Basic Shareholder Rights** | | | |
| A.1.1 | Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by annual general meeting (AGM) for final dividends? | Yes | Dividend Declaration | PSE/SEC Disclosures copy posted in the Company Website |
| 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? | YES | Company website/ 2012 Annual Report | 2012 Annual Report -> Corporate Governance Report -> Rights of Stockholders (page 38)<br>*"The Company's Manual of Corporate Governance serves as the guide to ensure the equitable treatment of shareholders, who are given opportunities to participate in, and voting rights on, the following matters:*<br>*a) Changes and/or amendments to the Company's Articles of Incorporation and By-laws – In 2012, no such changes and/or amendments were made, which required the vote of shareholders."* |
| | | YES | Company Website/ | MERALCO Revised Manual of Corporate Governance→ V. INVESTORS' RIGHTS AND PROTECTION→ Section 6.0 Appraisal |




| Type | Value | Record Date | Date Payable | Reference |
|---|---|---|---|---|
| CASH | P6.10 per common share | 26-Mar-2013 | 24-Apr-2013 | Related Disclosure |
| CASH | P1.4637 per Rockwell Land Share for foreign stockholders in lieu of Rockwell Land Property | 23-Mar-2012 | 14-May-2012 | Related Disclosure |
| PROPERTY | 2.81820980816 Rockwell Land shares per common share | 23-Mar-2012 | 14-May-2012 | Related Disclosure |
| CASH | P4.00 per common share | 29-Aug-12 | 24-Sep-12 | Related Disclosure |
| CASH | P4.10 per common share | 23-Mar-12 | 23-Apr-12 | Related Disclosure |
| CASH | P1.70 per common share | 2-Dec-11 | 27-Dec-11 | Related Disclosure |
| CASH | P3.45 per common share | 17-Aug-11 | 13-Sep-11 | Related Disclosure |
| CASH | 10% of par value on the Company's 10% Cumulative Preferred Stock, Series B. | 31-Mar-11 | 29-Apr-11 | Related Disclosure |
| CASH | P2.65 per common share | 28-Mar-11 | 20-Apr-11 | Related Disclosure |
| CASH | 10% of par value on the Company's 10% Preferred Stock, Series B. | 31-Dec-10 | 31-Jan-11 | Related Disclosure |
| CASH | P1.30 per common share | 29-Dec-11 | 17-Jan-11 | Related Disclosure |

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| | | | Manual of Corporate Governance | Right→page 25<br>*"The stockholders shall have appraisal right under any of the following circumstances:*<br>*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;"* |
| A.2.2 | The authorisation of additional shares? | YES | Company website/ 2012 Annual Report | 2012 Annual Report -> Corporate Governance Report -> Rights of Stockholders (page 39)<br>*"The Company's Manual of Corporate Governance serves as the guide to ensure the equitable treatment of shareholders, who are given opportunities to participate in, and voting rights on, the following matters: .. . .. .*<br>*c) Authorization for the issuance of additional shares of the Company – In 2012, no such transaction took place, which required the vote of shareholders.."* |
| | | YES | Company Website/ Manual of Corporate Governance | MERALCO Revised Manual of Corporate Governance→ V. INVESTORS' RIGHTS AND PROTECTION→ Section 2.0 Pre-emptive Right→page 23<br>*"Unless otherwise stated in the Articles of the Incorporation or the Corporation Code of the Philippines, all stockholders shall enjoy pre-emptive right to subscribe to all issues or disposition of shares in proportion to their respective shareholdings;"* |
| A.2.3 | The transfer of all or substantially all assets, which in effect results in the sale of the company? | YES | Company website/ 2012 Annual Report | 2012 Annual Report -> Corporate Governance Report -> Rights of Stockholders (page 39)<br>*The Company's Manual of Corporate Governance serves as the guide to ensure the equitable treatment of shareholders, who are given opportunities to participate in, and voting rights on, the following matters: .. . .. .*<br>*b) Sale, purchase and/or transfer of a significant share of corporate assets that may result in a change in the character of the Company – In 2012, no such transaction took place, which required the vote of shareholders.* |

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| | | YES | Company Website/ Manual of Corporate Governance | MERALCO Revised Manual of Corporate Governance→ V. INVESTORS' RIGHTS AND PROTECTION→ Section 6.0 Appraisal Right→page 25<br>*"The stockholders shall have appraisal right under any of the following circumstances:*<br>*a. ….*<br>*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*; |
| 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? | YES | Company website/ 2012 Annual Report | 2012 Annual Report -> Corporate Governance Report -> Rights of Stockholders (page 39)<br>*The Company's Manual of Corporate Governance serves as the guide to ensure the equitable treatment of shareholders, who are given opportunities to participate in, and voting rights on, the following matters: .. . .. .*<br>*f) Approval of the remuneration of all non-executive Directors – In 2012, there was no change in the remuneration of the BOD that required shareholder approval.* |
| | | YES | Company Website/ Amended By-laws | Amended By-laws →ARTIICLE II BOARD OF DIIRECTORS ->Section 7 – Compensation ->page 6<br>*"SECTION 7. COMPENSATION. - 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 therefor."* |
| A.3.2 | Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners? | YES | Company website/ 2012 Annual Report | 2012 Annual Report -> Corporate Governance Report -> Rights of Stockholders (page 39)<br>*"The Company's Manual of Corporate Governance serves as the guide to ensure the equitable treatment of shareholders, who are given opportunities to participate in, and voting rights on, the following matters: .. . .. .*<br>d*) Opportunity to nominate candidates for membership in the BOD –* |

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| | | | | *Shareholders, minority included, participated in the nomination and election of the members of the 2012 BOD.* |
| | | YES | Company Website/ AGM Minutes | AGM MINUTES OF 29 MAY 2012->**ELECTION OF DIRECTORS -> page 20**<br>*"The next item on the agenda was the election of the members of the Board of Directors for the ensuing year. The Company's Articles of Incorporation provide for eleven (11) seats in the Board. The Corporate Secretary was requested by the Chairman to read the names of the nominees. The Corporate Secretary reported that the following nominees to the Board were received by his office in accordance with the Company's By-laws and pertinent laws and regulations:*<br>*1. Mr. Ramon S. Ang*<br>*2. Atty. Ray C. Espinosa*<br>*3. Mr. Jose Ma. K. Lim*<br>*4. Ambassador Manuel M. Lopez*<br>*5. Atty. Estelito P. Mendoza*<br>*6. (Ret.) Chief Justice Artemio V. Panganiban*<br>*7. Mr. Manuel V. Pangilinan*<br>*8. Mr. Vicente L. Panlilio*<br>*9. Mr. Eric O. Recto*<br>*10. Mr. Oscar S. Reyes*<br>*11. Mr. Pedro E. Roxas*<br>*(Retired) Chief Justice Panganiban and Mr. Roxas were nominated as independent directors.*<br>*Copies of the profiles of all nominees for seats in the Board of Directors, stating their age, qualifications, experience, date of first appointment to the Board of the Company, and other directorships in other publicly listed companies (or subsidiaries, whether listed or non-listed within the group of companies) were provided in advance to the stockholders through the Company's Information Statement.* |
| A.3.3 | Does the company allow shareholders to elect directors/commissioners individually? | YES | Company website/ 2012 Annual Report | 2012 Annual Report -> Corporate Governance Report -> Rights of Stockholders (page 39)<br>*"The Company's Manual of Corporate Governance serves as the guide to ensure the equitable treatment of shareholders, who are given opportunities to participate in, and voting rights on, the following matters: .. . .. .*<br>*e) Opportunity to elect individually the members of the BOD – The Notice of 2012 AGM, sent* to *all shareholders included the profiles of all* |

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| | | | | *nominees for seats in the BOD, which include age, qualifications and experience, date of first appointment to the Board of the Company, and directorships in subsidiaries and other publicly listed corporations. Non-controlling shareholders were encouraged to exercise their right to vote and elect the Company's BOD."* |
| | | YES | Company Website/ AGM Minutes | AGM MINUTES OF 29 MAY 2012->ELECTION OF DIRECTORS -> page 20<br>*On motion made by Ms. Zarah Castro (stockholder) and seconded by Mr. Neil Diccion (stockholder), the following were declared duly elected members of the Board of Directors to serve for the ensuing year and until their successors are duly elected and qualified, having received the following number of votes from the stockholders present and represented at the meeting:*<br>*1, Mr. Ramon S. Ang - 1,002,730,725*<br>*2. Atty. Ray C. Espinosa - 1,002,730,725*<br>*3. Mr. Jose Ma. K. Lim - 1,002,730,725*<br>*4. Ambassador Manuel M. Lopez - 1,002,730,725*<br>*5. Atty. Estelito P. Mendoza - 1,002,730,725*<br>*6. (Ret.) Chief Justice Artemio V. Panganiban - 1,002,730,725*<br>*7. Mr. Manuel V. Pangilinan - 1,002,730,725*<br>*8. Mr. Vicente L. Panlilio - 1,002,730,725*<br>*9. Mr. Eric O. Recto - 1,002,730,725*<br>*10. Mr. Oscar S. Reyes - 1,002,730,725*<br>*11. Mr. Pedro E. Roxas - 1,002,730,725* |
| A.3.4 | Does the company disclose the voting and vote tabulation procedures used, declaring both before the meeting proceeds? | YES | Company Website/ AGM Minutes | AGM MINUTES OF 29 MAY 2012->**CALL TO ORDER -> page 2**<br>*The Corporate Secretary read the following ground rules to be observed during the meeting to ensure the conduct of fair, orderly, and efficient proceedings and to protect the rights of all the shareholders:*<br>*a) Each stockholder shall be allowed one (1) vote per share. The election of the members of the Board of Directors shall be by cumulative voting.*<br>*b) Only stockholders or their proxies shall be allowed to speak. Any stockholder who wishes to take the floor must wait to be acknowledged by the Chairman. If acknowledged, he must identify himself and address his concerns to the Chairman;*<br>*c) Shareholders will be given the opportunity to ask questions or raise issues, subject to the following procedure:*<br>*1. Only questions relevant to the particular item in the agenda being discussed shall be allowed. Hence, questions not relevant to the agenda shall be considered "out-of-order";* |

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| | | | | 2. *A maximum of three (3) questions shall be entertained for each item on the agenda;*<br>3. *Questions about the Company and its operations will be entertained after report of the President and Chief Executive Officer;*<br>4. *To give equal chance to everyone, a stockholder can ask one (1) main question and, if needed, a follow-up question; and*<br>5. *If due to time constraints there are questions which could not be entertained on the floor, the Company officers will be available for consultation after the meeting.*<br>*d) All concerns should be raised by way of a question so these can be properly addressed; and*<br>*e) All questions raised by shareholders, and answers thereto, shall be recorded for inclusion in the minutes of the meeting.*<br>*The Chairman may waive or allow exceptions to the foregoing rules if, in his judgment, he deems it necessary or proper under the circumstances.* |
| 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? | YES | Company Website/ AGM Minutes | AGM MINUTES OF 29 MAY 2012->**CALL TO ORDER -> page 2**<br>*The Corporate Secretary read the following ground rules to be observed during the meeting to ensure the conduct of fair, orderly, and efficient proceedings and to protect the rights of all the shareholders:*<br>*……*<br>*f) Shareholders will be given the opportunity to ask questions or raise issues, subject to the following procedure:*<br>1. *Only questions relevant to the particular item in the agenda being discussed shall be allowed. Hence, questions not relevant to the agenda shall be considered "out-of-order";*<br>2. *A maximum of three (3) questions shall be entertained for each item on the agenda;*<br>3. *Questions about the Company and its operations will be entertained after report of the President and Chief Executive Officer;*<br>4. *To give equal chance to everyone, a stockholder can ask one (1) main question and, if needed, a follow-up question; and*<br>5. *If due to time constraints there are questions which could not be entertained on the floor, the Company officers will be available for consultation after the meeting.*<br>*g) All concerns should be raised by way of a question so these can be properly addressed; and*<br>*h) All questions raised by shareholders, and answers thereto, shall be recorded for inclusion in the minutes of the meeting.*<br>*The Chairman may waive or allow exceptions to the foregoing rules if, in* |

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| | | | | *his judgment, he deems it necessary or proper under the circumstances.* |
| A.3.6 | Do the minutes of the most recent AGM record questions and answers? | YES | Company Website/ AGM Minutes | 2013 AGM Minutes pages 11-12<br><br>**Questions and Answers on the Floor**<br><br>*At this point, the Chairman opened the floor and gave the stockholders the opportunity to ask questions and/or raise issues.*<br>*Mr. Ed Dulalia took the floor and congratulated the Board and Management for the Company's good performance in 2012. In this connection, he proposed that the Directors be given a bonus.*<br>*Mr. Carlo Magno Santiago requested to hasten the processing of the last refund from the cash advance he paid four years ago for the connection of electric facilities amounting to P132,870. The Chairman referred his request to the Head of Customer Retail Services, Mr. Alfredo S. Panlilio, who immediately attended to the concern of the stockholder.*<br>*A certain Mr. Gil Dulayao requested that shareholders who availed of the SSS Stock Investment Loan (SIL) be given representation as observer-guest status in the Board and Committee meetings to at least enjoy speaking rights. He further requested a directory of the shareholders who have fully paid their SSS SIL accounts for proper coordination purposes. He informed the Board that he may be reached at his mobile number, which he provided.*<br>*A stockholder asked the Board about who pays for the electricity consumed through illegal connection. According to her, the rampant illegal connection activities in her community in Pasay City have been reported to Meralco on several occasions. Mr. Reyes replied that illegal connection is one of the problems of Meralco which is part of its System Loss Management program. Meralco coordinates with the different barangay and police to impede the problem of illegal connection, tampering, and pilfering. Consumptions from illegal connections are included in the system loss charge which is capped at 8.5%. Meralco is thankful for the reports it receives from customers on illegal connections and assured the stockholders that Meralco continues to work in lowering system loss.*<br>*While he does not oppose the grant of additional compensation of Directors, Mr. Emil suggested that the additional compensation be computed using the average of three years income divided by 1%. This formula will challenge and incentivize Directors to strive for greater income in the next three years. He also suggested that the Company give an incentive to report illegal connections. The Chairman stated that the* |

<table>
<tr><td></td><td></td><td></td><td></td><td>Remuneration and Leadership Development Committee will have to take up the item with respect to additional compensation of Directors. The features of the additional compensation will likely be similar to a long-term plan for management. He also noted the suggestion on the incentive for illegal connection.<br>The Chairman noted the suggestion of Mr. Guillermo Gili to build power plants in two sites - Calayan Island and Sumiksi, Basilan.</td></tr>
<tr><td>A.3.7</td><td>Does the disclosure of the outcome of the most recent AGM include resolution(s)?</td><td>YES</td><td>Company Website/ AGM Minutes<br><br>Company Website/ Investors Relations</td><td>Disclosed within the day of the AGM:<br>Results of the Annual Meeting of the Stockholders and the Organizational Meeting of the Board of Directors for 2013<br><br>Disclosed the following day after the AGM:<br>2013 Annual Stockholders' Meeting (ASM/AGM) Voting Results per Resolution</td></tr>
<tr><td>A.3.8</td><td>Does the company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent AGM?</td><td>YES</td><td>Company Website/ PSE/SEC Disclosures<br><br>Company Website/ Investors Relations</td><td>2013 Annual Stockholders' Meeting (ASM/AGM) Voting Results per Resolution<br><br>Sample votes taken during the AGM<br><br>"Resolution 13-1. Approval of the Minutes of the Annual Meeting of Stockholders held on May 29, 2012<br><table><tr><th></th><th>Count</th><th>%</th></tr><tr><td>Approve</td><td>992,603,261</td><td>88.06%</td></tr><tr><td>Against</td><td>944</td><td>0.00%</td></tr><tr><td>Abstain</td><td>8,938</td><td>0.00%</td></tr></table>Resolution 13-2. Approval of the 2012 Audited Financial Statements<br><table><tr><th></th><th>Count</th><th>%</th></tr><tr><td>Approve</td><td>992,597,826</td><td>88.06%</td></tr><tr><td>Against</td><td>666</td><td>0.00%</td></tr><tr><td>Abstain</td><td>9,677</td><td>0.00%</td></tr></table><br>Please click on the hyperlink above for more details of the votes taken.</td></tr>
<tr><td>A.3.9</td><td>Does the company disclose the list of board members who attended the most recent AGM?</td><td>YES</td><td>Company Website/ AGM Minutes</td><td>2013 AGM Minutes page 1<br><br>Call to Order</td></tr>
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| | | | | *Introduced were the members of the Board of Directors who were present, namely: Messrs. Ramon S. Ang, Jose Ma. K. Lim, Manuel V. Pangilinan, Vicente L. Panlilio, Eric O. Recto, Oscar S. Reyes, and Pedro E. Roxas, Atty. Ray C. Espinosa, Ambassador Manuel M. Lopez, and retired Chief Justice Artemio V. Panganiban. Atty. Estelito P. Mendoza is out-of-the country thus, unable to join the meeting. Mr. Oscar S. Reyes also serves as the President and Chief Executive Officer of the Company, while retired Chief Justice Artemio V. Panganiban serves as the Chairman of the Audit and Risk Management Committee. Also introduced were the Corporate Secretary, Atty. Simeon Ken R. Ferrer, the Chief Finance Officer, Ms. Betty C. Siy-Yap, and the Assistant Corporate Secretary, Atty. William S. Pamintuan. Other company officers and executives present in the meeting were likewise acknowledged.*<br><br>*The meeting was called to order at 10:00 a.m. and presided by the Chairman of the Board, Mr. Manuel V. Pangilinan. The meeting was held at the principal office of the Company located at Pasig City, Metro Manila, Philippines.*<br><br>*The Corporate Secretary, Atty. Simeon Ken R. Ferrer, took the minutes of the meeting.* |
| A.3.10 | Did the chairman of the board of directors/commissioners attend the most recent AGM? | YES | Company Website/ AGM Minutes | 2013 AGM Minutes page 1<br><br>**Call to Order**<br><br>*Introduced were the members of the Board of Directors who were present, namely: Messrs. Ramon S. Ang, Jose Ma. K. Lim,* ***Manuel V. Pangilinan****, Vicente L. Panlilio, Eric O. Recto, Oscar S. Reyes, and Pedro E. Roxas, Atty. Ray C. Espinosa, Ambassador Manuel M. Lopez, and retired Chief Justice Artemio V. Panganiban. Atty. Estelito P. Mendoza is out-of-the country thus, unable to join the meeting. Mr. Oscar S. Reyes also serves as the President and Chief Executive Officer of the Company, while retired Chief Justice Artemio V. Panganiban serves as the Chairman of the Audit and Risk Management Committee. Also introduced were the Corporate Secretary, Atty. Simeon Ken R. Ferrer, the Chief Finance Officer, Ms. Betty C. Siy-Yap, and the Assistant Corporate Secretary, Atty. William S. Pamintuan. Other company officers and executives present in the meeting* |

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| | | | | *were likewise acknowledged.*<br><br>***The meeting was called to order at 10:00 a.m. and presided by the Chairman of the Board, Mr. Manuel V. Pangilinan.*** *The meeting was held at the principal office of the Company located at Pasig City, Metro Manila, Philippines.*<br><br>*The Corporate Secretary, Atty. Simeon Ken R. Ferrer, took the minutes of the meeting.* |
| A.3.11 | Did the CEO/Managing Director/President attend the most recent AGM? | YES | Company Website/ AGM Minutes | 2013 AGM Minutes page 1<br><br>**Call to Order**<br><br>*Introduced were the members of the Board of Directors who were present, namely: Messrs. Ramon S. Ang, Jose Ma. K. Lim, Manuel V. Pangilinan, Vicente L. Panlilio, Eric O. Recto,* ***Oscar S. Reyes****, and Pedro E. Roxas, Atty. Ray C. Espinosa, Ambassador Manuel M. Lopez, and retired Chief Justice Artemio V. Panganiban. Atty. Estelito P. Mendoza is out-of-the country thus, unable to join the meeting.* ***Mr. Oscar S. Reyes also serves as the President and Chief Executive Officer of the Company****, while retired Chief Justice Artemio V. Panganiban serves as the Chairman of the Audit and Risk Management Committee. Also introduced were the Corporate Secretary, Atty. Simeon Ken R. Ferrer, the Chief Finance Officer, Ms. Betty C. Siy-Yap, and the Assistant Corporate Secretary, Atty. William S. Pamintuan. Other company officers and executives present in the meeting were likewise acknowledged.*<br><br>*The meeting was called to order at 10:00 a.m. and presided by the Chairman of the Board, Mr. Manuel V. Pangilinan. The meeting was held at the principal office of the Company located at Pasig City, Metro Manila, Philippines.*<br><br>*The Corporate Secretary, Atty. Simeon Ken R. Ferrer, took the minutes of the meeting.* |
| A.3.12 | Did the chairman of the Audit Committee attend the most recent AGM? | YES | Company Website/ AGM Minutes | 2013 AGM Minutes page 1<br><br>**Call to Order** |

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| | | | | *Introduced were the members of the Board of Directors who were present, namely: Messrs. Ramon S. Ang, Jose Ma. K. Lim, Manuel V. Pangilinan, Vicente L. Panlilio, Eric O. Recto, Oscar S. Reyes, and Pedro E. Roxas, Atty. Ray C. Espinosa, Ambassador Manuel M. Lopez, and* ***retired Chief Justice Artemio V. Panganiban****. Atty. Estelito P. Mendoza is out-of-the country thus, unable to join the meeting. Mr. Oscar S. Reyes also serves as the President and Chief Executive Officer of the Company, while* ***retired Chief Justice Artemio V. Panganiban serves as the Chairman of the Audit and Risk Management Committee.*** *Also introduced were the Corporate Secretary, Atty. Simeon Ken R. Ferrer, the Chief Finance Officer, Ms. Betty C. Siy-Yap, and the Assistant Corporate Secretary, Atty. William S. Pamintuan. Other company officers and executives present in the meeting were likewise acknowledged.*<br><br>*The meeting was called to order at 10:00 a.m. and presided by the Chairman of the Board, Mr. Manuel V. Pangilinan. The meeting was held at the principal office of the Company located at Pasig City, Metro Manila, Philippines.*<br><br>*The Corporate Secretary, Atty. Simeon Ken R. Ferrer, took the minutes of the meeting.* |
| A.3.13 | Did the company organise their most recent AGM in an easy to reach location? | YES | Company website/Notice of AGM<br><br>Company website/ 2012 Annual Report | Notice of AGM and Definitive Information Statement for May 28, 2013-> page 2<br><br> <br><br><br>NOTICE OF ANNUAL MEETING OF STOCKHOLDERS<br><br>TO ALL STOCKHOLDERS<br>Manila Electric Company<br><br>NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of Meralco will be held at the Meralco Theatre, Lopez Building, Ortigas Avenue, Pasig City on Tuesday, May 28, 2013, at 10:00 a.m. with the following agenda:<br><br>2012 Annual Report -> Corporate Governance Report -> Annual General Meeting (AGM) --> page 39 |

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| | | | | *"In 2012, the AGM was held on May 29, 2012 at the Meralco Theater, Lopez Building, Ortigas Avenue, Pasig City, a location which is very accessible to shareholders".* |
| A.3.14 | Does the company allow for voting in absentia? | YES | Company website/Notice of AGM<br><br>Company Website/ Annual Stockholders Meetings (ASM/AGM)<br><br>Company Website/ By-Laws | Notice of AGM and Definitive Information Statement -> Voting Securities and Principal Holders Thereof - > pages 6 to 7<br><br>Cumulative Voting for Directors - At all elections of Directors, each stockholder may vote the shares registered in his name in person or by proxy for as many persons as there are Directors, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.<br><br>Company Website -> Investors Relations -> Stockholders Meeting, Stock Price & Dividend Payouts -> Annual Stockholders Meetings (ASM/AGM)<br><br>*"Shareholder's Meeting is held on the last Tuesday of May every year. But for justifiable reasons, SEC allows companies like Meralco to reschedule their meeting to a more convenient date when necessary.*<br>*The Notice of Meeting sent to all stockholders contains the place and time of meeting and the agenda.*<br>*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.*<br><br>*Attached as reference are sample forms. Please note that these are being provided merely for informational purposes and/or in order to assist the company's stockholders. The company may solicit proxies if it has been given clearance to do so by the Securities and Exchange Commission.*<br>*To view and/or download the sample forms, please click the links below:*<br>Proxy Form (Individual)<br>Proxy Form (Corporate)<br>Proxy Form (PCD Participant)<br>Consent Form (Beneficial Owner) |

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| | | | | By-Laws -> Section 5. Notice of Meeting -> SECTION 3. Voting –> page 3 MEETIINGS. –> page<br><br>*SECTION 3. VOTIING. – 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.* |
| A.3.15 | Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM? | | AGM Minutes | 2013 AGM Minutes page 3<br><br>*d) For voting procedure, the affirmative vote of the stockholders representing at least a majority of the outstanding and voting shares shall be needed to pass and approve each proposed resolution, unless the law provides otherwise.*<br><br>*The Company's class of outstanding shares entitles the holder to one vote for one share. For the election of directors, stockholders are allowed to elect directors individually or to cumulate their votes. Election of directors shall be by plurality of votes.*<br>*Ballot boxes are placed at the registration area where stockholders may drop their ballots.*<br><br>*All votes received shall be tabulated by the Office of the Corporate Secretary and results thereof shall be validated by an independent third party: the auditing firm, Reyes and Tacandong, which was duly appointed to act as such for the 2013 Annual Stockholders' Meeting.*<br><br>*As each item in the agenda is taken up, the Corporate Secretary will report on the votes received and tabulated as of about 9:00 a.m. today. The minutes will, however, reflect the final tally of votes. Lastly, the Corporate Secretary reminded everyone to observe proper decorum and due courtesy during the meeting.* |

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| 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? | | AGM Minutes | 2013 AGM Minutes page 3<br><br>*d) For voting procedure, the affirmative vote of the stockholders representing at least a majority of the outstanding and voting shares shall be needed to pass and approve each proposed resolution, unless the law provides otherwise.*<br><br>*The Company's class of outstanding shares entitles the holder to one vote for one share. For the election of directors, stockholders are allowed to elect directors individually or to cumulate their votes. Election of directors shall be by plurality of votes.*<br>*Ballot boxes are placed at the registration area where stockholders may drop their ballots.*<br><br>***All votes received shall be tabulated by the Office of the Corporate Secretary and results thereof shall be validated by an independent third party: the auditing firm, Reyes and Tacandong, which was duly appointed to act as such for the 2013 Annual Stockholders' Meeting.***<br><br>*As each item in the agenda is taken up, the Corporate Secretary will report on the votes received and tabulated as of about 9:00 a.m. today. The minutes will, however, reflect the final tally of votes. Lastly, the Corporate Secretary reminded everyone to observe proper decorum and due courtesy during the meeting.* |
| 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? | YES | Company website/ Company announcement<br><br>Company website/ PSE/SEC Disclosures | Highlights and Minutes of AGM posted within the next working day. Voting Results per Resolution 2013 Annual Stockholders'<br><br>Company Announcement through the Website last May 29, 2013 Meralco holds Annual Stockholders Meeting<br><br>Disclosure to the Philippine Stock Exchange (PSE) and Securities and Exchange Commission and posting in the Company website within the day of the AGM. |

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| | | | | *Results of the Annual Meeting of the Stockholders and the Organizational Meeting of the Board of Directors for 2013* |
| A.3.18 | Do companies provide at least 21 days' notice for all resolutions? | YES | Company website/ Company announcement | Release of Notice of AGM for 2013 last April 26, 2013, 32 days prior to the AGM on May 28, 2013.<br><br>Notice of AGM included detailed AGENDA and complete list of resolutions to be voted during the AGM. |
| 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? | YES | Company website/ PSE/SEC Disclosures | Notice of 2013 AGM included detailed AGENDA and complete list of resolutions to be voted during the AGM. |
| 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? | YES | Company website/ 2012 Annual Report | No merger, acquisitions and/or takeovers announcement since no such transactions happened in 2012. However, the right of stockholders to participate in case these transactions arises is guaranteed under the Company's Manual of Corporate Governance . (V. INVESTORS' RIGHTS AND PROTECTION – Section 6.0 Appraisal Right)<br>*"The stockholders shall have appraisal right under any of the following circumstances:…..*<br>*b. In case of sale, lease, exchange, transfer, mortgage, pledge or disposition of all or substantially all of the property and assets of the Company;*<br>*c. In case of merger or consolidation; and""*<br><br>The stockholders are likewise informed of the absence of above transactions that necessitates the Company's disclosure/announcement , through the 2012 Annual Report (Corporate Governance Report -> I. Rights of the Shareholders -> page 39), which states:<br>*"In cases of acquisition of corporate control in the capital markets and* |

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| | | | | *other extraordinary transactions such as mergers and sales of substantial portions of the corporate assets, the Company, through its BOD, shall appoint an independent party to evaluate the fairness of the transaction. The Company shall also fully disclose such transactions, report on fair value and other terms and conditions, for better understanding by shareholders of their rights and course of action."* |
| 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? | YES | Company website/ 2012 Annual Report | 2012 Annual Report -> Corporate Governance Report -> Annual General Meeting (AGM) -> page 39:<br>*"The Company facilitates the attendance of all shareholders, including institutional investors in the AGM. 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. A copy of the proxy form was sent together with the AGM Notice. Notarization of a proxy is not required but the proxy shall comply with the requirements under the law. All of the aforementioned AGM related documents were also made available to the shareholders through the Company's website on April 20, 2012, thirty nine (39) days ahead of the AGM. Such information was provided well ahead of the scheduled AGM to allow the stockholders reasonable time to review the items in the agenda."* |
| A.5.2 | Is the share ownership by institutional investors, other than controlling shareholders, greater than 5%? | YES | Company website/ 2012 Annual Report | 2012 Annual Report (Corporate Governance Report -> I. Rights of the Shareholders -> page 38)<br>*"Because the shareholders interest is primary, we take every effort to protect their investment and we ensure that everyone, regardless of ownership is treated alike. The Company welcomes the entry of all investors - both retail and institutional. As at December 31, 2012, 74,976,525 or approximately 7% of the Company's shares were held by institutional investors. The Company conducts quarterly briefings for analysts and investors. Briefings are conducted to provide equity investors information, which shall serve as guide in any decision to invest. There is no deliberate effort to market the Company's shares or influence purchase or divestment of all or portion of the investor's holdings.* |