SECURITIES AND EXCHANGE COMMISSION
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## Company Information

**SEC Registration No.:** PW00000102
**Company Name:** MANILA ELECTRIC CO.
**Industry Classification:** E40100
**Company Type:** Stock Corporation

## Document Information

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**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM – I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended December 31, 2025
2. SEC Identification Number PW-102
3. BIR Tax Identification No. 000-101-528-000
4. Exact name of issuer as specified in its charter Manila Electric Company
5. Province, Country or other jurisdiction of incorporation or organization Philippines
6. Industry Classification Code: [ ] (SEC Use Only)
7. Address of principal office: Lopez Bldg., Ortigas Avenue, Barangay Ugong, Pasig City 1605
8. Issuer's telephone number, including area code: (02) 8632-8014
9. Former name, former address, and former fiscal year, if changed since last report: Not Applicable

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

| | COMPLIANT/ NON-COMPLIANT | ADDITIONAL INFORMATION | EXPLANATION |
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| **The Board's Governance Responsibilities** | | | |
| **Principle 1:** The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders. | | | |
| **Recommendation 1.1** | | | |
| 1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector. | Compliant | Provide information or link/reference to a document containing information on the following:<br>1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors<br>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance<br><br>The Board of Directors (the "Board") of Manila Electric Company (the "Company") is composed of directors who have collective working knowledge, experience and expertise that is highly relevant to the industry/sector related to power, energy, and electric distribution. Also, the Board represents an appropriate mix of competence and expertise in the area of business, finance, operations, regulatory, and legal disciplines relevant to the Company's industry/sector, with each individual director capable of adding value and exercising independent judgment, ensuring that the directors remain qualified for their positions individually and collectively to enable them to fulfill | |
| 2. Board has an appropriate mix of competence and expertise. | Compliant | | |
| 3. Directors 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. | Compliant | | |

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| | | their roles and responsibilities and respond to the needs of the organization. The profiles of the directors are disclosed in the Company Website and in the Annual Report while the required qualifications of a director are provided in Article II, Section 5 of the Company's By-Laws, page 4 of the Board Charter, and Section 4.1.1.2 of the Revised Manual of Corporate Governance.<br><br>***Links:***<br><br>****Profile of Directors****<br><br>***Meralco Website – Board of Directors:***<br>*Board of Directors*<br><br>***SEC Form 17-A Annual Report, pages 86-97:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 14 to 27:***<br>*https://mer.ph/PIS2026*<br><br>****Qualification Standards used by Directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of their performance****<br><br>***Article II Section 5, Company By-Laws, page 5:***<br>*mer-bl-amended_june_26_2025.pdf*<br><br>***Board Charter, page 4 to 5 for general qualifications of directors; pages 2 to 3 for independent directors:***<br>*Board Charter (Sgd)_0.pdf* | |

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| | | ***Revised Manual of Corporate Governance, page 6 for qualifications of directors; pages 32-34 for additional qualifications of independent directors:*** *https://mer.ph/CGManual2024*<br><br>The Company has a policy that encourages directors to attend annual continuing training programs to ensure that they 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 Company believes that its Directors must keep abreast with the latest developments in business, corporate governance best practices, laws and regulations, and other relevant matters that help them function effectively in the Board and in their respective committees in order to direct the Company to achieve its mission, vision and goals (Section 4.1.1.5.3, Revised Manual of Corporate Governance-2024).<br><br>***Links:***<br><br>****Policy on Annual Continuing Training Program of Directors****<br><br>***The Revised Manual of Corporate Governance, page 11:*** *https://mer.ph/CGManual2024*<br><br>***The Board Charter, page 14:*** *Board Charter (Sgd)_0.pdf* | |

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| | | Finally, the Board, through the Nomination and Governance Committee, reviews, on an annual basis, the appropriate skills and characteristics required on the Board in the context of the strategic direction of the Company (Revised Organizational Charter of the Nomination and Governance Committee, B.5).<br><br>***Link:***<br><br>****Revised Organizational Charter of the Nomination and Governance Committee****<br><br>***Meralco Nomination and Governance Committee Charter:*** *Nom and Gov Charter Sgd.pdf* | |
| **Recommendation 1.2** | | | |
| 1. Board is composed of a majority of non-executive directors. | Compliant | Identify or provide link/reference to a document identifying the directors and the type of their directorships<br><br>The Board consists of eleven (11) directors, three (3) of whom are independent directors, seven (7) are non-executive directors, and one (1) is an executive director. The composition of the Board clearly delineates their responsibilities with those of Management. | |

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| | | <table><tr><th>Director</th><th>Designation</th></tr><tr><td>Manuel V. Pangilinan</td><td>Chairman and Executive Director</td></tr><tr><td>Lance Y. Gokongwei</td><td>Non-Executive Director</td></tr><tr><td>Ray C. Espinosa</td><td>Non-Executive Director</td></tr><tr><td>James L. Go</td><td>Non-Executive Director</td></tr><tr><td>Victorico P. Vargas</td><td>Non-Executive Director</td></tr><tr><td>Jose Ma. K. Lim</td><td>Non-Executive Director</td></tr><tr><td>June Cheryl A. Cabal-Revilla</td><td>Non-Executive Director</td></tr><tr><td>Patrick Henry C. Go</td><td>Non-Executive Director</td></tr><tr><td>Artemio V. Panganiban</td><td>Lead Independent Director</td></tr><tr><td>Pedro Emilio O. Roxas</td><td>Independent Director</td></tr><tr><td>Lydia B. Echauz</td><td>Independent Director</td></tr></table><br>The foregoing is disclosed on the Corporate Governance page of the Company Website, in the Annual Report, and in the Preliminary Information Statement.<br><br>***Links:***<br><br>***Meralco Website:*** *Board of Directors*<br><br>***SEC Form 17-A Annual Report, page 133:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 148:***<br>*https://mer.ph/PIS2026* | |
| **Recommendation 1.3** | | | |
| 1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors. | Compliant | Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.<br><br>The Company's Board Charter and Section 4.1.1.5 of its Revised Manual of Corporate Governance provide that all directors shall undergo relevant and continuing training for a duration equal to or longer than what is required by law and regulations. First-time directors shall undergo an orientation program | |

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| | | covering SEC mandated topics on corporate governance and an introduction to the company's business, Articles of Incorporation, and Code of Conduct. The orientation and continuing education program should be able to meet the specific needs of the company and the individual directors and aid any new director in effectively performing his or her functions. The annual continuing training program, on the other hand, makes certain that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the company.<br><br>***Links:***<br><br>****Policy on Annual Continuing Training Program of Directors****<br><br>***The Board Charter, page 14 to 15:*** *Board Charter (Sgd) 0.pdf*<br><br>***The Revised Manual of Corporate Governance, page 11 to 12:*** *https://mer.ph/CGManual2024*<br><br>In addition, Article II, Section 5 (d) of the Company's By-Laws requires that a director must have attended a corporate governance seminar conducted by a duly recognized private institution or government entity or must have issued an undertaking to | |

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| | | attend such seminar as soon as practicable.<br><br>***Link:***<br><br>***Article II, Section 5 (d), Company by-laws:*** *mer-bl-amended_june_26_2025.pdf*<br><br>The training programs attended by the Company Directors are disclosed in the Annual Report and on the Company Website.<br><br>***Links:***<br><br>***SEC Form 17-A Annual Report, page 139-140:*** *https://mer.ph/2025AR17A*<br><br>***Meralco Website:*** *Board of Directors* | |
| 2. Company has an orientation program for first time directors. | Compliant | Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.<br><br>The Company has an established orientation program for first time directors (every new director) to ensure their practical understanding of business in general, and of Meralco in particular. Particularly, the Board Charter and Revised Manual of Corporate Governance provide that first time directors shall undergo an orientation program covering SEC mandated topics on corporate governance and an introduction to the company's business, Articles of | |
| 3. Company has relevant annual continuing training for all directors. | Compliant | | |

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| | | Incorporation, and Code of Conduct. The orientation and continuing education program should be able to meet the specific needs of the company and the individual directors and aid any new director in effectively performing his or her functions.<br><br>Notably, the annual continuing training program also makes certain that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the company. Article II, Section 5 (d) of the Company's By-Laws requires that a director must have attended a corporate governance seminar conducted by a duly recognized private institution or government entity or must have issued an undertaking to attend such seminar as soon as practicable.<br><br>***Links:***<br><br>***The Board Charter, page 14 to 15:*** *Board Charter (Sgd)_0.pdf*<br><br>***The Revised Manual of Corporate Governance, page 11 to 12:*** *https://mer.ph/CGManual2024*<br><br>***Article II, Section 5 (d), Company by-laws:*** *mer-bl-amended_june_26_2025.pdf* | |

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| | | Each newly elected director is provided with a director's kit which contains policies and other information pertaining to his duties and obligations as a director provided under existing laws and regulations. An in-house orientation program, incorporating briefings from the corporate and regulatory units, is arranged for any new director to better familiarize himself with the Company's businesses, stakeholders, regulatory environment, and governance practices.<br><br>Contents of the Orientation Program for New Directors can be downloaded from the Company website.<br><br>**Link:**<br><br>***Orientation Program Kit:*** *Book1*<br><br>The training programs attended by the Company Directors are disclosed in the Annual Report and on the Company Website.<br><br>***Links:***<br><br>***SEC Form 17-A Annual Report, page 139-140:*** *https://mer.ph/2025AR17A*<br><br>***Meralco Website:*** *Board of Directors* | |
| **Recommendation 1.4** | | | |
| 1. Board has a policy on board diversity. | Compliant | Provide information on or link/reference to a document containing information on the company's board diversity policy. | |

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| | | Indicate gender composition of the board.<br><br>In line with Meralco's commitment to the principles of good corporate governance, the Company adopted a Board Diversity Policy to ensure that the Board has an appropriate mix of expertise, experience, independence, and skills that would encourage critical discussion and promote a balanced decision in the attainment of the Company's strategic objectives and sustainable development.<br><br>The Board Diversity Policy, in particular, recognizes the important role of women with appropriate and relevant expertise and experience that can contribute to the diversity of perspectives in the Board. Under the Policy, the Board shall aim to have at least one (1) female director as its member.<br><br>The Board ensures that it represents a mix of disciplines in the area of business, finance, operations, and legal competencies relevant to the company's industry, with each director capable of adding value and exercising independent judgment.<br><br>In 2025, the Board was composed of nine (9) male directors and two (2) | |

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| | | female directors, Ms. June Cheryl A. Cabal-Revilla and Ms. Lydia B. Echauz. Ms. Cabal-Revilla has solid experience in the areas of accounting, corporate finance, treasury, financial control and risk management, having been the Chief Finance, Risk and Sustainability Officer of another publicly-listed company and Appointed Member of the Financial and Sustainability Reporting Standards Council (FSRSC) of the Philippines, the accounting and sustainability standards-setters in the country, since 2010 for FRSC. On the other hand, Ms. Echauz, an independent director, was a member of the academe and has background in business administration, economics and mathematics.<br><br>***Links:***<br><br>***Board Diversity Policy:***<br>*boarddiversitypolicy.pdf*<br><br>***Meralco Website: Board Matters:***<br>*Board Matters*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 148:***<br>*https://mer.ph/PIS2026* | |
| **Optional: Recommendation 1.4** | | | |
| 1. Company has a policy on and discloses measurable objectives for implementing its | Complaint | Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives. | |

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| board diversity and reports on progress in achieving its objectives. | | Under the Board Diversity Policy, the members of the Board of Directors shall be selected from a broad pool of qualified nominees. In order to achieve a diverse board, varied aspects are to be considered as measurable objectives, including, but not limited to academic, professional and business background, age, gender, and other regulatory requirements. The final composition of the Board shall be grounded on merit and potential contribution of the selected directors to the Company.<br><br>***Links:***<br><br>***Board Diversity Policy:***<br>*boarddiversitypolicy.pdf*<br><br>***Meralco Website: Board Matters:***<br>*Board Matters*<br><br>The measurable objectives vis-a-vis Board composition from 2024 and 2025 are stated in the Company website. | |

| Measurable Objectives | 2025 Board | Description | 2024 Board | Description |
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| **Gender Diversity** | √ | Mix of Male and Female Directors<br>9 male and 2 female directors | √ | Mix of Male and Female Directors<br>9 male and 2 female directors |
| **Racial Diversity** | √ | Mix of Racial or Ethnic Backgrounds | √ | Mix of Racial or Ethnic Backgrounds |
| **Age Diversity** | √ | Age ranges from 52 to 89 years old | √ | Age ranges from 51 to 88 years old |
| **Board Tenure** | √ | Tenure ranges from 1 to 18 years | √ | Tenure ranges from 1 to 17 years |
| **Expertise** | | | | |
| E.1. Industry Expertise | √ | Mix of directors sitting as members of the BOD in Energy, Electric Retail and Power Generation companies | √ | Mix of directors sitting as members of the BOD in Energy, Electric Retail and Power Generation companies |
| E.2. Management or Operations | √ | Mix of directors sitting as members of BOD or officers of electric supply, energy, power generation, retail, banking, telecommunications, realty, media, medical, insurance and other companies | √ | Mix of directors sitting as members of BOD or officers of electric supply, energy, power generation, retail, banking, telecommunications realty, media, medical, insurance and other companies |
| E.3. Financial, Audit, or Risk Management Expertise | √ | Mix of directors acting as Chief Risk Management Officer, Member of Philippine Disaster and Risk Foundation, or members of Financial, Audit, or Risk Management committees of other companies | √ | Mix of directors acting as Chief Risk Management Officer, Member of Philippine Disaster and Risk Foundation, or members of Financial, Audit, or Risk Management committees of other companies |
| E.4. Legal or Regulatory Expertise | √ | Mix of directors who are lawyers, or with Regulatory Management background, a Former Chief Justice of the Supreme Court of the Philippines, Former Chairperson of the Presidential Electoral Tribunal, Judicial and Bar Council and Philippine Judicial Academy | √ | Mix of directors who are lawyers, or with Regulatory Management background, a Former Chief Justice of the Supreme Court of the Philippines, Former Chairperson of the Presidential Electoral Tribunal, Judicial and Bar Council and Philippine Judicial Academy |

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| Measurable Objectives | 2025 Board | Description | 2024 Board | Description |
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| E.5. Corporate Governance | √ | Director with membership in Shareholders Association of the Philippines | √ | Director with membership in Shareholders Association of the Philippines |
| E.6. Technology or Digital Media Expertise | √ | Mix of directors who are likewise directors, advisors or consultants of media, technology or telecommunications companies | √ | Mix of directors who are likewise directors, advisors, or consultants of media, technology, or telecommunications companies |
| E.7. Retail, Sales or Marketing Expertise | √ | Mix of directors who are likewise directors, advisors or consultants of media, telecommunications, banking, realty, media, medical, insurance and retail companies | √ | Mix of directors who are likewise directors, advisors or consultants of media, telecommunications, banking, realty, media, medical, insurance and retail companies |
| **Professional, Academic or Advocacy Background or Affiliations** | | | | |
| F.1. Academic Institutions | √ | Mix of directors who have degrees in Finance and Commerce, Business Management, or who are member of Board of Overseers, Board of Trustees of colleges or business schools, or graduate of International Management Development Program | √ | Mix of directors who have degrees in Finance and Commerce, Business Management, or who are member of Board of Overseers, Board of Trustees of colleges or business schools, or graduate of International Management Development Program |
| F.2. Advocacy Groups or Foundations | √ | Directors with membership in environmental and socio-civic advocacy groups and foundations | √ | Directors with membership in environmental and socio-civic advocacy groups and foundations |
| F.3. Professional Organizations | √ | Directors with membership in Integrated Bar, Philippine Bar Association, and Inter-Pacific Bar Association, Philippine Stock Exchange | √ | Directors with membership in Integrated Bar, Philippine Bar Association, and Inter-Pacific Bar Association, Philippine Stock Exchange |

***Links:***

***Meralco Website: Board Matters***
Board Matters

***SEC Form 17-A Annual Report, pages 142-144:***
https://mer.ph/2025AR17A

***SEC Form 20-IS Preliminary Information Statement, pages 148-150:***
https://mer.ph/PIS2026

| **Recommendation 1.5** | | | |
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| 1. Board is assisted by a Corporate Secretary. | Compliant | | |

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| 2. Corporate Secretary is a separate individual from the Compliance Officer. | Compliant | Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.<br><br>The Board is assisted by Corporate Secretary, Atty. Simeon Ken R. Ferrer. As the Corporate Secretary, Atty. Ferrer 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.<br><br>The information on the Corporate Secretary, including his name, qualifications, duties and functions, are stated in the Annual Report and on the Company website.<br><br>***Links:***<br><br>***Meralco Website: Corporate Secretary***<br>*Corporate Governance and Compliance Office*<br><br>***SEC Form 17-A Annual Report, page 97:***<br>*https://mer.ph/2025AR17A*<br><br>The Corporate Secretary is a separate individual from the Compliance Officer. The Company's Corporate Secretary is Atty. Simeon Ken R. Ferrer while the Compliance Officer is Atty. William S. Pamintuan. The duties and | |
| 3. Corporate Secretary is not a member of the Board of Directors. | Compliant | | |

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| | | responsibilities of the Corporate Secretary are different from those of the Compliance Officer. The name, qualifications, duties and functions of the Corporate Secretary are stated in the Annual Report as well as in the Company Website.<br><br>***Links:***<br><br>***Meralco Website: Corporate Secretary***<br>*Corporate Governance and Compliance Office*<br><br>***SEC Form 17-A Annual Report, pages 142-144:***<br>*https://mer.ph/2025AR17A*<br><br>The Corporate Secretary is not a member of the Board of Directors. The names and profiles of the directors are disclosed in the Annual Report, Preliminary Information Statement, and in the Company Website.<br><br>***Links:***<br><br>****Names and Profiles of Directors, Corporate Secretary Not Included****<br><br>***> Meralco Website: Board of Directors:***<br>*Board of Directors*<br><br>***> SEC Form 17-A Annual Report, page 133:***<br>*https://mer.ph/2025AR17A*<br><br>***> SEC Form 20-IS Preliminary Information Statement, page 148:***<br>*https://mer.ph/PIS2026* | |

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| | | The name, qualifications, duties, and functions of the Corporate Secretary are stated in the Annual Report and in the Company Website.<br><br>***Links:***<br><br>***> SEC Form 17-A Annual Report, page 97:***<br>*https://mer.ph/2025AR17A*<br><br>***> Meralco Website: Corporate Secretary***<br>*Corporate Governance and Compliance Office*<br><br>***> SEC Form 20-IS Preliminary Information Statement, pages 28, 152:***<br>*https://mer.ph/PIS2026* | |
| 4. Corporate Secretary attends training/s on corporate governance. | Compliant | Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered<br><br>The Company's Corporate Secretary attends continuing education seminars where he receives regular updates of the laws, rules, and regulations relevant to his duties (Annual Report). The corporate governance trainings attended, including number of hours and topics covered are disclosed in the Company Website as well as in the Definitive Information Statement (DIS). The Corporate Secretary attended four (4) hours of relevant corporate governance training, particularly, the MVP Group Annual Corporate | |

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| | | Governance Enhancement Session (ACGES) on November 18, 2025, entitled "Decision Intelligence and SuperCreativity: Leading in the Age of AI" with Cassie Kozyrkov and James Taylor as speakers.<br><br>***Links:***<br><br>***SEC Form 17-A Annual Report, page 97:***<br>*https://mer.ph/2025AR17A*<br><br>***Meralco Website: Board of Directors***<br>*Board of Directors*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 28:***<br>*https://mer.ph/PIS2026*<br><br>***Training certificate***<br>*Microsoft Word - SEC 17-C 27 NOV 2025 Attendance of Directors and Officers in CG Training* | |
| **Optional: Recommendation 1.5** | | | |
| 1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting. | Compliant | Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting<br><br>As required under Section 4.1.2.4.1 (vi) of the Revised Manual of Corporate Governance, the Corporate Secretary provides the necessary board papers associated with items on the meeting agenda at least five (5) business days ahead of the Board meetings in the Board Charter (page 13) and in the Company website. | |

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| | | The Corporate Secretary hereby attests that in 2025, he distributed materials for board meetings at least five (5) business days before scheduled meetings.<br><br>***Links:***<br><br>***The Revised Manual of Corporate Governance, page 14 to 15:*** https://mer.ph/CGManual2024<br><br>***The Board Charter, page 15 to 16:*** Board Charter (Sgd)_0.pdf | |
| **Recommendation 1.6** | | | |
| 1. Board is assisted by a Compliance Officer. | Compliant | Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.<br><br>Section 4.1.3.1 of the Company's Revised Manual of Corporate Governance provides that the Board should ensure that it is assisted in its duties by a Compliance Officer who is a member of the Company's management team in charge of the compliance function.<br><br>The Board is assisted by the Company's Compliance Officer, Atty. William S. Pamintuan, who has the duties to monitor, review, evaluate and ensure the compliance by the corporation, its officers and directors | |
| 2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation. | Compliant | | |
| 3. Compliance Officer is not a member of the board. | Compliant | | |

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| | | with the relevant laws, rules and regulations and all governance issuances of regulatory agencies and report violations thereof to the Board and recommend the imposition of appropriate disciplinary action. His duties are discussed in the Annual Report, Revised Manual of Corporate Governance, and stated in the Company Website.<br><br>***Links:***<br><br>****Profile, Duties and Responsibilities of the Compliance Officer****<br><br>***SEC Form 17-A Annual Report, pages 102 to 103 and 137:*** *https://mer.ph/2025AR17A*<br><br>***The Revised Manual of Corporate Governance, page 14 to 15:*** *https://mer.ph/CGManual2024*<br><br>***Meralco Website: Corporate Governance and Compliance Office***<br>*Corporate Governance and Compliance Office*<br><br>The Compliance Officer Atty. William S. Pamintuan has the rank of Senior Vice President. His name, position, qualification, duties and functions are discussed in the Annual Report and stated in the Company Website.<br><br>***Links:*** | |

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| | | ***Meralco Website: Corporate Governance and Compliance Office***<br>*Corporate Governance and Compliance Office*<br><br>***SEC Form 17-A Annual Report, pages 102 to 103 126, and 137:*** *https://mer.ph/2025AR17A*<br><br>Furthermore, 4.1.3.2 of the Company's Revised Manual of Corporate Governance states that the Compliance Officer should not be a member of the Board of Directors and should annually attend a training on corporate governance.<br><br>The Compliance Officer is not a member of the Board of Directors. The names and profiles of the directors and Compliance Officer are disclosed in the Company Website and in the Annual Report.<br><br>***Links:***<br><br>**** List of Board, Compliance Officer Not Included****<br><br>***Meralco Website: Board of Directors***<br>*Board of Directors*<br><br>***SEC Form 17-A Annual Report, pages 86 to 97:***<br>*https://mer.ph/2025AR17A*<br>**** Profile of Compliance Officer****<br><br>***Meralco Website: Corporate Governance and Compliance Office***<br>*Corporate Governance and Compliance Office* | |

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| | | The name, position, qualification, duties, and functions of the Compliance Officer are stated in the Annual Report, Definitive Information Statement (DIS) and in the Company Website.<br><br>***Meralco Website: Corporate Governance and Compliance Office***<br>*Corporate Governance and Compliance Office*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 28:***<br>*https://mer.ph/PIS2026*<br><br>***SEC Form 17-A Annual Report, pages 102 to 103:***<br>*https://mer.ph/2025AR17A* | |
| 4. Compliance Officer attends training/s on corporate governance. | Compliant | Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered<br><br>The Company's Compliance Officer regularly attends trainings on corporate governance. The trainings on corporate governance attended by the Compliance Officer are stated in the Company Website. The Compliance Officer attended four (4) hours of relevant corporate governance training, particularly, the MVP Group Annual Corporate Governance Enhancement Session (ACGES) on November 18, 2025, entitled "Decision Intelligence and SuperCreativity: Leading in the Age of | |

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| | | AI" with Cassie Kozyrkov and James Taylor as speakers.<br><br>***Links:***<br><br>***SEC Form 17-A Annual Report, page 152:***<br>*https://mer.ph/2025AR17A*<br><br>***Meralco Website: Board of Directors***<br>*Corporate Governance and Compliance Office*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 33:***<br>*https://mer.ph/PIS2026*<br><br>***Training certificate***<br>*Microsoft Word - SEC 17-C 27 NOV 2025 Attendance of Directors and Officers in CG Training* | |
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| **Principle 2:** The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders. | | | |
| **Recommendation 2.1** | | | |
| 1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company. | Compliant | Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)<br><br>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 accomplishments of the Board are | |

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| | | disclosed in the Annual Report and in the Definitive Information Statement under List of Acts of the MERALCO Board.<br><br>The Board Charter as well as the Revised Manual of Corporate Governance specify the roles and responsibilities of directors and the manner by which these are performed by the directors on a fully informed basis, in good faith, with due diligence and care and in the best interest of the Company.<br><br>***Links:***<br><br>***SEC Form 17-A Annual Report, pages 157 to 160:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, Annex B - List of Acts of the Board from May 27, 2025 to March 24, 2026, pages 179 to182:*** *https://mer.ph/PIS2026*<br><br>***Section VII, The Board Charter, page 10 to 12:*** *Board Charter (Sgd) 0.pdf*<br><br>***Section 4.1.1.4 of the Revised Manual of Corporate Governance, page 10 to 12:*** *https://mer.ph/CGManual2024* | |
| **Recommendation 2.2** | | | |
| 1. Board oversees the development, review and approval of the company's business objectives and strategy. | Compliant | Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)<br><br>Indicate frequency of review of business objectives and strategy | |

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| 2. Board oversees and monitors the implementation of the company's business objectives and strategy. | Compliant | The Board is responsible for setting the Company's overall strategic directions, corporate objectives, and long-term goals. It conducts an annual review of the Company's business objectives and strategies to ensure that obligations to shareholders and to all stakeholders are understood and met. The overall strategic directions, corporate objectives, and long-term goals are reviewed and approved are based on the Business Plan approved during the previous year and are presented to the Board for its evaluation and concurrence, following the same process for approval of Board resolutions.<br><br>The Board, in its regular meeting held on 29 January 2024 as part of the Board's assessment of the Company'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 code of corporate governance. In 2021, the Board revised the vision, mission, and | |

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| | | values statements as well as the corporate strategic objectives of the Company and the same was reviewed and confirmed by the Board in 2025. The Board, in its regular meeting, held on 12 January 2023, also approved the 2023-2027 Budget and Business Plan.<br><br>The Board annually reviews and approves the corporate strategic objectives and monitors the implementation thereof. The Board reviewed the implementation of the company's business objectives and strategy as part of the Board's assessment of the Company's performance in the past year.<br><br>***Links:***<br><br>***SEC Form 17-A Annual Report, page 139, 142, and 143; MERALCO 2025 Integrated Report, pages 6 to 7:*** *https://mer.ph/2025AR17A*<br><br>***Meralco Website: Board Matters***<br>*Board Matters*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 33:***<br>*https://mer.ph/PIS2026* | |
| **Supplement to Recommendation 2.2** | | | |
| 1. Board has a clearly defined and updated vision, mission and core values. | Compliant | Indicate or provide link/reference to a document containing the company's vision, mission and core values. | |

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| | | Indicate frequency of review of the vision, mission and core values.<br><br>The Board annually reviews, confirms and/or updates the vision, mission, and corporate strategic objectives of the Company. On April 26, 2021, approved the amendments to the Company's vision, mission, and value statements, the same was reviewed and confirmed by the Board in 2025.<br><br>**Our Vision:**<br>To be a world-class energy solutions provider, powering our nation and empowering our people today and for generations to come.<br><br>**Our Mission:**<br>To provide our customers the best value energy solutions – reliably, affordably, superbly, and sustainably.<br><br>**Our Values:**<br>Excellence, Customer Centricity, Sustainability, Integrity, Innovation, *Malasakit*, and *Bayanihan*<br><br>The Mission, Vision, Values and Principles of the Company are posted in the Company Website.<br>***Meralco Website:***<br>*Meralco's Mission, Vision and Values*<br>***SEC Form 17-A Annual Report, page 139, 142, and 143; MERALCO 2025 Integrated Report, pages 6 to 7:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 33:***<br>*https://mer.ph/PIS2026* | |

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| 2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture. | Compliant | Provide information on or link/reference to a document containing information on the strategy execution process.<br><br>The Company has a Management Control Policy which defines the roles and responsibilities of management, internal audit and the Audit and Risk Management Committees related to controls over organization's processes and to the effective execution of corporate strategies that facilitate management performance that are attuned to the company's business environment, and culture.<br><br>Management is primarily accountable to the Board. It is responsible for the Company's successful implementation of the strategy and direction as approved by the Board. Management is represented by a Management Committee (ManCom) composed of the corporate officers and executives headed by the President and CEO. Weekly meetings are conducted by the ManCom to ensure implementation of major policies and directions governing the Company and its subsidiaries. It reports to the Board during regular Board meetings or during special meetings through the President and CEO. The annual | |

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| | | performance of Management is assessed through the achievement of the Company's established GAINs Performance indicators.<br><br>***Links:***<br><br>***Company Website: Other Policies***<br>*Other Policies*<br><br>***> Management Control Policy:***<br>*img-610131619-0001.pdf*<br><br>***> Management Team and Executive Officers***<br>*Management Team and Executive Officers* | |
| **Recommendation 2.3** | | | |
| 1. Board is headed by a competent and qualified Chairperson. | Compliant | Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications<br><br>The Board is headed by a very competent and qualified Chairman, Mr. Manuel V. Pangilinan. He serves to represent the interests of all shareholders and stakeholders, and to oversee the performance of the Board and its directors. He champions exemplary ethical governance principles for directors, officers, and employees to emulate and likewise espouse.<br><br>His qualifications are stated in his profile which is posted in the Company website and disclosed in | |

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| | | the Annual Report and in the Preliminary Information Statement.<br><br>***Profile of the Chairman of the Board***<br>***Meralco Website: Board of Directors:***<br>*Board of Directors*<br><br>***Meralco Website:***<br>*Microsoft Word - MANUEL V. PANGILINAN*<br><br>***SEC Form 17-A Annual Report, pages 86 to 87:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 14 to 15:***<br>*https://mer.ph/PIS2026* | |
| **Recommendation 2.4** | | | |
| 1. Board ensures and adopts an effective succession planning program for directors, key officers and management. | Compliant | Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation<br><br>Together with the Board, the Nomination and Governance Committee (Nom&Gov) is responsible for recommending a succession planning program for its members while the Remuneration and Leadership Development Committee (RLDC) is responsible for overall guidance and direction on succession planning and leadership development of the President and CEO and Senior Management. The Committee, working closely with the head of Human Resources (HR), drives the strategy for succession planning, | |
| 2. Board adopts a policy on the retirement for directors and key officers. | Compliant | | |

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| | | 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 CEO, senior management, middle management and first line management.<br><br>Talent Management and Succession Planning Programs are top priorities in the Human Resources (HR) agenda by ensuring that the right leaders and talents are in place to drive our business plans. Progressive talent management assessment tools and methodologies were used to identify, assess, and develop leaders for critical positions.<br><br>Presently, the succession plan covers the top 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 | |

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| | | management talent review has resulted in a pool of about of 42 candidates who, subject to realization of their development plans, could become management committee members within the next five (5) years.<br><br>The Board also adopts a policy on the retirement for directors and key officers. The Remuneration and Leadership Development Committee assists 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.<br><br>***Meralco Website:***<br>*Board Matters*<br><br>***SEC Form 17-A Annual Report, pages 140 to 141:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 156 to 157:***<br>*https://mer.ph/PIS2026*<br><br>***Management Team and Executive Officers***<br>*Management Team and Executive Officers*<br><br>***Revised Manual of Corporate Governance:***<br>*mer.ph/CGManual2024* | |

| Recommendation 2.5 | | | |
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| 1. Board aligns the remuneration of key officers and board members with long-term interests of the company. | Compliant | Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.<br><br>The Remuneration and Leadership Development Committee recommends to the Board, for the approval of the shareholders, a framework of remuneration for directors and Management, including the President and CEO. For the President and 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. The Board ensures that the remuneration of its members and key officers is aligned with the long-term interest of the Company.<br><br>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. | |
| 2. Board adopts a policy specifying the relationship between remuneration and performance. | Compliant | | |
| 3. Directors do not participate in discussions or deliberations involving his/her own remuneration. | Compliant | | |

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| | | Directors, as such, shall not receive any compensation unless approved by the stockholders or provided in the By-Laws of the Company. No director should participate in the approval of his compensation. However, the Board may, from time to time, approve a reasonable per diem that a director may receive for attendance in Board and Board Committee meetings.<br><br>The framework of remuneration for Directors and Management, including the President and/or CEO is subject to the recommendation of the Board's Remuneration and Leadership Development Committee (RLDC) and to the approval of the shareholders.<br><br>Specifically, the Company's By-Laws provides for the remuneration of directors in the form of per diems for their attendance at each regular or special meeting and additional compensation, whether in the form of a fixed retainer, bonus or stock grant, or a combination thereof, as may be approved by the Board of Directors and majority vote of the outstanding | |

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| | | capital stock. The total value of such additional compensation, in whatever form so given, shall not exceed one percent (1%) of the net income before tax of MERALCO during the preceding year.<br><br>No fees or other remuneration shall be payable to the members of RLDC in respect to their services provided in connection with the Committee, save and except fees or remunerations authorized by the Board.<br><br>***Meralco Website:***<br>*Board Matters*<br><br>***SEC Form 17-A Annual Report, pages 141 to 142:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 156 to 157:***<br>*https://mer.ph/PIS2026*<br><br>***Management Team and Executive Officers***<br>*Management Team and Executive Officers*<br><br>***Revised Manual of Corporate Governance:***<br>*mer.ph/CGManual2024*<br><br>***Company By-laws:*** *Amended By Laws of MERALCO.pdf*<br><br>***Remuneration and Leadership Development Committee Charter:***<br>*Remuneration and Leadership Development Committee Charter.pdf* | |

| Optional: Recommendation 2.5 | | | |
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| 1. Board approves the remuneration of senior executives. | Compliant | Provide proof of board approval<br><br>Compensation packages and revisions of key Management's remuneration are subject to the review and endorsement of the Remuneration and Leadership Development Committee (RLDC) to the Board, and approval of the Board.<br><br>The remuneration of senior executives is incorporated in the 2023-2027 Budget and Business Plan which were approved on January 12, 2023 Board Meeting as shown in the List of Acts of the Meralco Board from January 2022 to February 2023 attached to the Definitive Information Statement (DIS) 2023:<br><br>***Definitive Information Statement (DIS) 2023, page 228:***<br><br>*manila_electric_company_2023_amended-1_definitive_information_statement_may_2_2023_0.pdf (amazonaws.com)*<br><br>The Corporate Secretary hereby attests that the Board approved the remuneration of senior executives for Year 2025 as included in the 2023-2027 Budget and Business Plan. | |

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| | | ***Remuneration and Leadership Development Committee Charter:*** *Remuneration and Leadership Development Committee Charter.pdf*<br><br>***Meralco Website:*** *Board Matters*<br><br>***SEC Form 17-A Annual Report, pages 153 to 154:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, page 170:*** *https://mer.ph/PIS2026*<br><br>***Management Team and Executive Officers*** *Management Team and Executive Officers*<br><br>***Revised Manual of Corporate Governance:*** *mer.ph/CGManual2024*<br><br>***Company By-laws:*** *Amended By Laws of MERALCO.pdf* | |
| 2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses. | Compliant | Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.<br><br>The Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, particularly deferred bonuses.<br><br>In particular, the Company compensates employees based on | |

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| | | Company, team, and individual performance to help achieve corporate goals and targets and provides for long term incentives such as deferred bonus or pay based on Meralco Group's achievement of specified level of consolidated core net income approved by the Board and determined on an aggregate basis for a three-year period as well as executives' attainment of a minimum level of performance rating, essentially partaking the nature of deferred bonus.<br><br>Long-term Incentive Plan ("LTIP") covers qualified employees and is based on MERALCO Group's achievement of specified level of CCNI approved by the BOD and determined on an aggregate basis for a three (3)-year period as well as employees' attainment of a minimum level of performance rating. Employees invited to LTIP must serve a minimum uninterrupted period to be entitled to an award. Further, the employee should be on active employment at the time of pay-out.<br><br>The Company provides for schemes that account for performance | |

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| | | beyond short-term financial measures such as balanced scorecard schemes.<br><br>Further, as part of Meralco's performance management process, employee performance is assessed on the basis of: (1) actual vs. desired results, and (2) how results were delivered in the light of corporate core values. Therefore, the achievement of financial and non-financial measures is reflected in performance planning and assessment, and this drives the Company's merit and incentive pay programs.<br><br>***Remuneration and Leadership Development Committee Charter:*** *Remuneration and Leadership Development Committee Charter.pdf*<br>***Meralco Website: Board Matters*** *Board Matters*<br>***SEC Form 17-A Annual Report, pages 94, and 141 to 142:*** *https://mer.ph/2025AR17A*<br>***SEC Form 20-IS Preliminary Information Statement, pages 94, and 156 to 157:*** *https://mer.ph/PIS2026*<br>***Management Team and Executive Officers*** *Management Team and Executive Officers*<br>***Revised Manual of Corporate Governance:*** *mer.ph/CGManual2024*<br>***Company By-laws:*** *Amended By Laws of MERALCO.pdf* | |

| Recommendation 2.6 | | | |
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| 1. Board has a formal and transparent board nomination and election policy. | Compliant | Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.<br><br>Provide proof if minority shareholders have a right to nominate candidates to the board<br><br>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.<br><br>The Company's standalone Nomination and Election Policy was issued to set forth the procedures in the director selection process, including the acceptance of nominations from minority shareholders and the evaluation and screening of nominees vis-à-vis the applicable qualifications and disqualifications set forth in the Company's Revised Manual of Corporate Governance, By-laws and other applicable law, policy or regulation, how the board shortlists candidates, and an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director. It was approved on September 25, 2017. The Board Nomination and Election Policy is also disclosed in the Company's Revised Manual of Corporate Governance. | |
| 2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance. | Compliant | | |
| 3. Board nomination and election policy includes how the company accepted nominations from minority shareholders. | Compliant | | |
| 4. Board nomination and election policy includes how the board shortlists candidates. | Compliant | | |
| 5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director. | Compliant | | |
| 6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company. | Compliant | | |

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| | | A "Call for Nomination" was submitted to the SEC and posted in the Company's website calling for the submission of the proposed agenda and nomination of qualified candidates.<br><br>Corporate Secretary attests that the Company allows its minority shareholders to nominate candidates to the Board.<br><br>Under Article II, Section 3 of the Nomination and Election Policy, the Nomination and Governance Committee evaluates and screens nominees for directors vis-à-vis the applicable qualifications and disqualifications as set forth in the Company's Manual of Corporate Governance, By-Laws and other applicable policy, law or regulations while ensuring that said qualifications are in line with the strategic objectives of the Company.<br><br>***Links:***<br>***Meralco Website: Nomination and Election Policy:*** *Other Policies*<br><br>***Article II, Section 3 of the Nomination and Election Policy:*** *Nomination and Election Policy.pdf* | |

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| | | ***Meralco Website:***<br>*Board Matters*<br><br>***SEC Form 17-A Annual Report, pages 137 to 138:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 152 to 153:***<br>*https://mer.ph/PIS2026*<br><br>***Revised Manual of Corporate Governance:***<br>*mer.ph/CGManual2024*<br><br>***Company By-laws:*** *Amended By Laws of MERALCO.pdf* | |
| **Optional: Recommendation to 2.6** | | | |
| 1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors. | Compliant | Identify the professional search firm used or other external sources of candidates<br><br>The Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners such as the Institute of Corporate Directors (ICD) to search for candidates to the Board of Directors. The Company's Corporate Secretary, Atty. Simeon Ken R. Ferrer is an ICD Fellow. These candidates would be skilled in core competencies such as strategic planning, business expertise, and industry knowledge. The shareholders | |

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| | | will then elect the directors during the Annual Stockholders' Meeting (ASM) held every last Tuesday of June.<br><br>Upon appointment, the Company sends out a formal letter setting out the Director's roles and responsibilities and the new Director will then attend various briefings with Management as seen on Annual Report.<br><br>***Links:***<br>***Meralco Website: Nomination and Election Policy:***<br>*Other Policies*<br><br>***Nomination and Election Policy:***<br>*Nomination and Election Policy.pdf*<br><br>***Meralco Website Board Matters:***<br>*Board Matters*<br><br>***SEC Form 17-A Annual Report, pages 94, and 137 to 138:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 152 to 153:***<br>*https://mer.ph/PIS2026*<br><br>***Management Team and Executive Officers***<br>*Management Team and Executive Officers*<br><br>***Section 4.2.4.6, page 19 of the Revised Manual of Corporate Governance, page 19:***<br>*mer.ph/CGManual2024*<br><br>***Company By-laws:*** *Amended By Laws of MERALCO.pdf* | |

| Recommendation 2.7 | | | |
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| 1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions. | Compliant | Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs<br><br>Identify transactions that were approved pursuant to the policy.<br><br>The Company's Board has overall responsibility in ensuring that there is a group wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.<br><br>It is the policy of the Company that all related party transactions (RPTs) are done in "fair and at arm's-length" terms and must inure to the benefit and best interest of the Company and its shareholders. In this regard, all RPTs shall be conducted in accordance with the principles of honesty, transparency and fairness. All RPTs shall be reviewed and approved by an appropriate RPT Approving Authority to ensure that they are on terms and conditions that are at arm's-length. This RPT review and approval shall encompass potential and existing RPTs entered or to be entered by any group or business responsibility unit of the Company, taking into account its size, structure, risk profile and complexity of | |
| 2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions. | Compliant | | |
| 3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations. | Compliant | | |

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| | | operations. The Policy covers: a person or entity that is related to the reporting entity. A person or a close member of that person's family is related to a reporting entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel. (In this Policy, the entity that is preparing its financial statements is referred to as the 'reporting entity' or 'the Company').<br><br>The Company's Related Party includes its subsidiaries (including their associates, joint ventures and subsidiaries); shareholders who have direct or indirect control or exercise significant influence over the Company, including their subsidiaries, associates or joint ventures; the Company's directors; officers; shareholders and related interests (DOSRI), and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the Company. | |

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| | | In 2025, all the RPTs were reviewed and determined to have been 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, there was 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.<br><br>In 2017, the Board approved the Organizational Charter of the RPT Committee and delegating upon the RPT Committee the responsibility of reviewing material/significant RPTs, determining whether they are in the best interest of the Company and shareholders, and ensuring that all RPTs of the Company are conducted in fair and at arm's length terms.<br><br>The names of all related parties, degree of relationship, nature and value for each material/significant RPT are disclosed by the Company in Note 23 to the Consolidated Financial Statements. | |

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| | | In 2019, the Board approved a revised RPT Policy which provides that all RPTs shall be reviewed and approved by an appropriate RPT Approving Authority to ensure that they are on terms and conditions that are at arm's length. This RPT review and approval shall encompass potential and existing RPTs entered or to be entered by any group or business responsibility unit of the Company including unusual or infrequently occurring RPT, taking into account its size, structure, risk profile and complexity of operations. The same was again reviewed and amended in 2026.<br><br>In compliance with SEC Rules on Material Related Party Transactions for Publicly -Listed Companies or Memorandum Circular No. 10, Series of 2019, the Policy was again amended to provide for guidelines on the review, approval and reporting of material RPTs which amount to at least ten percent (10%) of the Company's total assets based on its latest audited financial statement.<br><br>***Links:***<br><br>***Meralco Website: Related Party Transaction Policy):*** *Other Policies* | |

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| | | ***Meralco Website (Related Party Transaction Policy:*** *Mer.ph/RPTPolicy*<br><br>***Amended Related Party Transactions Policy (2026):*** *RPT Policy 2026_for upload.pdf*<br><br>***Meralco Website: Related Party Transaction Committee Charter:*** *RPT Committee Charter Sgd.pdf*<br><br>***Meralco Website: Board Matters***<br>*Board Matters*<br><br>***SEC Form 17-A Annual Report, pages 142 to 144, and 149:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 158 top 159, and 164 to 165:***<br>*https://mer.ph/PIS2026*<br><br>***Section 4.2.6, page 19 of the Revised Manual of Corporate Governance, page 19:***<br>*mer.ph/CGManual2024*<br><br>***Management Team and Executive Officers***<br>*Management Team and Executive Officers*<br><br>***Company By-laws:*** *Amended By Laws of MERALCO.pdf* | |
| **Supplement to Recommendations 2.7** | | | |
| 1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered *de minimis* or transactions that need not be reported or | Compliant | Provide information on a materiality threshold for RPT disclosure and approval, if any.<br><br>Provide information on RPT categories<br><br>Under the RPT Policy and Guidelines approved by the Board on October | |

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| announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval. | | 29, 2018 as amended in 2019 and 2026 to comply with SEC Rules on Material Related Party Transactions for Publicly -Listed Companies or Memorandum Circular No. 10, Series of 2019, each RPT Approving Authority shall ensure that RPTs are for the best interest of the Company. In evaluating RPTs, all the relevant facts and circumstances available shall be considered, including but not limited to the following:<br><br>a. The related party's relationship to the Company and interest in the transaction;<br><br>b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;<br><br>c. The purpose and timing of the proposed RPT;<br><br>d. The benefits to the Company of the proposed RPT;<br><br>e. The availability of other sources of comparable products or services; and | |

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| | | f. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances.<br><br>The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs.<br><br>The RPT shall be considered material if determined by the RPT Review Team to be potentially or actually significant to the Company. The aggregate amount of RPT under consideration, within the preceding 12-month period, shall be among the aspects to be considered in determining the materiality of such:<br><br>| Classification | Aggregate Transaction Value (12-month period) |<br>|---|---|<br>| SEC Material Transactions | 10% and above of the Company's total assets based on its latest audited financial statement |<br>| Material Transactions | PhP50 Million and above |<br>| *De Minimis* transactions | Below PhP50 Million |<br><br>Material RPTs shall be evaluated by the RPT Review Team to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, | |

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| | | fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.<br><br>For individual and aggregate RPTs within a twelve (12) month period that breach the materiality threshold of ten percent (10%) of the company's total assets, the Board of Directors shall appoint an external independent party to evaluate the fairness of the terms of the RPT. An external independent party may include, but is not limited to, auditing/accounting firms and third-party consultants and appraisers. The independent evaluation of the fairness of the transparent price ensures the protection of the rights of shareholders and other stakeholders.<br><br>After review, the RPT Review Team shall report the material RPTs to the RPT Committee for its evaluation, | |

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| | | approval and/or endorsement to the Board.<br><br>Material RPTs shall require endorsement of the RPT Committee and approval by the Board.<br><br>De Minimis RPTs entered in the ordinary course of business shall neither require review by the RPT Committee nor approval by, and reporting to, the Board.<br><br>The Board may require that a material RPT be also submitted to the stockholders for consideration and ratification. In such case, a majority of non-related party shareholders shall be required to approve this RPT during shareholders' meetings.<br><br>Regardless of the amount of the transaction or contract, RPTs entered into by a director or corporate officer in his/her personal capacity must be approved by the Board. These RPTs shall be voidable at the option of the Company, except when all the following conditions are present:<br><br>a. The presence of the Director in the board meeting in which the | |

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| | | contract or transaction was approved was not necessary to constitute a quorum for such meeting;<br><br>b. The vote of such Director was not necessary for the approval of the contract;<br><br>c. The transactions are fair, and on terms comparable to those that could be obtained at arm's length dealings with an unrelated third party, or can be justified on a legitimate business case basis; and<br><br>d. In the case of a Corporate Officer, the contract has been previously authorized by the Board of Directors.<br><br>However, that when conditions a and b are absent in the case of a transaction or contract with a Director, such RPT may be ratified either by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Company or by the vote of the stockholders representing majority of the outstanding capital stock of the | |

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| | | Company excluding that of the affected Director, whichever is lower.<br><br>All recurring RPT contracts that have a term that exceeds one (1) year must be reviewed and approved on an annual basis to determine whether to continue/renew the same.<br>***Link:***<br><br>***Meralco Website (Related Party Transaction Policy:*** *Mer.ph/RPTPolicy*<br><br>***Amended Related Party Transactions Policy (2026):*** *RPT Policy 2026 for upload.pdf*<br><br>***Meralco Website (Related Party Transaction Committee Charter:*** *RPT Committee Charter Sgd.pdf* | |
| 2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings. | Compliant | Provide information on voting system, if any.<br><br>The Company, at all times, observes, upholds and respects the rights of its shareholders, minority and majority alike, in the review, approval and disclosure of RPTs.<br><br>Under the RPT Policy, the Board may require that an RPT approved by it be also submitted to the stockholders for consideration and ratification. Under the RPT Policy and Guidelines, the Board may require that a material RPT | |

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| | | be also submitted to the stockholders for consideration and ratification. In such case, a majority of non-related party shareholders shall be required to approve this RPT during shareholders' meetings.<br><br>Regardless of the amount of the transaction or contract, RPTs entered into by a director or corporate officer in his/her personal capacity must be approved by the Board. These RPTs shall be voidable at the option of the Company, except when all the following conditions are present:<br><br>a. The presence of the Director in the board meeting in which the contract or transaction was approved was not necessary to constitute a quorum for such meeting;<br><br>b. The vote of such Director was not necessary for the approval of the contract;<br><br>c. The transactions are fair, and on terms comparable to those that could be obtained at arm's length dealings with an unrelated third | |

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| | | party, or can be justified on a legitimate business case basis; and<br><br>d. In the case of a Corporate Officer, the contract has been previously authorized by the Board of Directors.<br><br>However, that when conditions a and b are absent in the case of a transaction or contract with a Director, such RPT may be ratified either by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Company or by the vote of the stockholders representing majority of the outstanding capital stock of the Company excluding that of the affected Director, whichever is lower.<br><br>For all individual RPTs within a twelve (12) month period that amount to at least ten percent (10%) of the company's total assets, the same shall be approved by at least two thirds (2/3) vote of the board of directors, with at least a majority of the independent directors voting to approve the RPT and in case that a majority of the independent directors' vote is not secured, the said RPT may | |

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| | | be ratified by the vote of stockholders representing at least two-thirds of the outstanding capital stock.<br><br>***Link:***<br><br>***Meralco Website (Related Party Transaction Policy:*** *Mer.ph/RPTPolicy*<br><br>***Amended Related Party Transactions Policy (2026):*** *RPT Policy 2026 for upload.pdf*<br><br>***Meralco Website (Related Party Transaction Committee Charter:*** *RPT Committee Charter Sgd.pdf* | |
| **Recommendation 2.8** | | | |
| 1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive). | Compliant | Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.<br><br>Identity the Management team appointed<br><br>The Board is primarily responsible for approving the selection of Management led by the President and/or Chief Executive Officer (CEO). The Remuneration and Leadership Development Committee, reviews and endorses for Board ratification all promotions to the rank of Vice President up to Senior VP, including the Chief Risk Officer, Compliance Officer and Chief Audit Executive.<br><br>***Links:*** | |

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| | | ***Meralco Website Board Committees:***<br>*Board Committees*<br><br>***Remuneration and Leadership Development Committee Charter:***<br>*Remuneration and Leadership Development Committee Charter.pdf*<br><br>The members of the Management Team of the Company as provided in the General Information Sheet (GIS) for 2025 can be seen in the link below<br><br>***Link:***<br><br>***Meralco Website (Management Team):***<br>*Microsoft Word - Meralco Management Team*<br><br>***Meralco General Information Sheet (GIS) for 2025:***<br>*Cover Page*<br><br>The current composition of the Management Team is published in the Company Website:<br><br>***Meralco Website:***<br>*Management Team and Executive Officers* | |
| 2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive). | Compliant | Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.<br><br>Provide information on the assessment process and indicate frequency of assessment of performance.<br><br>The Board, through the Nomination & Governance Committee and the Remuneration and Leadership Development Committee conducts | |

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| | | an annual assessment of the performance of the President and/or CEO, the Chief Risk Officer, Compliance Officer, and the Chief Audit Executive.<br><br>The Board assesses the President and/or CEO's leadership, working relations with the Board, communication and working relations with Management. The Remuneration and Leadership Development Committee exercise functional oversight in the development and administration of leadership development/succession planning and retention programs for executives and officers such as heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive) which include career development, promotions, and performance evaluation.<br><br>***Links:***<br><br>***Remuneration and Leadership Development Committee Charter:***<br>*Remuneration and Leadership Development Committee Charter.pdf*<br><br>***Meralco Website: Nomination and Election Policy:***<br>*Other Policies* | |

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| | | ***Nomination and Election Policy:***<br>*Nomination and Election Policy.pdf*<br><br>***Nomination and Governance Committee Charter:***<br>*Nom and Gov Charter Sgd.pdf* | |
| **Recommendation 2.9** | | | |
| 1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management. | Compliant | Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.<br><br>The Company's Revised Manual of Corporate Governance mandates the Board to formulate and to annually review the Company's mechanism for performance assessment of the Board and Management, principally the President and/or Chief Executive Officer (CEO).<br><br>The annual performance of Management and employees is also assessed through the achievement of the Company's Goals and Initiatives (GAINs) indicators. Revving up to Achieve a Culture of Excellence (RACE) is Meralco's Employee Performance Management System. It was created to ensure alignment between performance and the overall company objectives to promote a culture of high | |
| 2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management. | Compliant | | |

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| | | performance and meritocracy (advancement based on individual ability or achievement). It is a holistic approach that captures the key elements of effective performance management such as performance planning, monitoring and development, and evaluation.<br><br>Through the Performance Evaluation Plan (PEP), the overall contributions of individuals are recognized by accurately measuring what the employee delivers (i.e., results) and objectively assessing how the employee delivers results (i.e., behavior) over a given. It is the aim of the PEP to produce relevant information on employee performance that will serve as basis for various people management decisions relating to employee development and rewards.<br><br>Performance of the Management and employees is evaluated on a biennial basis based on two critical factors:<br><br>1. GOALS & INITIATIVES (GAINs) – measures the employee's work accomplishments during the | |

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| | | performance period (i.e., individual goals vs. actual work accomplishments); and<br><br>2. VALUES & BEHAVIOR (V&B) – measures how well the employee met expectations based on the behavioral manifestations of the seven Corporate Values, namely: Customer Service, Performance, Accountability / Empowerment, Integrity/Transparency, Teamwork/ Collegiality, Malasakit and Makabayan.<br><br>Employee performance is rated using a 5 point rating scale, where "1" is the highest rating and "3" is the passing rating. Performance ratings are to be subjected to a calibration and validation process to check on the fairness of the ratings and to ensure consistency in the application of standards among all raters.<br><br>***Links:***<br><br>***Company Website:***<br>*Employee Development and Engagement*<br><br>***Revised Manual of Corporate Governance:***<br>*mer.ph/CGManual2024* | |

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| | | Accordingly, the Company's performance management process assesses 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 measures is reflected in performance planning and assessment which drives the Company's merit and incentive pay programs.<br><br>***Links:***<br><br>***Remuneration and Leadership Development Committee Charter:***<br>*Remuneration and Leadership Development Committee Charter.pdf*<br><br>***Meralco Website: Nomination and Election Policy:***<br>*Other Policies*<br><br>***Nomination and Election Policy:***<br>*Nomination and Election Policy.pdf*<br><br>***Nomination and Governance Committee Charter:***<br>*Nom and Gov Charter Sgd.pdf*<br><br>***SEC Form 17-A Annual Report, page 144, and 153 to 154:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 159 to 160, and 170:***<br>*https://mer.ph/PIS2026* | |

**Recommendation 2.10**

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| 1. Board oversees that an appropriate internal control system is in place. | Compliant | Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system<br><br>The Board, through the Audit Committee, evaluates the effectiveness of the internal control system of the Company, seeks management's assurance on the adequacy and effectiveness of the Company's internal control system and oversees Management's Control Policy.<br><br>***Links:***<br><br>***Section 4.3.8 of the Revised Manual of Corporate Governance, pages 24 to 27:***<br>*mer.ph/CGManual2024*<br><br>***Audit Committee Charter:***<br>*Microsoft Word - MER_Audit Committee Charter_v2026*<br><br>The internal control system, detailed in the Company's Management Control Policy, Code of Ethics, and Conflict of Interest Policy, includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.<br><br>***Links:*** | |
| 2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders. | Compliant | | |

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| | | ***Meralco website: Management Team and Executive Officers***<br>*Management Team and Executive Officers*<br><br>***Meralco Website: Management Controls Policy:***<br>*img-610131619-0001.pdf*<br><br>***Code of Ethics, Section 5.4, pages 6-10:***<br>*Code of Business Conduct and Ethics_3.pdf*<br><br>***Conflict of Interest Policy:***<br>*Conflict of Interest Policy_0.pdf* | |
| 3. Board approves the Internal Audit Charter. | Compliant | Provide reference or link to the company's Internal Audit Charter<br><br>On February 21, 2024, the Board approved a revised Internal Audit Charter which remained effective in 2025. This was reviewed and amended on March 19, 2026.<br><br>***Link:***<br>***Meralco Website (Revised Internal Audit Charter):***<br><br>*Revised Internal Audit Charter (2024):*<br>*Microsoft Word - 2019.final.changes.Update INTERNAL AUDIT CHARTER..docx (meralcomain.s3.ap-southeast-1.amazonaws.com)*<br><br>*Revised Internal Audit Charter (2026):*<br>*Microsoft Word - MER_Internal Audit Charter_v2026*<br><br>***Meralco Website (Audit Committee Charter):***<br>*Microsoft Word - MER_Audit Committee Charter_v2026* | |

| Recommendation 2.11 | | | |
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| 1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks. | Compliant | Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.<br><br>Provide proof of effectiveness of risk management strategies, if any.<br><br>Meralco has a robust Enterprise Risk Management (ERM) framework to monitor and manage its strategic, regulatory, operational and financial risks. The company adopted ISO 31000 as its model for ERM framework. The Enterprise Risk Management Manual was approved and adopted by the Company to provide the methodology and processes for risk management including:<br><br>• identification, assessment, evaluation and mitigation of risks or exploitation of opportunities;<br><br>• definition of management responsibilities and accountabilities; and<br><br>• escalation and reporting of company's key enterprise risks.<br><br>The Board, through the Risk Management Committee, oversees the Enterprise-Wide Risk Management | |
| 2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. | Compliant | | |

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| | | framework, identifies and assesses top risks and reviews the effectiveness of risk mitigation strategies and treatment plans developed by management.<br><br>The Risk Management Policy Manual of the Company provides the methodology and process for the identification and assessment of risks, defines management accountability and covers a systematic process of assessing and reporting the company's top business risks.<br><br>The Enterprise Risk Management (ERM) framework helps manage risks by influencing and collaborating with internal organizations and external stakeholders to identify best practices, controls and process improvement opportunities to address risks.<br><br>ERM initiates the annual enterprise-wide assessment of the Company's top risks. Risk assessment is conducted to substantiate existing and emerging risks brought about by changes in regulations, market structure developments, technological/operational issues and | |

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| | | external forces, including changes in weather patterns, customer satisfaction measures and evolving environmental sustainability issues. Top risks are quantified, and designated risk owners are asked to develop risk treatment and mitigation plans to address potential issues. The results are presented and vetted with the One Meralco Risk Management Committee and the Risk Management Committee of the Board.<br><br>The Board Charter serves as a guide to the directors in the performance of their functions, setting their inxdividual and collective roles, responsibilities and accountabilities This is supplemented by the provisions of the Manual of Corporate Governance, By-Laws and the respective Charters of the Board Committees.<br><br>***Links:***<br><br>***Meralco Website: Risk Management Committee Charter:*** *Risk Management Committee Charter Sgd.pdf*<br><br>***Meralco Website (Enterprise-Wide Risk Management):*** *Enterprise-Wide Risk Management*<br><br>***SEC Form 17-A Annual Report, page 147:*** *https://mer.ph/2025AR17A* | |

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| | | ***SEC Form 20-IS Preliminary Information Statement, pages 163 to 164:***<br>*https://mer.ph/PIS2026*<br><br>***Meralco Website: Board Charter:***<br>*Board Charter.pdf*<br><br>***Revised Manual of Corporate Governance:***<br>*https://mer.ph/CGManual2024*<br>***Company By-Laws:***<br>*Amended By Laws of MERALCO.pdf*<br><br>***Board Committee Charters:***<br>*Board Committees*<br><br>The Board Charter is uploaded in the Company Website with the following links:<br><br>***Links:***<br><br>***Meralco Website on Board Charter:***<br>*Board Charter.pdf*<br><br>***Meralco Website on Board Matters)***<br>*Board Matters* | |
| **Recommendation 2.12** | | | |
| 1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role. | Compliant | Provide link to the company's website where the Board Charter is disclosed.<br><br>On May 29, 2018, the Board approved a Board Charter which sets forth its purposes, authority, duties and responsibilities, structure and procedures in accordance with Securities and Exchange Commission | |
| 2. Board Charter serves as a guide to the directors in the performance of their functions. | Compliant | | |

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| 3. Board Charter is publicly available and posted on the company's website. | Compliant | ("SEC") Memorandum Circular No. 19, Series of 2016, otherwise known as the Revised Code of Corporate Governance for Publicly Listed Companies issued on November 22, 2016.<br><br>The provisions in this Charter were lifted from the Company's Article of Incorporation (AOI), By-Laws, Revised Manual of Corporate Governance (MCG), Board Committee Charters and Policies approved by the Board.<br><br>***Link:***<br><br>***Meralco Website (Board Charter):***<br>*Board Charter.pdf*<br><br>***Meralco Website (Board Matters)***<br>*Board Matters* | |
| **Additional Recommendation to Principle 2** | | | |
| 1. Board has a clear insider trading policy. | Compliant | Provide information on or link/reference to a document showing company's insider trading policy.<br><br>The Company has an Insider Trading Policy which regulates the trading of shares by Company executives, officers and employees with direct access to unpublished information relating to the Company's financial and operating results, in the interest of good corporate governance and | |

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| | | transparency. This policy was amended on July 28, 2025.<br><br>***Links:***<br><br>***Meralco Website (Insider Trading Policy):***<br>*[Sgd] Revised Insider Trading Policy 07.28.2025.pdf*<br><br>***Meralco Website (Other Policies):***<br>*Other Policies* | |
| **Optional: Principle 2** | | | |
| 1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates. | Compliant | Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.<br><br>As expressly stated in Article II, Section 6 of the Related Party Transactions Policy, the Company does not grant loans or any special financial assistance to directors.<br><br>***Link:***<br><br>***Meralco Website (Related Party Transaction Policy:*** *Mer.ph/RPTPolicy*<br><br>***Amended Related Party Transactions Policy (2026) page 10:*** *RPT Policy 2026 for upload.pdf* | |
| 2. Company discloses the types of decision requiring board of directors' approval. | Compliant | Indicate the types of decision requiring board of directors' approval and where there are disclosed.<br><br>The Board decides on the Company's major projects and policy decisions, business plan and annual budgets and major investment funding. | |

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| | | In 2025, the Board's major accomplishments included the following:<br><br><u>Major Projects/Policy Decisions</u><br>• Evaluation of compliance to the SEC Revised Code of Corporate Governance<br>• Approval of the Integrated Annual Corporate Governance Report (I-ACGR)<br>• Review and approval of the Amendments to the Manual of Corporate Governance, Finance Committee Charter, Nomination and Governance Committee Charter, Related Party Transactions Committee Charter, and Risk Management Committee Charter<br>• Screening of nominees to the Board<br>• Approval of the Updated Long-term Sustainability Strategy (LTSS)<br>• Conduct of the 2025 ASM<br>• Approval of 2026 schedule of Board meetings<br>• Review and approval of the board committee composition<br>• Evaluation of compliance to ERC requirements<br>• Review and approval of business separation and unbundling plan reports | |

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| | | • Approval of construction, development, and com missioning of substation assets<br>• Review and approval of Emergency Power Supply Agreement (EPSA)<br>• Review and approval of power generation projects, interim power supply agreements (IPSAs) and power supply agreements (PSAs), technical services agreements, pole relocation projects, and other local and international business initiatives<br>• Approval of Audited Financial Statements<br>• Evaluation of incumbent external auditor and nomination of external auditor for 2025<br>• Approval of report of external auditors covering the Company's Audited Financial Statements<br>• Approval of dividend declaration<br>• Review and approval of material RPTs<br>• Enterprise performance evaluation and assessment<br>• Performance assessment of the Board, Board Committee, and Key Officers | |

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| | | • Review and approval of rank conferment and appointment of officers<br>• Review and approval of executive promotions, rightsizing policy and succession planning<br>• Review and approval of employee performance management plan<br>• Review and approval of various supply contracts in excess of PHP 50 million Business Plan and Annual Budgets<br>• Review and approval of the 2026 budget<br>• Monitoring of investment committee report<br>• Review and approval of corporate strategic objectives<br>• Monitoring of the implementation of corporate strategies<br>• Review of forecast of subsidiaries' projects Major Investment Fundings<br>• Infusion of equity to subsidiaries<br>• Renewal of credit lines, credit facilities, and bonds<br><br>***Links:***<br><br>***SEC Form 17-A Annual Report, page 136 to 137, 142:*** https://mer.ph/2025AR17A<br><br>***SEC Form 20-IS Preliminary Information Statement, List of Acts of the Board Of Directors of Meralco*** | |

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| | | ***From May 27, 2025 to March 24, 2026 pages 179 to 182:*** *https://mer.ph/PIS2026* | |
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| **Principle 3:** Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter. | | | |
| **Recommendation 3.1** | | | |
| 1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities. | Compliant | Provide information or link/reference to a document containing information on all the board committees established by the company.<br><br>The Board has formed various Board Committees delegated with specific responsibilities. These Committees are established and guided by their respective committee charters. The same is disclosed in the Annual Report and posted in the Company Website.<br><br>Currently, there are eight (8) standing Board Committees:<br><br>• Executive Committee;<br>• Nomination and Governance Committee;<br>• Audit Committee;<br>• Risk Management Committee;<br>• Remuneration and Leadership Development Committee;<br>• Finance Committee;<br>• Related Party Transactions Committee<br>• Sustainability Committee | |

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| | | ***Links:***<br><br>***Meralco Website: Board Committees:***<br>*Board Committees*<br><br>***SEC Form 17-A Annual Report, page 136 to 137, 142:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 151 to 152:***<br>*https://mer.ph/PIS2026* | |
| **Recommendation 3.2** | | | |
| 1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. | Compliant | Provide information or link/reference to a document containing information on the Audit Committee, including its functions.<br><br>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.<br><br>The Company has an Audit Committee which assists the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the internal and external audit process, and compliance with laws and regulations. The specific duties and responsibilities are delineated in its Charter as posted in the Company Website. In particular, Article C of the Audit Committee Charter provides that the Audit Committee has the power to:<br><br>• review with Management and the external auditors the results of the | |

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| | | audit of the financial statements and evaluation of internal accounting controls;<br><br>• review and evaluate procedures and criteria for the selection, appointment, annual performance evaluation and if appropriate, termination of services of the external auditors and recommend to the Board for approval, the appointment, reappointment or removal of the external auditors, duly accredited by the SEC and ratified by the shareholders; and<br><br>• monitor compliance and adherence by the Company with all applicable laws and regulations pursuant to which the Company conducts its operations and business activities.<br><br>***Links:***<br><br>***Meralco Website: Board Committees:***<br>*Board Committees*<br><br>***Audit Committee Charter (2024):***<br>*Mer.ph/AuditComCharter2024*<br><br>***Audit Committee Charter (2026):***<br>*Microsoft Word - MER Audit Committee Charter_v2026* | |

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| | | ***Report of the Audit Committee for 2025:*** *Microsoft Word - 2025 Annual Audit Committee Report* | |
| 2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent. | Non-Compliant | Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship. | The Audit Committee ably assists the Board by exercising independent oversight over the Company's financial reporting, internal control system, internal and external audit processes, and compliance with laws and regulations.<br><br>The Audit Committee consists of three (3) independent directors including the Chairman, and four (4) non-executive directors, one of whom, Ms. June Cheryl A. Cabal-Revilla, has solid experience in the areas of accounting, corporate finance, treasury, financial control and risk management, having been the Chief Finance, Risk and Sustainability Officer of another publicly-listed company and Appointed Member of the Financial and Sustainability Reporting Standards Council (FSRSC) of the Philippines, the accounting and sustainability standards-setters in the country, since 2010 for FRSC.<br><br>The members of the Audit Committee, including their qualifications and type of directorship are stated in the Company Website. |

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| | | | ***Links:***<br><br>***Meralco Website: Board Committees:***<br>*Board Committees*<br><br>***SEC Form 17-A Annual Report, page 136 to 137, 142:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 160 to 162:*** *https://mer.ph/PIS2026* |
| 3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. | Compliant | Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.<br><br>The members of the Audit Committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The committee composition and their profiles can be found in the Company Website.<br><br>***Links:***<br><br>****Profiles of Audit Committee Members****<br><br>***Meralco Website: Board Committees:***<br>*Board Committees*<br><br>***SEC Form 17-A Annual Report, pages 86 to 97:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 14 to 27:***<br>*https://mer.ph/PIS2026* | |

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| 4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee. | Compliant | Provide information or link/reference to a document containing information on the Chairman of the Audit Committee<br><br>Ret. Chief Justice Artemio V. Panganiban, Lead Independent Director and Chairman of the Audit Committee, is not the Chairman of the Board or of any other committee. The information on the Audit Committee Chairman can be found in the Company Website.<br><br>***Links:***<br><br>***Meralco Website: Board Committees:***<br>*Board Committees*<br><br>***SEC Form 17-A Annual Report, pages 86 to 97:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 14 to 27:***<br>*https://mer.ph/PIS2026* | |
| **Supplement to Recommendation 3.2** | | | |
| 1. Audit Committee approves all non-audit services conducted by the external auditor. | Compliant | Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.<br><br>The Audit Committee reviews and approves the audit plan, scope of work and proposed fees of the Company's external auditors, SGV & Co. CPAs (SGV) for audit and non-audit services. For non-audit services, Management is required by required to disclose to the Audit Committee | |

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| | | any engagement contracting the appointed independent auditors to ensure that their independence will not be compromised. The Audit Committee ensures that non-audit services, if allowed or approved, are disclosed in the Company's Annual Report.<br><br>The Audit Committee approves the terms of engagement, scope of services and fees of the external auditors as endorsed by Management. Any non-audit services require prior approval of the Audit Committee before engagement.<br><br>In 2025, the non-audit services performed by the external auditor of the Company pertain to the review of the Business Separation and Unbundling Plan of the ERC and Audit of universal charge reports as required by PSALM. The fees for non-audit services did not exceed those for audit services.<br><br>**Links:**<br><br>***Meralco Website: Board Committees:***<br>*Board Committees*<br><br>***Audit Committee Charter:***<br>*Mer.ph/AuditComCharter2024* | |

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| | | ***Audit Committee Charter (2026):*** *Microsoft Word - MER_Audit Committee Charter_v2026*<br><br>***SEC Form 17-A Annual Report, pages 85 and 146:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 59, 162, and 388:*** *https://mer.ph/PIS2026*<br><br>***The Revised Manual of Corporate Governance, pages 24 to 27:*** *https://mer.ph/CGManual2024* | |
| 2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present. | Compliant | Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.<br><br>The Audit Committee holds executive sessions with the External Auditors without the presence of Management. On December 04, 2025, the Audit Committee held separate executive session with the engagement partner of the external auditors, SGV, including the private session of the Audit Committee Chair with the Chief Audit Executive. The agenda in these meetings involved matters the Audit Committee and the auditors believe should be discussed without the presence of the executive director or officers from management.<br><br>***Links:*** | |

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| | | ***Meralco Website::***<br>*Board Committees*<br>*Internal Controls and Audit*<br><br>***Audit Committee Charter:***<br>*Mer.ph/AuditComCharter2024*<br><br>***Audit Committee Charter (2026):***<br>*Microsoft Word - MER_Audit Committee Charter_v2026*<br><br>***SEC Form 17-A Annual Report, page145:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, page 160:***<br>*https://mer.ph/PIS2026*<br><br>***Report of the Audit Committee for 2025, page 2***<br>*Microsoft Word - 2025 Annual Audit Committee Report* | |
| **Optional: Recommendation 3.2** | | | |
| 1. Audit Committee meet at least four times during the year. | Compliant | Indicate the number of Audit Committee meetings during the year and provide proof<br><br>The Audit Committee had six (6) meetings in 2025.<br><br>***Links:***<br><br>***Meralco Website: Board Committees:***<br>*Board Committees*<br>*Microsoft Word - 2025 Annual Audit Committee Report*<br><br>***SEC Form 17-A Annual Report, page124:***<br>*https://mer.ph/2025AR17A* | |

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| | | ***SEC Form 20-IS Preliminary Information Statement, page 54:***<br>*https://mer.ph/PIS2026*<br><br>***Report of the Audit Committee for 2025, page 1***<br>*Microsoft Word - 2025 Annual Audit Committee Report* | |
| 2. Audit Committee approves the appointment and removal of the internal auditor. | Compliant | Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.<br><br>The Audit Committee recommends the appointment or replacement of the internal audit head or Chief Audit Executive who shall functionally report to the Committee, and ensure that the internal audit organization shall be free from interfering in determining its scope, performance of its work, and in communicating its results.<br><br>In 2018, the Board approved the appointment of the new Chief Audit Executive (CAE), Melanie T. Oteyza, upon the recommendation of the Audit Committee. Ms. Oteyza is still the CAE of the Company.<br><br>***Links:***<br><br>***Meralco Website: Board Committees:***<br>*Board Committees*<br><br>***Report of the Audit Committee for 2025, page 1*** | |

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| | | Microsoft Word - 2025 Annual Audit Committee Report<br><br>***SEC Form 17-A Annual Report, page124:*** https://mer.ph/2025AR17A<br><br>***SEC Form 20-IS Preliminary Information Statement, page 54:*** https://mer.ph/PIS2026<br><br>***Section C (2.1) Audit Committee Charter:*** Mer.ph/AuditComCharter2024<br><br>***Audit Committee Charter (2026):*** Microsoft Word - MER_Audit Committee Charter_v2026 | |
| **Recommendation 3.3** | | | |
| 1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee. | Compliant | Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions<br><br>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.<br><br>The Company has a Nomination and Governance Committee. Its duties and responsibilities 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 | |

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| | | programs for continuing education of the Board.<br><br>Moreso, the Nomination and Governance Committee undertook the process of identifying the qualification of directors aligned with the Company's strategic directions. It reviews and recommends to the Board for the appointment of Directors and members to the Board Committees. The process involves identifying, reviewing, and recommending potential candidates to the Board for consideration.<br><br>***Links:***<br><br>***Meralco Website: Board Committees:***<br>*Board Committees*<br><br>***Nomination and Governance Committee Charter:***<br>*Nomination and Governance Committee Charter.pdf*<br><br>***SEC Form 17-A Annual Report, page154; One Meralco 2025 Integrated Report, page 125:***<br>*https://mer.ph/2025AR17A*<br>***SEC Form 20-IS Preliminary Information Statement, page 158:***<br>*https://mer.ph/PIS2026* | |
| 2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors. | Non-Compliant | Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship. | The Nomination and Governance Committee effectively ensures compliance with and proper observance |

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| | | | by the Company with corporate governance principles and practices. Independent and objective judgment is practiced at all times by the Committee given that the Chairman and one other member are Independent Directors while all other members are non-executive directors.<br><br>***Links:***<br><br>***Meralco Website: Board Committees:***<br>Board Committees<br><br>***Nomination and Governance Committee Charter:***<br>Nomination and Governance Committee Charter.pdf<br><br>***SEC Form 17-A Annual Report, page124:***<br>https://mer.ph/2025AR17A<br><br>***SEC Form 20-IS Preliminary Information Statement, page 54:***<br>https://mer.ph/PIS2026 |
| 3. Chairman of the Corporate Governance Committee is an independent director. | Compliant | Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.<br>The chairman of the Nomination and Governance Committee, Mr. Pedro Emilio O. Roxas, is an Independent Director.<br>***Links:***<br>****Profile of Nomination and Governance Committee Chairman Pedro Roxas****<br>***Meralco Website: Board Committees:***<br>Board Committees<br>Microsoft Word - PEDRO EMILIO O. ROXAS | |

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| | | ***SEC Form 17-A Annual Report, page 95:*** https://mer.ph/2025AR17A<br>***SEC Form 20-IS Preliminary Information Statement, pages 23, 57, 148,and 151:*** https://mer.ph/PIS2026 | |
| **Optional: Recommendation 3.3** | | | |
| 1. Corporate Governance Committee meet at least twice during the year. | Compliant | Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.<br><br>The Nomination and Governance Committee met four (4) times in 2025.<br><br>***Links:***<br><br>***Meralco Website: Board Committees:*** Board Committees<br><br>***Nomination and Governance Committee Charter:*** Nomination and Governance Committee Charter.pdf<br><br>***SEC Form 17-A Annual Report, page154; One Meralco 2025 Integrated Report, page 124:*** https://mer.ph/2025AR17A<br><br>***SEC Form 20-IS Preliminary Information Statement, page 54:*** https://mer.ph/PIS2026 | |

| Recommendation 3.4 | | | |
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| 1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. | Compliant | Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions<br><br>The Risk Management Committee was formed to assist the Board of Directors in fulfilling its oversight responsibilities in establishing a risk management infrastructure capable of addressing risks to the Company.<br><br>***Links:***<br><br>***Meralco Website: Board Committees:***<br>*Board Committees*<br><br>***Risk Management Committee Charter:***<br>*Risk Management Committee Charter_1.pdf*<br><br>***SEC Form 17-A Annual Report, page136 to 134, 147 to 148:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, page 151 to 152, and 163:***<br>*https://mer.ph/PIS2026* | |
| 2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman. | Non-Compliant | Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship | The Board is assisted by the Risk Management Committee that independently oversees the Company's Enterprise Risk Management System. It is chaired by a Non-Executive director while two (2) members are Independent Directors and the remaining members are all non-executive directors.<br><br>***Links:*** |

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| | | | ***Meralco Website: Board Committees:***<br>*Board Committees*<br><br>***Risk Management Committee Charter:***<br>*Risk Management Committee Charter_1.pdf*<br><br>***SEC Form 17-A Annual Report, page124:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, page 54:***<br>*https://mer.ph/PIS2026* |
| 3. The Chairman of the BROC is not the Chairman of the Board or of any other committee. | Compliant | Provide information or link/reference to a document containing information on the Chairman of the BROC<br>The Chairman of the Risk Management Committee, Mr. Patrick Henry C. Go, is not the Chairman of the Board or of any other committee.<br><br>***Meralco Website: Board Committees:***<br>*Board Committees*<br><br>***Risk Management Committee Charter:***<br>*Risk Management Committee Charter_1.pdf*<br><br>****Profile of Risk Management Committee Chairman Mr. Patrick Henry C. Go****<br>***Meralco Website: Board Committees:***<br>*Microsoft Word - PATRICK HENRY C. GO*<br><br>***SEC Form 17-A Annual Report, pages 93 and 133:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 20 to 21, and 54:***<br>*https://mer.ph/PIS2026* | |

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| 4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management. | Compliant | Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.<br><br>Ms. June Cheryl A. Cabal-Revilla, the Chairman of the Risk Management Committee, has solid experience in the areas of accounting, corporate finance, treasury, financial control and risk management, having been the Chief Finance, Risk and Sustainability Officer of another publicly-listed company and Appointed Member of the Financial Reporting and Sustainability Standards Council (FSRSC) of the Philippines, the accounting and sustainability standards setters in the country, since 2010 for FRSC.<br><br>***Links:***<br><br>****Profile of Ms. June Cheryl A. Cabal-Revilla****<br><br>***Meralco Website: Board Committees:***<br>*Board Committees*<br>*Microsoft Word - JUNE CHERYL A. CABAL-REVILLA*<br><br>***SEC Form 17-A Annual Report, pages 88 to 89:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 16 to 17:***<br>*https://mer.ph/PIS2026* | |

| Recommendation 3.5 | | | |
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| 1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company. | Compliant | Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.<br><br>The Related Party Transactions Committee was formed to assist the Board in reviewing material/significant 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. This information can be found in the Annual Report and the Company Website.<br><br>***Links:***<br><br>***Meralco Website:***<br>*Board Committees*<br><br>***Related Party Transactions Committee Charter:***<br>*RPTComm Charter.pdf*<br><br>***SEC Form 17-A Annual Report, page136 to 137, and 149:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, page 151 to 152, and 164 to 165:***<br>*https://mer.ph/PIS2026* | |
| 2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman. | Compliant | Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship. | |

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| | | The Chairman, Mr. Pedro E. Roxas and another member, Ret, Chief Justice Artemio V. Panganiban are Independent Directors while all other members are non-executive directors. The information on the members of the RPT Committee, including their qualifications and type of directorship, are stated in the Annual Report as well as in the Company Website.<br>***Meralco Website: Board Committees:***<br>*Board Committees*<br><br>***Profile of RPT Committee Chairman Mr. Pedro E. Roxas***<br>***Meralco Website:***<br>*Microsoft Word - PEDRO EMILIO O. ROXAS*<br><br>***SEC Form 17-A Annual Report, pages 95 to 96, and 124:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 23, 54 and 148:***<br>*https://mer.ph/PIS2026*<br><br>***Profile of RPT Committee Member, Ret, Chief Justice Artemio V. Panganiban***<br>***Meralco Website:***<br>*Microsoft Word - ARTEMIO V. PANGANIBAN*<br><br>***SEC Form 17-A Annual Report, pages 94 to 95, and 124:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 22 to 23, 54 and 148:***<br>*https://mer.ph/PIS2026* | |

| Recommendation 3.6 | | | |
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| 1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information. | Compliant | Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.<br><br>The Company's Board Committees have their respective committee charters stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information. All the Charters are uploaded in the Company Website, particularly in the page for Board Committees.<br><br>The members of the Board evaluate the overall performance of the committees based on the provisions of the Board Committee Charters. Also, each committee member evaluates his committee's performance vis-à-vis the respective charters and SEC's Guidelines for the Assessment of the Performance of Audit Committee of Companies Listed on the Exchange.<br><br>***Links:***<br><br>***Meralco Website: Board Committees:***<br>*Board Committees*<br>*Board Matters* | |
| 2. Committee Charters provide standards for evaluating the performance of the Committees. | Compliant | | |

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| | | ***SEC Form 17-A Annual Report, pages 124 to 125, 136 to 137, 142 to 144:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 151 to 152, 157 to 159:***<br>*https://mer.ph/PIS2026*<br>****Committee Charters****<br><br>***Executive Committee Charter:***<br>*Full page fax print*<br><br>***Nomination and Governance Committee Charter:***<br>*Nomination and Governance Committee Charter.pdf*<br><br>***Audit Committee Charter:***<br>*Mer.ph/AuditComCharter2024*<br><br>***Audit Committee Charter (2026):***<br>*Microsoft Word - MER Audit Committee Charter_v2026*<br><br>***Risk Management Committee Charter:***<br>*Risk Management Committee Charter_1.pdf*<br><br>***Remuneration and Leadership Development Committee Charter:***<br>*RLDC Charter_0.pdf*<br><br>***Finance Committee Charter:***<br>*Finance Committee Charter_0.pdf*<br><br>***Related Party Transactions Committee Charter:***<br>*RPTComm Charter.pdf*<br><br>***Sustainability Committee Charter:***<br>*Sustainability Committee Charter.pdf* | |
| 3. Committee Charters were fully disclosed on the company's website. | Compliant | Provide link to company's website where the Committee Charters are disclosed. | |

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| | | The Committee Charters are all uploaded to the Company Website.<br><br>***Links:***<br>***Meralco Website:***<br>*Board Committees*<br>*Board Matters*<br><br>****Committee Charters Downloadable at the Company Website****<br><br>***Executive Committee Charter:***<br>*Full page fax print*<br><br>***Nomination and Governance Committee Charter:***<br>*Nomination and Governance Committee Charter.pdf*<br><br>***Audit Committee Charter:***<br>*Mer.ph/AuditComCharter2024*<br><br>***Audit Committee Charter (2026):***<br>*Microsoft Word - MER Audit Committee Charter v2026*<br><br>***Risk Management Committee Charter:***<br>*Risk Management Committee Charter_1.pdf*<br><br>***Remuneration and Leadership Development Committee Charter:***<br>*RLDC Charter_0.pdf*<br><br>***Finance Committee Charter:***<br>*Finance Committee Charter_0.pdf*<br><br>***Related Party Transactions Committee Charter:***<br>*RPTComm Charter.pdf*<br><br>***Sustainability Committee Charter:***<br>*Sustainability Committee Charter.pdf* | |

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| **Principle 4:** To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business. | | | |
| **Recommendation 4.1** | | | |
| 1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission. | Compliant | Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.<br><br>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.<br><br>Directors attend and actively participate in meetings of the Board, Committees and shareholders in person, through tele /videoconferencing, or through remote communication. Procedures for board and/or committee meetings, including tele/videoconferencing are provided in the Company's By-Laws, Revised Manual of Corporate Governance, and Board Charter as supplemented by existing laws and SEC regulations.<br><br>As stated in the Board Charter, Article XIV, Section F, page 16, the Board observes the pertinent guidelines set in SEC Memorandum Circular no. 15 (2001) in the conduct of Board meetings through teleconferencing or videoconferencing. The Board likewise complies with SEC Memorandum Circular No. 6, Series of | |

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| | | 2020 on the guidelines for remote participation in corporate meetings in support of an expanded community quarantine to contain the coronavirus (COVID-19) pandemic.<br><br>***Links:***<br>***Meralco Website:***<br>Board Matters<br><br>***Article XIV, pages 15 and 16 of the Company Board Charter:*** *Board Charter.pdf*<br><br>***Article II, Section 4 of the Company By-laws:***<br>*Amended By Laws of MERALCO.pdf*<br><br>***Revised Manual of Corporate Governance:***<br>*CG Manual.pdf*<br><br>Information on the attendance and participation of directors to Board, Committee and shareholders' meetings are disclosed in the Annual Report and posted in the Company's website.<br><br>***Meralco Website:***<br>*Board Matters*<br>*Board Committees*<br><br>***SEC Form 17-A Annual Report, pages 123 to 124, 140, and 157 to 160:*** *https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 53 to 54, and 155:***<br>*https://mer.ph/PIS2026* | |

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| 2. The directors review meeting materials for all Board and Committee meetings. | Compliant | In accordance with Section 4.1.2.4.1 (page 12) of the Revised Manual of Corporate Governance, materials and related supporting documents to be used in the meetings of the board and board committees are given at least five (5) business days in advance, to give sufficient time for the directors to read and understand them.<br><br>***Links:***<br><br>***Meralco Website:***<br>*Board Matters*<br><br>***The Revised Manual of Corporate Governance, page 12 to 13:*** *https://mer.ph/CGManual2024* | |
| 3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings. | Compliant | Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors<br>The directors may ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings. Board members are also free to contact and discuss with Management and Corporate Secretary issues or matters that need clarification or information that they may need in the discharge of their board functions.<br>***Links:***<br>***Meralco Website:***<br>*Board Matters*<br>*Board Committees* | |

| Recommendation 4.2 | | | |
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| 1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company. | Non-Compliant | Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.<br><br>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies | The Company is partially compliant in this recommendation as majority of the non-executive directors (7 of 10 non-executive director including independent) served in less than five publicly listed companies.<br><br>Nonetheless, under the Board Charter, the non-executive directors of the Board may concurrently serve as directors of other publicly listed companies, but they must ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Company.<br><br>Non-executive directors are provided advance notice of proposed meeting agenda, together with supporting documents, so as to give them reasonable period of time within which to study and prepare for the meeting, challenge Management's proposals or views, and oversee the long-term strategy of the Company.<br><br>Also, the Board ensures that all its members attend most, if not all, of its meetings, extensively discuss all matters affecting the Company and its stakeholders as well as its long-term strategy. |

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| | | | Accordingly, in 2025, most of the directors attended all the scheduled board meetings.<br><br>The directorships of the directors in both listed and non-listed companies are stated in the Annual Report and Information Statement:<br><br>***Links:***<br><br>***Meralco Website:***<br>Board Matters<br>Board Committees<br><br>***Company Board Charter:*** Board Charter.pdf<br><br>***SEC Form 17-A Annual Report, pages 86 to 97:***<br>https://mer.ph/2025AR17A<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 53 to 54, and 155:***<br>https://mer.ph/PIS2026 |
| **Recommendation 4.3** | | | |
| 1. The directors notify the company's board before accepting a directorship in another company. | Compliant | Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.<br><br>On May 29, 2018, the Board approved a Board Charter which provides, among others, that a Director should notify the Board before accepting a directorship in another company.<br><br>***Link:*** | |

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| | | ***Section IX (e) of the Company Board Charter, page 13:*** Board Charter.pdf<br><br>***Section 4.1.1.4.2 of the Revised Manual of Corporate Governance, page 11:*** https://mer.ph/CGManual2024<br><br>Also, the Company's Conflict of Interest Policy requires all directors to submit a Full Business Interest Disclosure Statement not later than January 31 of each year. This includes the disclosure of each director's affiliations and directorships in other companies. The Nomination and Governance Committee of the Board annually reviews the prescribed Full Business Interest Disclosure of all incoming Directors to ensure that the Board's membership has a proper mix and diversity of qualifications, background, experience, independence, and skills needed to effectually perform its responsibilities.<br><br>***Link:***<br>***Conflict of Interest Policy***<br>https://mer.ph/COI2012 | |
| **Optional: Principle 4** | | | |
| 1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group. | Compliant | The only executive director in the Board is the Company's CEO, Mr. Manuel V. Pangilinan who does not serve in more than two boards of | |

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| | | listed companies outside of the group. The directorships of the only executive director in both listed and non-listed companies are stated in the Annual Report and Information Statement:<br><br>***Links:***<br><br>***Meralco Website:***<br>*Board Matters*<br>*Board Committees*<br><br>***SEC Form 17-A Annual Report, pages 86 to 87:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 14 to 15:***<br>*https://mer.ph/PIS2026* | |
| 2. Company schedules board of directors' meetings before the start of the financial year. | Compliant | The Board jointly plans meeting dates before the beginning of every year, with at least twelve meetings a year. The Board, as part of the agenda of its meeting on November 25, 2024, approved the schedule 2025 Board meetings.<br><br>***Links:***<br><br>***Meralco Website:***<br>*Board Matters*<br><br>***SEC Form 17-A Annual Report, pages 157 to 160:***<br>*https://mer.ph/2025AR17A* | |

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| | | ***SEC Form 20-IS Preliminary Information Statement, pages 14 to 15; List of Acts of the Board of the Company, page 169:***<br>*https://mer.ph/PIS2026* | |
| 3. Board of directors meet at least six times during the year. | Compliant | Indicate the number of board meetings during the year and provide proof<br><br>The Board met sixteen (16) times in 2025. The 2025 Annual Stockholders' Meeting and Board Meeting Attendance are disclosed in the Annual Report and in the Company Website.<br><br>***Meralco Website:***<br>*Board Matters*<br><br>***SEC Form 17-A Annual Report, pages 157 to 160:***<br>*https://mer.ph/2025AR17A*<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 53 to 54:***<br>*https://mer.ph/PIS2026* | |
| 4. Company requires as minimum quorum of at least 2/3 for board decisions. | Non-Compliant | Indicate the required minimum quorum for board decisions | The minimum quorum adopted by the Board, which is in accordance with the Philippine Corporation Code and the Company's Amended By Laws, is majority of 11 Directors of the Board (50% +1), or at least 6 Directors.<br><br>Nevertheless, consensus among directors for most if not all resolutions are reached through open, transparent, and vigorous |

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| | | | discussions. Based on the 2025 Board Meeting attendance and voting records, more than two-thirds (2/3) of the BOD were present at and have voted upon proposed resolutions at every meeting. Hence, in practice, board decisions are arrived at in a meeting attended by at least 2/3 of the members of the BOD.<br><br>The 2025 Board Committee Meeting Attendance is stated in the Annual Report and Definitive Information Statement:<br><br>***SEC Form 17-A Annual Report, page 124:*** https://mer.ph/2025AR17A<br><br>***SEC Form 20-IS Preliminary Information Statement, pages 54:*** https://mer.ph/PIS2026 |
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| **Principle 5:** The board should endeavor to exercise an objective and independent judgment on all corporate affairs | | | |
| **Recommendation 5.1** | | | |
| 1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher. | Non-Compliant | Provide information or link/reference to a document containing information on the number of independent directors in the board | The Board has at least 3 independent directors. The Board is composed of a majority of non-executive directors, and is able to constantly exercise objective and independent judgment on all corporate affairs.<br><br>In 2025, out of 11 directors, three (3) are independent directors, only one (1), the CEO |

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| | | | is executive director, while the remaining seven (7) are all non-executive directors.<br><br>***Meralco website***<br>*Https://mer.ph/BODirectors*<br><br>***SEC Form 17-A Annual Report, page 67***<br>https://mer.ph/2025AR17A<br><br>***2026 Preliminary Information Statement***<br>*https://mer.ph/PIS2026* |
| **Recommendation 5.2** | | | |
| 1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions. | Compliant | Provide information or link/reference to a document containing information on the qualifications of the independent directors.<br><br>The independent directors possess all the qualifications and none of the disqualifications to hold the positions. The profiles of the independent directors are disclosed in the Company Website while the required qualifications of an independent director are provided in the Manual of Corporate Governance.<br><br>***Profiles of the independent directors - SEC Form 17-A Annual Report, page 86-97***<br>*https://mer.ph/2025AR17A*<br><br>The qualifications and disqualifications of the independent directors are stated in Section 4.1.1.2, Section 4.1.1.3, and Section 4.5 of the | |

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| | | Revised Manual of Corporate Governance (pages 6-9 and pages 32-34<br>mer.ph/CGManual2024 | |
| **Supplement to Recommendation 5.2** | | | |
| 1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently. | Compliant | Provide link/reference to a document containing information that directors are not constrained to vote independently.<br><br>The Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.<br><br>**Board Independence**<br>Https://mer.ph/BODirectors | |
| **Recommendation 5.3** | | | |
| 1. The independent directors serve for a cumulative term of nine years (reckoned from 2012). | Non-Compliant | Provide information or link/reference to a document showing the years IDs have served as such. | The Company's Revised Manual of Corporate Governance states that independent directors may serve for a maximum of nine consecutive years reckoned from 2012, making sure, however, that the shareholders' legal right to vote and be voted directors remains inviolable.<br><br>If the company wants to retain an independent director who has served for nine consecutive years, the Board should provide meritorious justification and advise the shareholders of such justification during the annual shareholders' meeting. |

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| | | | The election in 2025 Annual Stockholders Meeting (ASM) of Ret. Chief Justice Artemio Panganiban and Pedro Emilio O. Roxas as the Company's Independent Directors for the ensuing year (ASM 2025 to ASM 2026) constitutes their 13th year of being independent directors reckoned from 2012.<br><br>Nonetheless, in the 2025 Annual Stockholders Meeting, in compliance with the Company's Manual of Corporate Governance and the SEC Code of Corporate Governance, the Company opted to allow the re-nomination and election of Ret. Chief Justice Artemio Panganiban and Pedro Emilio O. Roxas as the Company's Independent Directors based on meritorious justification which was presented to, and approved by, the stockholders during said meeting. Ms. Lydia Echauz, on the other hand, is serving her third year as Independent Director of the Company.<br><br>***Meralco website (Independent Directors):***<br>*Board Matters (meralco.com.ph)*<br><br>***SEC Form 17-A Annual Report 2024, page 144***<br>*mer.ph/2024AR17A*<br><br>***SEC Form 17-A Annual Report, page 136***<br>*https://mer.ph/2025AR17A* |

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| | | | Said profile and qualifications as well as the years the independent directors serve years as such are likewise reflected in the 2025 Definitive Information Statement:<br><br>***Definitive Information Statement 2025, page 11-22***<br>mer.ph/DIS2025<br><br>***Definitive Information Statement 2025, page 46-48***<br>mer.ph/DIS2025 |
| 2. The company bars an independent director from serving in such capacity after the term limit of nine years. | Compliant | Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director<br><br>Section 4.5.2.2 of the Revised Manual of Corporate Governance states that independent directors may serve for a maximum of nine consecutive years reckoned from 2012, making sure, however, that the shareholders' legal right to vote and be voted directors remains inviolable.<br><br>If the company wants to retain an independent director who has served for nine consecutive years, the Board should provide meritorious justification and advise the shareholders of such justification during the annual shareholders' meeting. The Revised Corporate Governance Manual is uploaded to the website. | |

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| | | ***Revised Manual of Corporate Governance, Section 4.5.2, page 32-34:*** mer.ph/CGManual2024 | |
| 3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting. | Compliant | Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.<br><br>Section 4.5.2.2 of the Company's Manual of Corporate Governance states that independent directors may serve for a maximum of nine consecutive years reckoned from 2012, making sure, however, that the shareholders' legal right to vote and be voted directors remains inviolable.<br><br>If the company wants to retain an independent director who has served for nine consecutive years, the Board should provide meritorious justification and advise the shareholders of such justification during the annual shareholders' meeting. The Revised Corporate Governance Manual is uploaded on the website.<br><br>The election in the 2025 Annual Stockholders Meeting (ASM) of Ret. Chief Justice Artemio Panganiban and Pedro Emilio O. Roxas as the Company's Independent Directors for the ensuing year (ASM 2025 to ASM 2026) constitutes their 13th year of | |

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| | | being independent directors reckoned from 2012.<br><br>Nonetheless, in the 2025 Annual Stockholders Meeting, in compliance with the Company's Manual of Corporate Governance and the SEC Code of Corporate Governance, the Company opted to allow the re-nomination and election of Ret. Chief Justice Artemio Panganiban and Pedro Emilio O. Roxas as the Company's Independent Directors based on meritorious justification which was presented to, and approved by, the stockholders during said meeting. Ms. Lydia Echauz, on the other hand, is serving her second year as Independent Director of the Company.<br><br>***Meralco website (Independent Directors):***<br>*Board Matters (meralco.com.ph)*<br><br>***Revised Manual of Corporate Governance, Section 4.5.2, page 32-34:***<br>*mer.ph/CGManual2024*<br><br>***SEC Form 17-A Annual Report 2024, page 144***<br>*mer.ph/2024AR17A*<br><br>***SEC Form 17-A Annual Report, page 136***<br>*https://mer.ph/2025AR17A* | |

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| | | ***Definitive Information Statement 2025, page 46-48***<br>mer.ph/DIS2025 | |
| **Recommendation 5.4** | | | |
| 1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals. | Non-Compliant | Identify the company's Chairman of the Board and Chief Executive Officer | In 2025, Mr. Manuel V. Pangilinan served as the Company's Chairman and CEO. To ensure that the Chairman is able to exercise objective independent judgement on corporate affairs, the day-to-day operations of the Company are handled by the Company's COO and Chief Revenue Officer. Also, major shareholders were consulted in advance and reasons for delegation of both roles to a single person were set out to shareholders at the time of the appointment. Finally, a lead independent director was also designated to maintain independence of the Board from the management.<br><br>**2025 Amended General Information Sheet:**<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/2026-04/manila_electric_company_2025-gis-amended-6_sgd_r_no_botd_april_6_2026.pdf*<br><br>***Revised Manual of Corporate Governance, Section 4.5.3, page 34:***<br>*mer.ph/CGManual2024*<br><br>***SEC Form 17-A Annual Report, page 136,138-139***<br>*https://mer.ph/2025AR17A* |

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| 2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities. | Compliant | Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO.<br><br>The roles and responsibilities of the Chairman and the Chief Executive Officer are disclosed in the Revised Manual of Corporate Governance as well as in the By-Laws.<br><br>Link:<br>***Revised Manual of Corporate Governance, page 17 and 36:***<br>mer.ph/CGManual2024 | |
| **Recommendation 5.5** | | | |
| 1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors. | Compliant | Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.<br><br>Section 4.5.4 of the Revised Manual of Corporate Governance provides that the Board shall consider designating a lead director among the independent directors if the Chairman of the Board is not independent and if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.<br><br>Considering that the Chairman of the Board is not an independent director, the appointment of a Senior or Lead Independent Director was endorsed | |

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| | | to, and approved by, the Board of Directors. The Board subsequently appointed Independent Director (ID) Ret. Chief Justice Artemio V. Panganiban as the Lead Independent Director to serve as such until the next Lead ID is appointed.<br><br>***Annual Report***<br>*Annual Reports (meralco.com.ph)*<br><br>***SEC Form 17-A Annual Report, page 138-139***<br>*https://mer.ph/2025AR17A*<br><br>***Meralco website***<br>*Board Matters (meralco.com.ph)* | |
| **Recommendation 5.6** | | | |
| 1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction. | Compliant | Provide proof of abstention, if this was the case<br>The Company's Revised Code of Ethics in relation to Conflict of Interest Policy requires all its directors and officers to abstain and/or inhibit themselves from participating in discussions on a particular agenda when they are conflicted.<br><br>***Revised Code of Ethics, Section 5.4 (page 6-10):***<br>*https://mer.ph/COEthics*<br><br>Except with respect to the Related Party Transactions as discussed in Note 21 (Note 23) to the consolidated financial statements as at December 31, 2025, there was no transaction | |

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| | | involving MERALCO in which any of its directors or executive officers, any nominee for election as director, or security holder owning 10% or more of MERALCO's total outstanding shares and members of their immediate family had a material interest.<br><br>In 2025, the list of material RPTs in Note 21 does not include any transaction where a director has material interest that would affect the corporation and require his abstention.<br><br>***SEC Form 17-A Annual Report, Note 21/23 of the Notes to Consolidated Financial Statement, page 54-57 (page 269/390)***<br>https://mer.ph/2025AR17A | |
| **Recommendation 5.7** | | | |
| 1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present. | Compliant | Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.<br><br>The Audit Committee, which is composed of non-executive directors, undertakes executive sessions with the Chief Audit Executive (CAE) and the External Auditors without the presence of Management. The conduct of executive session with the external auditors and the chief audit executive at least once a year is provided for in the charter of the Audit Committee. | |
| 2. The meetings are chaired by the lead independent director. | Compliant | | |

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| | | On 04 December 2025, the Audit Committee held a separate executive session with the engagement partner of the external auditors, SGV. The agenda in these meetings involves matters the Audit Committee or the auditors believe should be discussed without the presence of the executive director or officers from management.<br><br>The meeting between the non-executive directors (NEDs) and the external auditor and heads of the internal audit, compliance and risk functions, in the absence of the executive director, were chaired by Ret. CJ Panganiban, the Company's lead independent director and Chairman of the Audit Committee.<br><br>***SEC Form 17-A Annual Report, page 145***<br>https://mer.ph/2025AR17A | |
| **Optional: Principle 5** | | | |
| 1. None of the directors is a former CEO of the company in the past 2 years. | Compliant | Provide name/s of company CEO for the past 2 years<br><br>Atty. Ray C. Espinosa was the President and CEO of the Company from May 2019 to May 2023.<br><br>Mr. Manuel V. Pangilinan took the role of CEO from May 30, 2023 but to ensure that the Chairman is able to exercise | |

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| | | objective independent judgement on corporate affairs, the day-to-day operations of the Company are handled by the Company's COO and Chief Revenue Officer. Also, major shareholders were consulted in advance and reasons for delegation of both roles to a single person were set out to shareholders at the time of the appointment. Finally, a lead independent director was also designated to maintain independence of the Board from the management.<br><br>**2024 Amended General Information Sheet:**<br>https://meralcomain.s3.ap-southeast-1.amazonaws.com/2024-11/manila_electric_company-2024-gis-amended_november_20_2024_redacted_no_botd.pdf<br><br>***2025 Amended General Information Sheet***<br>Cover Page<br><br>https://meralcomain.s3.ap-southeast-1.amazonaws.com/2026-01/manila_electric_company_2025-gis-amended-3_january_9_2026_r_no_botd.pdf<br><br>***Revised Manual of Corporate Governance, Section 4.5.3, page 34:***<br>mer.ph/CGManual2024<br><br>***SEC Form 17-A Annual Report, page 149***<br>mer.ph/2024AR17A<br>***SEC Form 17-A Annual Report 2025***<br>https://mer.ph/2025AR17A | |

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| **Principle 6:** The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies. | | | |
| **Recommendation 6.1** | | | |
| 1. Board conducts an annual self-assessment of its performance as a whole. | Compliant | Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees<br><br>The Board conducts an annual self-assessment of its performance as a whole, as well as individually, including its effectiveness as members of the various Board Committees. The Chairman likewise conducts a self-assessment of his performance. The results of these assessments are considered in enhancing the Board's overall effectiveness and the directors' performance in the discharge of their duties.<br><br>The Corporate Secretary hereby attests that the annual self-assessments were conducted from February 24 to March 13, 2025 for the 2024 Board and Chairman performance, and from February 23 to April 21, 2026 for the 2025 performance.<br><br>***Annual Report***<br><br>*Annual Reports (meralco.com.ph)*<br><br>***SEC Form 17-A Annual Report, page 142***<br>*https://mer.ph/2025AR17A*<br><br>***Meralco website:***<br>Board Matters (meralco.com.ph) | |
| 2. The Chairman conducts a self-assessment of his performance. | Compliant | | |
| 3. The individual members conduct a self-assessment of their performance. | Compliant | | |
| 4. Each committee conducts a self-assessment of its performance. | Compliant | | |

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| 5. Every three years, the assessments are supported by an external facilitator. | Compliant | Identify the external facilitator and provide proof of use of an external facilitator.<br><br>In 2026, the Company engaged the services of the Good Governance Advocates and Practitioners of the Philippines (GGAPP), an independent third-party governance organization, to support and facilitate the evaluation process for the 2025 Board, Board Committees, and Key Officers' performance assessment, ensuring an objective and comprehensive review.<br><br>A certification from GGAPP attesting to the conduct and results of the assessment is hereto attached as Annex A.<br><br>***SEC Form 17-A Annual Report, page 142***<br>https://mer.ph/2025AR17A | |
| **Recommendation 6.2** | | | |
| 1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees. | Compliant | Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders<br><br>The Board has in place a system for the annual evaluation of its performance, including that of individual directors, Board Committees, and Key Officers. The results of these assessments are used to enhance the effectiveness of the | |
| 2. The system allows for a feedback mechanism from the shareholders. | Compliant | | |

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| | | Board and its members in the discharge of their duties.<br>The Board conducted the performance assessment from February 24 to March 13, 2025 for the 2024 performance, and from February 23 to April 21, 2026 for the 2025 performance, using standardized assessment tools with defined criteria and processes, as follows:<br><br>1. **Collective Board Assessment** – Each director evaluates the performance of the Board as a whole based on criteria such as: (a) Board composition; (b) Board efficiency and performance; and (c) Board meetings and participation.<br>2. **Individual Director Self-Assessment** – Each director conducts a self-evaluation of his or her performance for the preceding year.<br>3. **Board Committee Assessment** – Each director assesses the overall performance of the Board Committees, as well as each committee individually, based on their respective Charters. | |

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| | | 4. **Key Officers' Assessment** – Each director evaluates the performance of the President and CEO, Chief Compliance Officer, Chief Risk Officer, and Chief Audit Executive. The Chairman also conducts a self-assessment of his performance.<br><br>The Company also provides mechanisms for shareholder feedback through its investor relations channels, disclosures, and stakeholder engagement activities, which are considered as part of the Board's continuous improvement process.<br><br>The Company Website, has a section, "Contact Us" that can be used by all stakeholders, including shareholders, in sending feedback, complaints or inquiries: *https://company.meralco.com.ph/investor-relations/shareholders-information*<br><br>It also provides the contact information of Corporate Compliance (formerly Stockholder Affairs) as well as the Stock Transfer Agent: | |

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| | | **Corporate Compliance (formerly Stockholder Affairs)** G/F, Lopez Building, Meralco Center, Ortigas Avenue, Brgy. Ugong, Pasig City, 1605 Philippines<br><br>**Tel. No.:**<br>**COMMON:** (632) 8632-8884, (632) 8632-8883, (632) 8632-8765<br>**PREFERRED:** (632) 8632-8616, (632) 81622-2183<br><br>**Fax No.:** (632) 632-8885<br>**E-mail:**<br>corporate.compliance@meralco.com.ph<br><br>**TRANSFER AGENT**<br>RCBC Stock Transfer, G/F Grepalife Building 221 Sen. Gil Puyat Avenue corner Pasong Tamo St., Makati City<br>**E-mail:** rcbcstocktransfer@rcbc.com<br>Links:<br>***Annual Report***<br>Annual Reports (meralco.com.ph)<br><br>***SEC Form 17-A Annual Report, page 142***<br>https://mer.ph/2025AR17A | |
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| **Principle 7:** Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders. | | | |
| **Recommendation 7.1** | | | |
| 1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in | Compliant | Provide information on or link/reference to the company's Code of Business Conduct and Ethics.<br>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.<br>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed. | |

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| internal and external dealings of the company. | | The Company adopts a Code of Business Conduct and Ethics (Revised Code of Ethics), which sets out the ethical values, principles, and behavioral standards that all directors, officers, and employees are required to uphold in the performance of their respective duties and responsibilities. The Revised Code of Ethics likewise defines the standards of conduct expected in their relationships with one another and in dealing with stakeholders, including customers, suppliers, business partners, competitors, government agencies, regulators, creditors, stockholders, and the general public.<br><br>The Revised Code of Ethics is accessible to all stakeholders through the Company's website: *https://mer.ph/COEthics*<br><br>Copies of the Revised Code of Ethics are disseminated to all directors, officers, and employees and are made readily available through the Company's internal platform (MyHRExpress facility). The Code is also discussed during onboarding and orientation programs, as well as in periodic trainings and seminars, to reinforce awareness and compliance. | |
| 2. The Code is properly disseminated to the Board, senior management and employees. | Compliant | | |
| 3. The Code is disclosed and made available to the public through the company website. | Compliant | | |

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| | | **SEC Form 17-A Annual Report, page 154**<br>https://mer.ph/2025AR17A<br><br>**Annual Report,**<br>Annual Reports (meralco.com.ph) | |
| **Supplement to Recommendation 7.1** | | | |
| 1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes. | Compliant | Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery<br><br>The Company has in place a comprehensive Anti-Bribery and Corruption Policy and Program, formally approved by the Board on February 26, 2018, which establishes standards and procedures to prevent, detect, and address bribery and corruption. The policy strictly prohibits the offering, giving, solicitation, or acceptance of bribes and other forms of improper advantage.<br><br>**Anti-Bribery and Corruption Policy:** The principles and prohibitions under the Anti-Bribery and Corruption Policy are further reinforced in Section 5.1.3 of the Revised Code of Ethics, which expressly prohibits direct or indirect bribery or corruption involving government officials or private entities to obtain any undue benefit or advantage. | |

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| | | The Company's commitment to curbing and penalizing bribery is strengthened through related governance policies, including:<br><br>**a. Conflict of Interest Policy** – Requires all Directors, Officers, and Employees to uphold the highest standards of fairness, accountability, transparency, and integrity, and to avoid situations involving actual or potential conflicts between personal and Company interests.<br>**b. Policy on Solicitation and Acceptance of Gifts** – Prohibits Directors, Officers, and Employees from soliciting or accepting gifts or benefits that may influence, or be perceived to influence, the objective and impartial performance of their duties.<br><br>**c. Vendors Code of Business Conduct and Ethics** – Requires suppliers to comply with all applicable anti-bribery and corruption laws and prohibits any form of bribery, kickbacks, corruption, extortion, or embezzlement in dealings with the Company. | |

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| | | Violations of these policies are subject to disciplinary action in accordance with the Company's Code on Right Employee Conduct. These policies are publicly disclosed and accessible through the Company's website<br><br>***Code of Business Conduct and Ethics***<br>*https://mer.ph/COEthics*<br><br>***Conflict of Interest Policy***<br>*https://mer.ph/COI2012*<br><br>***Anti-Bribery and Corruption Policy***<br>*Anti-Bribery and Corruption Policy.pdf*<br><br>***Policy on Solicitation and Acceptance of Gifts***<br>*Policy on Solicitation and Acceptance of Gifts 0.pdf*<br><br>***Vendors Code of Business Conduct and Ethics***<br>*mer.ph/VendorCOBCE2023*<br><br>*Other Policies*<br>*https://company.meralco.com.ph/corporate-governance/other-policies* | |
| **Recommendation 7.2** | | | |
| 1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics. | Compliant | Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.<br><br>The Company ensures the effective implementation and monitoring of compliance with its Code of Business Conduct and Ethics (Code of Ethics) through established governance | |
| 2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies. | Compliant | | |

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| | | structures, processes, and internal controls.<br><br>The Board, through the Nomination and Governance Committee and the Corporate Governance Office, oversees the implementation and monitoring of corporate governance policies, including the Code of Ethics. These functions include establishing the processes by which such policies are implemented, monitored, and periodically reviewed. Regular reports on compliance and governance matters are submitted to the Nomination and Governance Committee and elevated to the Board, as appropriate.<br><br>The Revised Code of Ethics provides specific guidelines on compliance, implementation, and monitoring mechanisms.<br><br>In addition, the Company's Internal Audit Office independently assesses compliance with the Code of Ethics and other corporate governance-related policies, including required disclosures. The results of these audits are reported to the Audit Committee, which in turn endorses significant matters to the Board for appropriate action and direction. | |

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| | | These implementation and monitoring processes are disclosed in the Company's Annual Report, and relevant policies are made publicly accessible through the Company's website.<br><br>***Annual Report***<br>*Annual Reports (meralco.com.ph)*<br><br>***SEC Form 17-A Annual Report, page 154***<br>*msrd_manila_electric_company_2025_17-a_report_and_sustainability_report_0.pdf*<br><br>**Meralco website:**<br>*Other Policies (meralco.com.ph)*<br>*Internal Controls and Audit* | |
| **Disclosure and Transparency** | | | |
| **Principle 8:** The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations. | | | |
| **Recommendation 8.1** | | | |
| 1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations. | Compliant | Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders<br><br>The Company consistently ensures full and timely compliance with the disclosure and reportorial requirements of the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), and other relevant regulatory bodies. It upholds the principles of transparency, fairness, and accountability by providing accurate, | |

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| | | timely, and complete disclosures of all material information, while safeguarding the rights and interests of minority shareholders.<br><br>The Company regularly discloses its quarterly and annual financial results through the SEC, and PSE to enable shareholders, investors, and the public to make a balanced and informed assessment of the Company's performance, financial condition, and future prospects.<br><br>These disclosures, along with other corporate filings and governance-related information, are readily accessible through the Company's website.<br><br>The Company's commitment to compliance and transparency is reinforced under Section 5.1 of the Revised Code of Ethics, which requires all directors, officers, and employees to adhere to applicable laws, rules, and regulations, as well as the Company's internal policies and procedures in the conduct of business.<br><br>***Annual Report***<br>*Annual Reports (meralco.com.ph)*<br><br>***SEC Form 17-A Annual Report, page 132***<br>*https://mer.ph/2025AR17A* | |

| Supplement to Recommendations 8.1 | | | |
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| 1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period. | Compliant | Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.<br><br>Company distributes or makes available annual consolidated reports, cash flow statements, and special audit revisions.<br><br>The Company's 2025 Audited Consolidated Financial Statements were released on March 1, 2026 sixty (60) days after financial year-end.<br><br>***2025 Audited Consolidated Financial Statements:***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/2026-03/manila_electric_company_2025cafs_signed_pse.pdf*<br><br>2025 Quarterly reports are likewise disclosed and published within forty-five (45) days from reporting period.<br><br>**Company Website:**<br>*Quarterly Financial and Operating Reports*<br><br>*SEC and PSE Filings (meralco.com.ph)*<br><br>*Audited Financial Statements* | |
| 2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; | Compliant | Provide link or reference to the company's annual report where the following are disclosed: 1) principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2) cross-holdings among company affiliates; and 3) any imbalances between the controlling shareholders' voting power and overall equity position in the company. | |

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| and any imbalances between the controlling shareholders' voting power and overall equity position in the company. | | The Company discloses in its Annual Report and regulatory filings information on its ownership structure, including the identity of its principal shareholders and the degree of ownership concentration. As of the reporting period, the majority of the Company's shares are held by principal and strategic shareholders, while the remaining shares are publicly held.<br>The Company recognizes the potential risks to minority shareholders that may arise from ownership concentration; however, these risks are mitigated through strong corporate governance policies, including the equitable treatment of all shareholders, full and timely disclosure of material information, and the requirement that related party transactions be conducted on an arm's length basis and subject to Board and Committee oversight.<br><br>The Company does not have a complex ownership structure. There are no cross-holdings or pyramid structures among its affiliates, and ownership arrangements are straightforward and transparent.<br><br>The Company likewise ensures that there is no imbalance between | |

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| | | controlling shareholders' voting power and their equity ownership.<br><br>***SEC Form 17-A Annual Report***<br>*https://mer.ph/2025AR17A*<br><br>***2026 Preliminary Information Statement - Schedule I: Map Showing the Relationships among the Companies within the Group (Conglomerate Map), page 383-384***<br>*https://mer.ph/PIS2026*<br><br>***Company Website - Annual Reports***<br>*https://company.meralco.com.ph/investor-relations/annual-reports*<br><br>***List of Top 100 Stockholders as at December 31, 2025***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/2026-01/manila_electric_company_top_100_stockholders_31_december_2025.pdf*<br><br>***MER Public Ownership Report December 2025***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2026-01/manila_electric_company_public_ownership_report_summary_as_of_31_dec_2025.pdf*<br><br>***Company Website – Disclosures***<br>*https://company.meralco.com.ph/company-disclosures/sec-filings* | |
| **Recommendation 8.2** | | | |
| 1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days. | Compliant | Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.<br>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction. | |

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| 2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days. | Compliant | The Company adopts an Insider Trading Policy which governs the trading of the Company's shares by directors, officers, and employees with access to material non-public information, in order to promote transparency, accountability, and compliance with corporate governance standards. The Policy took effect on July 16, 2010 and was last amended on July 28, 2025.<br><br>Under this Policy and in compliance with applicable regulatory requirements, directors and officers are required to disclose to the Philippine Stock Exchange (PSE) any acquisition, disposal, or change in their beneficial ownership of the Company's shares **within two (2) trading days from the date of transaction**. The Company ensures that such reporting obligations are observed to maintain timely and accurate disclosure of dealings in its securities.<br><br>The Company likewise discloses such dealings in its regulatory filings, including the SEC Form 17-A Annual Report and the Definitive Information Statement, where the beneficial ownership and any changes therein of directors and officers are reported. | |

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| | | During the reporting period, any dealings of directors involving the Company's shares, including the nature of the transaction, number of shares, percentage ownership, and date of transaction, are disclosed in the Company's filings with the SEC and PSE.<br><br>***SEC Form 17-A Annual Report, page 128-131***<br>*https://mer.ph/2025AR17A*<br><br>***2026 Preliminary Information Statement***<br>*https://mer.ph/PIS2026*<br><br>***Company Website - Annual Reports***<br>*https://company.meralco.com.ph/investor-relations/annual-reports*<br><br>***Company Website – Disclosures***<br>*https://company.meralco.com.ph/company-disclosures/sec-filings* | |
| **Supplement to Recommendation 8.2** | | | |
| 1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program). | Compliant | Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders. Provide link or reference to the company's Conglomerate Map.<br><br>The Company discloses the shareholdings of directors, management, and top 100 shareholders in its Annual Report and in the Company website while the changes in the beneficial ownership of directors, officers (or persons performing similar functions) and controlling shareholders resulting from the trading | |

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| | | of Company shares are regularly posted in the Company Website.<br><br>The company's Conglomerate Map is published in the Annual Report as well as in the Information Statements.<br><br>***SEC Form 17-A Annual Report, page 128-131***<br>*https://mer.ph/2025AR17A*<br><br>***2026 Preliminary Information Statement - Schedule I: Map Showing the Relationships among the Companies within the Group (Conglomerate Map), page 383-384***<br>*https://mer.ph/PIS2026*<br><br>***Company Website - Annual Reports***<br>https://company.meralco.com.ph/investor-relations/annual-reports<br><br>***List of Top 100 Stockholders as at December 31, 2025***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/2026-01/manila_electric_company_top_100_stockholders_31_december_2025.pdf*<br><br>***MER Public Ownership Report December 2025***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2026-01/manila_electric_company_public_ownership_report_summary_as_of_31_dec_2025.pdf*<br><br>***Company Website – Disclosures***<br>*https://company.meralco.com.ph/company-disclosures/sec-filings* | |
| **Recommendation 8.3** | | | |

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| 1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment. | Compliant | Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.<br><br>The Board discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment. The profiles of directors are made available through the Company's Annual Report, Information Statement, and the Company Website.<br><br>***SEC Form 17-A Annual Report***<br>*https://mer.ph/2025AR17A*<br><br>***2026 Preliminary Information Statement***<br>*https://mer.ph/PIS2026*<br><br>***Company Website - Annual Reports***<br>*https://company.meralco.com.ph/investor-relations/annual-reports*<br><br>***Company Website – Board of Directors***<br>*https://company.meralco.com.ph/corporate-governance/board-directors* | |
| 2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment. | Compliant | Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.<br><br>Relevant and material information on key executives are disclosed in the Company's Annual Report, Information Statement, and the | |

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| | | Company Website.<br><br>***SEC Form 17-A Annual Report***<br>*https://mer.ph/2025AR17A*<br><br>***2026 Preliminary Information Statement***<br>*https://mer.ph/PIS2026*<br><br>***Company Website - Annual Reports***<br>*https://company.meralco.com.ph/investor-relations/annual-reports*<br><br>***Company Website – Management Team and Executive Officers***<br>*https://company.meralco.com.ph/corporate-governance/management-team-and-executive* | |
| **Recommendation 8.4** | | | |
| 1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same. | Compliant | Disclose or provide link/reference to the company policy and practice for setting board remuneration<br><br>The Company discloses its policies and procedures governing Board remuneration, including the structure, level, and mix of compensation in its Annual Report.<br><br>Directors receive a combination of fixed and variable remuneration, primarily in the form of per diem allowances for attendance at Board and Board Committee meetings, as well as additional remuneration, which may include fixed retainers, bonuses, or stock grants, subject to approval by the Board and | |

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| | | shareholders. The total value of such additional compensation, in whatever form, shall not exceed one percent (1%) of the Company's income before tax during the preceding year.<br><br>The Company's remuneration framework is designed to recognize the significant responsibilities of directors and to align their interests with the long-term success and performance of the Company, while ensuring that compensation remains competitive and promotes accountability and value creation.<br><br>As disclosed in the Annual Report, effective 2025, each director is entitled to a per diem allowance of PhP200,000 for every Board meeting attended and PhP50,000 for every Board Committee meeting attended. The aggregate remuneration of directors is likewise disclosed in the Annual Report in compliance with regulatory requirements.<br><br>***SEC Form 17-A Annual Report, page 126-127, 141***<br>*https://mer.ph/2025AR17A* | |
| 2. Company provides a clear disclosure of its policies and procedure for setting | Compliant | Disclose or provide link/reference to the company policy and practice for determining executive remuneration | |

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| executive remuneration, including the level and mix of the same. | | 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 Board's Remuneration and Leadership Development Committee (RLDC).<br><br>The Company compensates employees, including the Senior Management and executives, based on Company, team, and individual performance to help achieve corporate goals and targets. The Company provides for assessment that account for performance beyond short-term financial measures.<br><br>It also provides for short-term incentives through variable pay, such as Annual Performance-Based Bonuses (*APB*) and Variable Incentive Plan (VIP), to reward individual and team performance that contribute to the achievement of corporate goals and objectives. | |

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| | | Long-term incentives include additional compensation conditioned on Meralco's achievement of specified level of consolidated core net income approved by the Board and determined on an aggregate basis for a three-year period as well as executives' attainment of a minimum level of performance rating.<br><br>***SEC Form 17-A Annual Report, page 126-127, 141***<br>https://mer.ph/2025AR17A | |
| 3. Company discloses the remuneration on an individual basis, including termination and retirement provisions. | Compliant | Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.<br><br>The remunerations of directors and executives are disclosed in the Annual Report, including Board remuneration on an individual basis. | |

| | Remuneration for Board Meetings Attended in 2025 | Remuneration for Committee Meetings Attended in 2025 | TOTAL |
|---|---|---|---|
| **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 |
| **TOTAL NON-EXECUTIVE DIRECTORS** | **15,680,000** | **4,472,000** | **20,152,000** |
| **INDEPENDENT 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 INDEPENDENT DIRECTORS** | **6,720,000** | **2,370,000** | **9,090,000** |
| **GRAND TOTAL** | **₱24,440,000** | **₱7,064,000** | **₱31,504,000** |

<table>
<tr><td></td><td></td><td>The aggregate annual compensation for the last two fiscal years and projected compensation for the ensuing year of the company's CEO and four most highly compensated executive officers, as a group, and all other key officers, other officers, and directors, as a group, are as follows:<br><br><table><tr><th rowspan="2">NAME</th><th rowspan="2">YEAR</th><th>SALARIES[1]</th><th>BONUS[2]</th><th>OTHER ANNUAL COMPENSATION[3]</th></tr><tr><th colspan="3">Amounts in Millions PhP</th></tr><tr><td rowspan="3">Chief Executive Officer (CEO) and four (4) most highly compensated executive officers[4]</td><td>Projected 2026</td><td>173</td><td>560</td><td>25</td></tr><tr><td>2025</td><td>172</td><td>167</td><td>21</td></tr><tr><td>2024</td><td>142</td><td>101</td><td>16</td></tr><tr><td rowspan="3">All other key officers, other officers, and directors as a group (excluding the CEO and four most highly compensated executive officers)</td><td>Projected 2026</td><td>444</td><td>886</td><td>54</td></tr><tr><td>2025</td><td>405</td><td>272</td><td>50</td></tr><tr><td>2024</td><td>347</td><td>194</td><td>42</td></tr></table><br>SEC Form 17-A Annual Report, page 126-127<br>msrd_manila_electric_company_2025_17-a_report_and_sustainability_report_0.pdf</td><td></td></tr>
<tr><td colspan="4">Recommendation 8.5</td></tr>
<tr><td>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</td><td>Compliant</td><td>Disclose or provide reference/link to company's RPT policies. Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.<br><br>The Company has in place a Related Party Transactions (RPT) Policy which ensures that all transactions with related parties are conducted on fair, reasonable, and arm's length terms.</td><td></td></tr>
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| | | The Policy provides for the review and approval of material or significant RPTs by the Related Party Transactions (RPT) Committee to ensure that such transactions are in the best interest of the Company and its stakeholders.<br><br>This RPT Policy is aligned with and supported by the provisions of the Company's Revised Manual of Corporate Governance, which sets out the overall governance framework for the identification, review, approval, and disclosure of related party transactions and other unusual or infrequently occurring transactions. Both the RPT Policy and the Revised Manual of Corporate Governance are publicly disclosed and accessible through the Company's website.<br><br>In addition, the Company discloses its related party transactions in Note 23 of the Notes to the Consolidated Financial Statements in its Annual Report, providing transparency on the nature, terms, and balances of transactions entered into with related parties. | |

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| | | During the reporting period, the Company did not have any material related party transaction involving directors, executive officers, or substantial shareholders that would give rise to a material conflict of interest or require special disclosure beyond those reported in the Notes to the Consolidated Financial Statements.<br><br>***SEC Form 17-A Annual Report, page 149, 268-271***<br>*https://mer.ph/2025AR17A*<br><br>***Revised Manual of Corporate Governance 2024***<br>*[Sgd] MANUAL OF CORPORATE GOVERNANCE_v2024.pdf*<br><br>***Related Party Transactions Policy***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/RPT%20Policy%202026_for%20upload.pdf* | |
| 2. Company discloses material or significant RPTs reviewed and approved during the year. | Compliant | Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:<br>1. name of the related counterparty;<br>2. relationship with the party;<br>3. transaction date;<br>4. type/nature of transaction;<br>5. amount or contract price;<br>6. terms of the transaction;<br>7. rationale for entering into the transaction;<br>8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and<br>9. other terms and conditions<br><br>Note 23 of the Consolidated Financial Statement of the Company discloses the RPTs involving the Company including details of each | |

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| | | material/significant RPT.<br><br>***SEC Form 17-A Annual Report, page 268-271***<br>https://mer.ph/2025AR17A<br><br>***2026 Preliminary Information Statement***<br>https://mer.ph/PIS2026 | |
| **Supplement to Recommendation 8.5** | | | |
| 1. Company requires directors to disclose their interests in transactions or any other conflict of interests. | Compliant | Indicate where and when directors disclose their interests in transactions or any other conflict of interests.<br><br>The Company's Conflict of Interest Policy requires directors and officers to annually sign and submit a Full Business Interest Disclosure form not later than January 31 of each year detailing all their material transactions or conflict of interest situations. Also, as soon as a director, officer, or employee becomes aware of an actual or potential conflict of interest situation where he is involved in, he must disclose this in writing to the appropriate Clearance Authority to seek clearance or advice within fifteen (15) days from occurrence thereof.<br><br>***Conflict of Interest Policy:***<br>https://mer.ph/COI2012 | |
| **Optional : Recommendation 8.5** | | | |

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| 1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length. | Compliant | Provide link or reference where this is disclosed, if any<br><br>The Annual Report provides a categorical disclosure that RPTs are conducted in such a way to ensure that they are fair and at arms' length.<br><br>In 2025, all RPTs of the Company were conducted in such a way to ensure that they are fair and at arms' length.<br><br>***SEC Form 17-A Annual Report, page 149***<br>*msrd_manila_electric_company_2025_17-a_report_and_sustainability_report_0.pdf*<br><br>***Annual Report***<br>*Annual Reports (meralco.com.ph)*<br><br>***Meralco website (RPT Committee):***<br>*Board Committees (meralco.com.ph)* | |
| **Recommendation 8.6** | | | |
| 1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. | Compliant | Provide link or reference where this is disclosed<br><br>The Company ensures full, fair, accurate, and timely disclosure of all material facts and events that may affect its operations or the interests of shareholders and other stakeholders, in compliance with the disclosure requirements of the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), and Philippine Dealing & Exchange Corp. (PDEx). | |

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| | | Material transactions, including investments, acquisitions, and other significant business developments, are disclosed through appropriate regulatory filings such as the Annual Report (SEC Form 17-A), current reports, and other required submissions. The Company also provides detailed discussions on material developments, investments, and business activities in its Annual Report to enable stakeholders to make informed decisions.<br><br>These disclosures form part of the Company's commitment to transparency, accountability, and the protection of shareholder and stakeholder interests.<br><br>***Company Website – Disclosures***<br><br>*https://company.meralco.com.ph/company-disclosures/sec-filings*<br><br>***SEC Form 17-A Annual Report***<br>*msrd_manila_electric_company_2025_17-a_report_and_sustainability_report_0.pdf*<br><br>***2026 Preliminary Information Statement***<br>*https://mer.ph/PIS2026* | |
| 2. Board appoints an independent party to evaluate the fairness of the transaction | Compliant | Identify independent party appointed to evaluate the fairness of the transaction price. Disclose the rules and procedures for evaluating the fairness of the transaction price, if any. | |

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| price on the acquisition or disposal of assets. | | In cases involving the acquisition of corporate control in the capital markets and other extraordinary transactions such as mergers or the sale of substantial portions of corporate assets, the Company, through its Board of Directors, shall appoint an independent third party, such as a financial adviser or valuation expert, to evaluate the fairness and reasonableness of the transaction terms, including the transaction price.<br><br>The Company follows established governance processes and applicable regulatory requirements to ensure that such transactions are conducted on an arm's length basis, supported by appropriate due diligence and valuation methodologies. These processes are subject to oversight by the Board and relevant committees and are aligned with the Company's policies on related party transactions and major investments.<br><br>During the reporting period, while the Company undertook certain investment and acquisition activities, including equity investments and business expansions, **the Company did not have any transaction involving the acquisition or disposal of substantial** | |

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| | | **assets or corporate control that required the appointment of an independent party to provide a fairness opinion.**<br><br>Notwithstanding, the Company maintains the policy and procedures to engage independent parties, as necessary, to ensure that material transactions are fair, reasonable, and in the best interest of the Company and its stakeholders.<br>***SEC Form 17-A Annual Report***<br>*msrd_manila_electric_company_2025_17-a_report_and_sustainability_report_0.pdf*<br><br>***2026 Preliminary Information Statement***<br>*https://mer.ph/PIS2026* | |
| **Supplement to Recommendation 8.6** | | | |
| 1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company. | Compliant | Provide link or reference where these are disclosed.<br>It is the policy of the Company to disclose the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company. Disclosure shall be made to the SEC which will be published in the Company Website:<br>*SEC and PSE Filings (meralco.com.ph)*<br><br>In 2025, the Company has no such agreements to disclose. | |

| Recommendation 8.7 | | | |
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| 1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG). | Compliant | Provide link to the company's website where the Manual on Corporate Governance is posted.<br><br>The Revised Manual of Corporate Governance contains the company's corporate governance policies, programs and procedures and complies with the SEC Code of Corporate Governance under SEC Memorandum Circulars No. 2 Series of 2002, No. 6 Series of 2009, No. 9 Series of 2014, and No. 19 Series of 2016. The Corporate Governance Manual was last amended by the Board on July 29, 2024.<br><br>***Submission to the SEC:***<br>https://meralcomain.s3.ap-southeast-1.amazonaws.com/2024-08/msrd_meralco_secform17-c_listing_of_treasury_shares_and_amendment_of_cg_manual.pdf<br><br>***Submission to the PSE:***<br>https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=118#viewer<br><br>***Revised Manual of Corporate Governance***<br>*mer.ph/CGManual2024*<br><br>***Company Website – Revised Manual of Corporate Governance***<br>*https://company.meralco.com.ph/corporate-governance/revised-manual-corporate-governance* | |
| 2. Company's MCG is submitted to the SEC and PSE. | Compliant | | |
| 3. Company's MCG is posted on its company website. | Compliant | | |

| Supplement to Recommendation 8.7 | | | |
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| 1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices. | Compliant | Provide proof of submission.<br><br>The Revised Manual of Corporate Governance complies with the SEC Code of Corporate Governance under SEC Memorandum Circulars No. 2 Series of 2002, No. 6 Series of 2009, No. 9 Series of 2014, and No. 19 Series of 2016. The Corporate Governance Manual was last amended by the Board on July 29, 2024.<br><br>***Submission to the SEC:***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/2024-08/msrd_meralco_secform17-c_listing_of_treasury_shares_and_amendment_of_cg_manual.pdf*<br><br>***Submission to the PSE:***<br>*https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=118#viewer*<br><br>***Revised Manual of Corporate Governance***<br>*mer.ph/CGManual2024* | |
| **Optional: Principle 8** | | | |
| 1. Does the company's Annual Report disclose the following information: | | Provide link or reference to the company's Annual Report containing the said information.<br><br>The Company discloses in its Annual Report comprehensive information relating to its corporate governance, performance, and Board composition. | |
| a. Corporate Objectives | Compliant | | |
| b. Financial performance indicators | Compliant | | |

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| c. Non-financial performance indicators | Compliant | **a. Corporate Objectives** – The Company's corporate objectives and strategic direction are presented in the Annual Report, including its operational overview, business strategy, and value creation framework. (Page 143)<br><br>**b. Financial Performance Indicators** – The Annual Report provides detailed financial performance indicators, including revenue, net income, earnings per share, return on equity, asset turnover, and other key financial metrics. (Page 144)<br><br>**c. Non-Financial Performance Indicators** – The Company discloses non-financial performance indicators, including operational data (e.g., customer base, electricity sales volume), sustainability metrics, environmental compliance, safety performance, and employee-related data. (Page 144)<br><br>**d. Dividend Policy** – The Company discloses its dividend policy, including the regular payment of dividends equivalent to at least fifty percent (50%) of consolidated core net income, subject to Board approval and availability of unrestricted retained earnings. (Page 149-150) | |
| d. Dividend Policy | Compliant | | |
| e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors | Compliant | | |
| f. Attendance details of each director in all directors meetings held during the year | Compliant | | |
| g. Total remuneration of each member of the board of directors | Compliant | | |

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| | | **e. Biographical Details of Directors** – The Annual Report provides the biographical profiles of all directors, including their age, academic qualifications, date of first appointment, relevant experience, and directorships in other listed companies. (Page 86-97)<br><br>**f. Attendance of Directors** – The Company discloses the attendance record of each director in Board and Committee meetings during the year, demonstrating active participation and engagement in governance matters. (Page 123-124)<br><br>**g. Total Remuneration of Directors** – The Annual Report discloses the total remuneration of the members of the Board, including per diems and other compensation, in accordance with regulatory requirements and corporate governance standards. (Page 126-127)<br><br>***SEC Form 17-A Annual Report***<br>*msrd_manila_electric_company_2025_17-a_report_and_sustainability_report_0.pdf*<br><br>***2026 Preliminary Information Statement***<br>*https://mer.ph/PIS2026*<br><br>***Company Website - Annual Reports***<br>*https://company.meralco.com.ph/investor-relations/annual-reports* | |

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| 2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue. | Compliant | Provide link or reference to where this is contained in the Annual Report<br><br>The Company confirms in its Annual Report its full compliance with the Code of Corporate Governance and the provisions of its Manual of Corporate Governance. The Compliance Officer has certified that the Company has adhered to all governance requirements and has not deviated from the prescribed standards during the year.<br><br>The Company likewise continues to align its governance practices with the ASEAN Corporate Governance Scorecard and was recognized with the Four Golden Arrows award, reflecting its strong compliance with corporate governance principles.<br><br>***SEC Form 17-A Annual Report, page 132-157***<br>*msrd_manila_electric_company_2025_17-a_report_and_sustainability_report_0.pdf*<br><br>***Certificate of Compliance to Corporate Governance Manual***<br>*manila_electric_company_sc-2025_compliance_to_cg_manual_sgd_redacted.pdf*<br><br>***2026 Preliminary Information Statement***<br>*https://mer.ph/PIS2026*<br><br>***Company Website - Annual Reports*** | |

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| | | *https://company.meralco.com.ph/investor-relations/annual-reports* | |
| 3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems. | Compliant | Provide link or reference to where this is contained in the Annual Report<br><br>The Company discloses in its Annual Report that the Board of Directors conducts a regular and annual review of the Company's material controls, including operational, financial, and compliance controls, as well as its risk management systems. These reviews form part of the Board's oversight responsibilities to ensure that an effective system of internal controls and enterprise risk management is in place across the organization.<br><br>The Company's internal control and risk management framework is supported by structured processes such as the Risk and Control Self-Assessment (RCSA), risk-based internal audit activities, and periodic enterprise-wide risk assessments, with results reported to the Board through its relevant committees.<br><br>***SEC Form 17-A Annual Report, page 147-148***<br>*msrd_manila_electric_company_2025_17-a_report_and_sustainability_report_0.pdf*<br><br>***2026 Preliminary Information Statement***<br>*https://mer.ph/PIS2026*<br><br>***Company Website - Annual Reports*** | |

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| | | *https://company.meralco.com.ph/investor-relations/annual-reports* | |
| 4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems. | Compliant | Provide link or reference to where this is contained in the Annual Report<br><br>The Audit Committee, on behalf of the Board of Directors, reviews and provides oversight on the adequacy and effectiveness of the Company's internal control systems and risk management framework. Based on these reviews, the Company discloses that its internal controls and risk management systems are in place and are functioning effectively as of the end of the reporting period.<br><br>The Internal Audit function, led by the Chief Audit Executive, conducts independent assessments of governance, risk management, and control processes, with results reported to the Audit Committee. The Committee also oversees the external audit process and confirms that no material weaknesses or significant deficiencies were identified that remain unaddressed.<br><br>***SEC Form 17-A Annual Report, page 145-146***<br>*msrd_manila_electric_company_2025_17-a_report_and_sustainability_report_0.pdf*<br><br>***Confirmation Statement on Internal Controls***<br>*2025_confirmation_of_internal_controls_-_website_redacted.pdf* | |

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| | | ***2026 Preliminary Information Statement***<br>***https://mer.ph/PIS2026***<br><br>***Company Website - Annual Reports***<br>https://company.meralco.com.ph/investor-relations/annual-reports | |
| 5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic). | Compliant | Provide link or reference to where these are contained in the Annual Report<br><br>The Company discloses in its Annual Report the key risks to which it is materially exposed, covering financial, operational, economic, and market-related risks. These risk factors are identified to provide shareholders, investors, and other stakeholders with a clear and balanced understanding of the material risks that may affect the Company's financial position, results of operations, and overall business performance.<br><br>As disclosed in the Annual Report, the significant risk factors affecting the Company include, among others: regulatory decisions affecting distribution utilities' tariffs; recovery of development investments, new businesses, and significant capital expenditures; sales volume and prevailing Philippine economic conditions; power supply and demand management; and competition and market-related risks. | |

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| | | These risks are discussed in detail in the Risk Factors section of the Company's Annual Report and are periodically reviewed and monitored as part of the Company's enterprise risk management and governance processes.<br><br>***SEC Form 17-A Annual Report, page 67***<br>*msrd_manila_electric_company_2025_17-a_report_and_sustainability_report_0.pdf*<br><br>***2026 Preliminary Information Statement***<br>*https://mer.ph/PIS2026*<br><br>***Company Website - Annual Reports***<br>*https://company.meralco.com.ph/investor-relations/annual-reports* | |
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| **Principle 9:** The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality. | | | |
| **Recommendation 9.1** | | | |
| 1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors. | Compliant | Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.<br><br>Included in the primary responsibility of the Audit Committee is the recommendation on the appointment or replacement of the External Auditor based on the results of their review of their performance. It is also their responsibility to review and approve the fees of the external auditors. The same is disclosed in the | |

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| | | Annual Report and Audit Committee Charter.<br><br>***SEC Form 17-A Annual Report, page 151***<br>*mer.ph/2025AR17A*<br><br>***Audit Committee Charter***<br>*mer.ph/AuditComCharter2024*<br><br>***Audit Committee Charter (2026):***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/MER_Audit%20Committee%20Charter_v2026.pdf* | |
| 2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders. | Compliant | Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.<br><br>The Audit Committee recommends to the Board for approval, the appointment, reappointment, removal of the external auditors, duly accredited by the SEC, and ratified by the Shareholders.<br><br>Link: Audit Committee Charter, Article C, Section 2.10, page 3:<br>*mer.ph/AuditComCharter2024*<br><br>***Audit Committee Charter:***<br>*Mer.ph/AuditComCharter2024*<br><br>***Audit Committee Charter (2026):***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-* | |

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| | | documents/MER_Audit%20Committee%20Charter_v2026.pdf<br><br>In 2025, the Company's external auditors, SyCip Gorres Velayo & Co. (SGV), were evaluated, nominated, and recommended for appointment including their audit fees by the AuditCom and Risk Management Committee, and such recommendation was approved by the Board. The re-appointment of SGV was thereafter confirmed by the 907,778,111 shareholders vote in the Annual Stockholders' Meeting (ASM) held on May 27, 2025 or 80.54% of the total outstanding shares. The same is disclosed in the 2025 Annual Stockholders' Meeting (ASM) Voting Results per Resolution.<br><br>Meralco's external auditors for 2025-2026, tasked with the preparation of the annual audited financial statements, will be appointed by the Stockholders. This is upon favorable recommendation by the Audit Committee. Below is the text of the proposed resolution: "RESOLVED, that SGV & Company, Certified Public Accountants, be, as they hereby are, | |

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| | | re-appointed as external auditors of the Company for the year 2025-2026."<br><br>Resolution 7. Appointment of External Auditors<br><br>**Count** / **%**<br>**Approve** 907,778,111 80.54%<br>**Against** 611,518 0.05%<br>**Abstain** 1,559,965 0.14%<br><br>***Minutes of the 2025 ASM, page 18:*** *mer.ph/MinutesASM*<br><br>***Voting Results of the 2025 ASM, page 3:*** *mer.ph/MinutesASM* | |
| 3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures. | Compliant | Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.<br><br>In case of removal of the external auditor, the reasons for removal or change are to be disclosed to the regulators and the public through the Company Website and required disclosures. The same is provided in the Audit Committee Charter.<br><br>***Audit Committee Charter, Article C, Section 2.10, page 3:*** *mer.ph/AuditComCharter2024*<br><br>***Audit Committee Charter (2026):*** *https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/MER_Audit%20Committee%20Charter_v2026.pdf* | |

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| **Supplement to Recommendation 9.1** | | | |
| 1. Company has a policy of rotating the lead audit partner every five years. | Compliant | Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.<br><br>The Audit Committee ensures that the external auditors or its lead audit partner of the external auditing firm assigned to the Company is changed or rotated once every five (5) years or as provided under applicable laws and regulations.<br><br>***Audit Committee Charter, Article C, Section 2.16, page 4:***<br>*mer.ph/AuditComCharter2024*<br><br>***Audit Committee Charter (2026):***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/MER_Audit%20Committee%20Charter_v2026.pdf* | |
| **Recommendation 9.2** | | | |
| 1. Audit Committee Charter includes the Audit Committee's responsibility on:<br><br>i. assessing the integrity and independence of external auditors;<br>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and<br>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant | Compliant | Provide link/reference to the company's Audit Committee Charter<br><br>Article C, Section 2.15 of the Audit Committee Charter provides that the Audit Committee has the responsibility of reviewing and confirming the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Company (Statement of Independence) and evaluate any relationship or service disclosed in | |

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| Philippine professional and regulatory requirements. | | such Statement that may impact that may impact the objectivity, independence or quality of services of the external auditors and take response to such Statement to satisfy itself of the external auditor's independence. The Audit Committee also monitors compliance and adherence by the Company with all applicable laws and regulations to which the Company conducts its operations and business activities (Section 3.1, page 4). The Audit Committee Charter can be downloaded from the Company Website.<br><br>Link:<br>***Audit Committee Charter, Article C, Sections 2.15 and 3.1, page 4:***<br>*mer.ph/AuditComCharter2024*<br><br>***Audit Committee Charter (2026):***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/MER_Audit%20Committee%20Charter_v2026.pdf* | |
| 2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis. | Compliant | Provide link/reference to the company's Audit Committee Charter<br>The Audit Committee performs annual evaluation of the external auditors, reviews and assesses the integrity and independence of external auditors, exercises effective oversight to review and monitor the | |

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| | | external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The review and monitoring of the external auditor's suitability and effectiveness is done on an annual basis.<br><br>***Audit Committee Charter, Article C, Sections 2.10 and 2.15, pages 3 and 4:***<br>*mer.ph/AuditComCharter2024*<br><br>***Audit Committee Report:***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/2025%20Annual%20Audit%20Committee%20Report%20%28Sgd%29.pdf* | |
| **Supplement to Recommendations 9.2** | | | |
| 1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions. | Compliant | Provide link/reference to the company's Audit Committee Charter<br><br>The Audit Committee assessed the independence, performance and effectiveness of the External Auditors, SGV & Co. CPAs (SGV) taking into consideration their credibility, competence, ability to understand complex related party transactions, and the adequacy of their quality control procedures.<br><br>***Audit Committee Charter:***<br>*mer.ph/AuditComCharter2024* | |
| 2. Audit Committee ensures that the external auditor has adequate quality control procedures. | Compliant | | |

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| | | ***Audit Committee Charter (2026):***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/MER_Audit%20Committee%20Charter_v2026.pdf*<br><br>***Audit Committee Report:***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/2025%20Annual%20Audit%20Committee%20Report%20%28Sgd%29.pdf* | |
| **Recommendation 9.3** | | | |
| 1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. | Compliant | Disclose the nature of non-audit services performed by the external auditor, if any.<br><br>The Audit Committee ensures that non-audit services performed by its external auditor are disclosed in the Company's Annual Report.<br><br>In 2025, the non-audit services performed by the external auditor of the Company is in relation to the review of the Company's BSUP and UC reports.<br><br>**CONSOLIDATED EXTERNAL AUDITOR'S FEES* (Amounts in million PhP)**<br><br>\| \| 2025 \| 2024 \|<br>\| Financial Statements Audit* \| ₱26.9 \| ₱24.8 \|<br>\| 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 \|<br>\| *Note: The fees for non-audit services did not exceed those for audit services.* \|<br><br>***Links:*** | |

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| | | ***Audit Committee Charter, Article C, Section 2.14, page 4:***<br>*mer.ph/AuditComCharter2024*<br><br>***Audit Committee Charter (2026):***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/MER_Audit%20Committee%20Charter_v2026.pdf*<br><br>***SEC Form 17-A Annual Report, page 151***<br>*mer.ph/2025AR17A* | |
| 2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity. | Compliant | Provide link or reference to guidelines or policies on non-audit services<br><br>The Audit Committee reviews the external auditor's proposed scope and approach, all audit and non-audit services to be performed by the external auditors, and the disclosure of any non-audit services performed by the external auditor to ensure that any potential conflict of interest will be immediately addressed.<br><br>Under Section 4.11.3.7 of the Revised Manual of Corporate Governance, the Audit Committee is required to evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the | |

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| | | Company's overall consultancy expenses.<br><br>The Audit Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's Annual Report.<br><br>Links:<br>***Audit Committee Charter, Article C, Section 2.14, page 4:***<br>*mer.ph/AuditComCharter2024*<br><br>***Audit Committee Charter (2026):***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/MER_Audit%20Committee%20Charter_v2026.pdf*<br><br>***Revised Manual of Corporate Governance, pages 40-41:***<br>*mer.ph/CGManual2024* | |
| **Supplement to Recommendation 9.3** | | | |
| 1. Fees paid for non-audit services do not outweigh the fees paid for audit services. | Compliant | Provide information on audit and non-audit fees paid.<br><br>The fees paid for non-audit services do not outweigh the fees paid for audit services. Details of the non-audit services performed by the external auditor are disclosed the in the | |

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| | | company's SEC Form 17-A Annual Report.<br><br>In 2025, the non-audit services performed by the external auditor of the Company is in relation to the review of the Company's BSUP and UC report.<br><br>**CONSOLIDATED EXTERNAL AUDITOR'S FEES* (Amounts in million PhP)**<br>2025: Financial Statements Audit* ₱26.9; 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<br>2024: Financial Statements Audit* ₱24.8; ₱2.0<br>*Note: The fees for non-audit services did not exceed those for audit services.*<br><br>Links:<br>***Audit Committee Charter, Article C, Section 2.14, page 4***<br>*mer.ph/AuditComCharter2024*<br><br>***Audit Committee Charter (2026):***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/MER_Audit%20Committee%20Charter_v2026.pdf*<br><br>***SEC Form 17-A Annual Report, page 151***<br>*mer.ph/2025AR17A* | |
| **Additional Recommendation to Principle 9** | | | |
| 1. Company's external auditor is duly accredited by the SEC under Group A category. | Compliant | Provide information on company's external auditor, such as:<br><br>1. Name of the audit engagement partner;<br>2. Accreditation number;<br>3. Date Accredited;<br>4. Expiry date of accreditation; and<br>5. Name, address, contact number of the audit firm. | |

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| | | SyCip Gorres Velayo & Co. (SGV &Co.) was reappointed as the independent external auditor of the Company through the recommendation of the Audit Committee and the approval of the Board.<br><br>Mr. Roel E. Lucas, who has extensive accounting and auditing experience, is the SGV lead engagement partner for the external audit of MERALCO for 2025. He is duly accredited by the SEC under Group A category with Accreditation Number 98200-SEC, valid to cover audit of 2022 to 2026 financial statements of SEC covered institutions.<br><br>SGV & Co. has its office at 6760 Ayala Avenue, Makati City, 1226 Metro Manila, Philippines<br>Tel: (632) 891-0307<br>Fax: (632) 819-0872 | |
| 2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA). | Compliant | Provide information on the following:<br>1. Date it was subjected to SOAR inspection, if subjected;<br>2. Name of the Audit firm; and<br>3. Members of the engagement team inspected by the SEC.<br><br>As a covered firm under SEC Memorandum Circular No. 9, series of 2017 (Rules and Regulations on the | |

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| | | Implementation of the Securities and Exchange Commission (SEC) Oversight Assurance Review (SOAR) Inspection Program, one of the engagement teams of SGV & Co. underwent SOAR inspection conducted by the SEC's Office of the General Accountant (OGA) on August 4 to 22, 2025. The names of the members of this engagement team were provided to SEC during the inspection. | |
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| **Principle 10:** The company should ensure that the material and reportable non-financial and sustainability issues are disclosed. | | | |
| **Recommendation 10.1** | | | |
| 1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. | Compliant | Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.<br><br>The Company abides by the SEC's guidelines on sustainability reporting guidelines for publicly-listed companies.<br><br>The Company also discloses its policies and practices on the management of economic, environmental, social and governance (EESG) issues in its website.<br><br>These are reflected in the Sustainability Report for 2025 | |

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| | | attached to the Annual Report (SEC Form 17-A) submitted to the SEC on April 30, 2026.<br><br>Link:<br>Meralco Integrated Report 2025 attached to SEC 17-A, pages 431-558<br>mer.ph/2025AR17A<br><br>Also, disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business can be found in the following reports:<br><br>***Financial and Economic Reports:***<br>*https://company.meralco.com.ph/company-disclosures/audited-financial-statement*<br><br>***SEC and PSE Filings:***<br>*https://company.meralco.com.ph/company-disclosures/sec-filings*<br><br>***Environmental, Health, and Safety:***<br>*https://company.meralco.com.ph/corporate-governance/environment-health-and-safety*<br><br>***Social:*** *The Company's policies, programs and practices to interact positively with the communities in which it operates, through One Meralco Foundation (OMF), are discussed in detail in the OMF's website:*<br>*https://dev.onemeralcofoundation.org/* | |

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| | | ***Governance:*** *https://company.meralco.com.ph/corporate-governance/corporate-governance-in-meralco* | |
| 2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues. | Compliant | Provide link to Sustainability Report, if any. Disclose the standards used.<br><br>The Company's Sustainability Report for 2025 was prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option with external assurance from DNV GL which is an independent organization and global provider of certification, assurance assessment, and training services. The organization validated the data presented in this report through a two-week external assurance process which included interviews with pertinent data handlers across the group. It is also fully aligned with the SASB Standards for Electric Utilities and Power Generators as well as the TCFD Guidance/Framework.<br><br>A copy of the Sustainability Report for 2025 was submitted to the SEC on April 30, 2026.<br><br>Link:<br>***Meralco Integrated Report 2025 attached to SEC 17-A, pages 431-558*** | |

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| | | *mer.ph/2025AR17A* | |
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| **Principle 11:** The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users. | | | |
| **Recommendation 11.1** | | | |
| 1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors. | Compliant | Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.).<br>Provide links, if any.<br><br>The officers of the Company, led by the Chairman and CEO, with the Chief Finance Officer and Investor Relations 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 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. Financial, Annual, and Quarterly reports are also posted in the company website.<br><br>Links:<br>***Investor Relations*** | |

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| | | https://company.meralco.com.ph/investor-relations/overview<br><br>**Disclosures**<br>https://company.meralco.com.ph/company-disclosures/sec-filings<br><br>**News and Articles**<br>https://company.meralco.com.ph/news-and-advisories | |
| **Supplemental to Principle 11** | | | |
| 1. Company has a website disclosing up-to-date information on the following: | Compliant | Provide link to company website<br><br>a. Financials statements - "Quarterly Financial Statement Link":<br>https://company.meralco.com.ph/investor-relations/resources<br><br>b. Materials provided in briefings to analysts and media:<br>https://company.meralco.com.ph/investor-relations/resources<br><br>c. Downloadable Annual Report:<br>https://company.meralco.com.ph/investor-relations/annual-reports<br><br>d. Notice of ASM and/or SSM:<br>https://company.meralco.com.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings<br><br>e. Minutes of ASM and/or SSM:<br>*mer.ph/MinutesASM* | |
| a. Financial statements/reports (latest quarterly) | Compliant | | |
| b. Materials provided in briefings to analysts and media | Compliant | | |
| c. Downloadable annual report | Compliant | | |
| d. Notice of ASM and/or SSM | Compliant | | |
| e. Minutes of ASM and/or SSM | Compliant | | |
| f. Company's Articles of Incorporation and By-Laws | Compliant | | |

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| | | f. Company's Articles of Incorporation and By-Laws:<br>https://company.meralco.com.ph/corporate-profile/articles-of-incorporation-and-by-laws | |
| **Additional Recommendation to Principle 11** | | | |
| 1. Company complies with SEC-prescribed website template. | Compliant | The Company complies with SEC-prescribed website template. This can be verified through the link below.<br><br>Link:<br>https://company.meralco.com.ph/ | |
| **Internal Control System and Risk Management Framework** | | | |
| **Principle 12:** To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework. | | | |
| **Recommendation 12.1** | | | |
| 1. Company has an adequate and effective internal control system in the conduct of its business. | Compliant | List quality service programs for the internal audit functions.<br><br>Indicate frequency of review of the internal control system<br><br>The Audit Committee Report in 2025 discloses that the Board of Directors has conducted a review of and has found adequate the company's material controls (including operational, financial and compliance controls) and risk management systems. The directors have reviewed the effectiveness of the internal control system to ensure the integrity, effectiveness and adequacy of Meralco's accounting and financial reporting systems, | |

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| | | including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.<br><br>The Internal Audit Office reports to the Audit Committee of the Board, which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board. The Audit Committee reviews and reports to the Board the most critical accounting policies which are the basis for financial reports. It is the board that retains final responsibility for ensuring the integrity of the reporting systems.<br><br>The Audit Committee also performed the following:<br><br>i. Discussed and reviewed the results of the audit findings and recommendations of the internal and independent auditors and their assessment of the Company's internal controls and the overall quality of the financial reporting process. | |

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| | | ii. Reviewed the reports of the internal auditors and regulatory agencies, where applicable, ensuring that management is taking timely and appropriate corrective actions, including those addressing internal control and compliance issues.<br><br>The review of internal controls is conducted annually by the directors based on the reports of the Management, Internal and external auditors.<br><br>Links:<br>*Audit Committee Report:*<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/2025%20Annual%20Audit%20Committee%20Report%20%28Sgd%29.pdf*<br><br>For a more detailed list of quality service programs for internal audit functions:<br><br>***Revised Internal Audit Charter:***<br>*mer.ph/AuditComCharter2024*<br><br>***Revised Internal Audit Charter (2026):***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/MER_Internal%20Audit%20Charter_v2026.pdf* | |

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| | | Internal Controls and Audit page, Meralco Website:<br><br>https://company.meralco.com.ph/corporate-governance/internal-controls-and-audit | |
| 2. Company has an adequate and effective enterprise risk management framework in the conduct of its business. | Compliant | Identify international framework used for Enterprise Risk Management<br><br>Provide information or reference to a document containing information on:<br><br>1. Company's risk management procedures and processes<br>2. Key risks the company is currently facing<br>3. How the company manages the key risks<br><br>Indicate frequency of review of the enterprise risk management framework.<br><br>The Company has an Enterprise Risk Management framework that establishes the process of identifying, prioritizing and measuring key risks, assigning accountability and responsibility for each identified risk, and a cascade process that ensures mitigating activities are embedded in the day to day activities of every employee. This enhances its ability to manage business risks.<br><br>The Board reviews the company's material controls (including operational, financial and compliance controls) and risk management systems with the advice and recommendation of the Audit Committee, which in turn | |

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| | | conducts a regular review of the Company's risk management activities. This is included in the accomplishment of the Board and the Risk Management Committee in 2025.<br><br>The Risk Management Committee oversees the conduct of the annual risk assessment and update on the risk mitigation activities for specific risks. These are reported to the Board by the Risk Management Committee.<br><br>The Enterprise Risk Management (ERM) policy aims to help Meralco grow shareholder value by comprehensively reviewing and improving its risk management infrastructure and culture to ensure that the relevant activities are aligned with the overall goals and strategies of Meralco. This policy provides the framework for managing risks in Meralco. It contains the baseline policies to guide all Meralco personnel who are directly or indirectly involved in operations, including all members of the Board of Directors or BOD, and Committees of the BOD, in taking appropriate actions and decisions pertaining to | |

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| | | the management of Meralco's portfolio of risks.<br><br>The Company's ERM framework is anchored mainly on ISO 31000.<br><br>***Risk Management Committee Charter:***<br>*https://mer.ph/RMCCharter2024*<br><br>***Enterprise-Wide Risk Management page, Meralco Website:***<br>*https://company.meralco.com.ph/corporate-governance/enterprise-wide-risk-management*<br><br>***SEC Form 17-A Annual Report, page 152-153***<br>*mer.ph/2025AR17A*<br><br>A more detailed discussion on the major risks/ factors affecting the Company's financial position and results of operations is found in the Integrated Report:<br><br>***Meralco Integrated Report 2025 attached to SEC 17-A, pages 33-38, 463-468***<br>*mer.ph/2025AR17A* | |
| **Supplement to Recommendations 12.1** | | | |
| 1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, | Compliant | Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.<br><br>Indicate frequency of review.<br><br>The Company faithfully complies with the corporate governance code, rules, and regulations promulgated and enforced by the SEC, PSE, and | |

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| acceptance and compliance with the said issuances. | | other relevant regulatory bodies. It has consistently also kept itself abreast of the regulatory developments in the industry.<br><br>The following attest to the Company's full compliance with the SEC Code of Corporate Governance.<br>- Chairman and Chief Executive Officer<br>- Compliance Officer<br><br>The Audit Committee Report for 2025 discloses that the Board of Directors has conducted a review of and has found adequate the company's material controls (including operational, financial and compliance controls) and risk management systems. The directors have reviewed the effectiveness of the internal control system to ensure the integrity, effectiveness and adequacy of Meralco's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. This review is conducted annually by | |

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| | | the directors based on the reports of the Management, Internal and external auditors.<br><br>Links:<br><br>***Corporate Governance and Compliance Office page, Meralco website:***<br>*https://company.meralco.com.ph/corporate-governance/corporate-governance-and-compliance-office*<br><br>***Certificate of Compliance for Y2025:***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/2026-02/manila_electric_company_sc-2025_compliance_to_cg_manual_sgd_redacted.pdf*<br><br>***Audit Committee Report:***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/2025%20Annual%20Audit%20Committee%20Report%20%28Sgd%29.pdf* | |
| **Optional: Recommendation 12.1** | | | |
| 1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board. | Compliant | Provide information on IT governance process<br><br>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. Management is accountable to the Board for the Company's information | |

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| | | security governance. Management provides the strategic direction and adequate resources to manage appropriately the information security risks of the organization.<br><br>Management reviews and approves the information security policies ensuring that the implementation of ISMS requirements is coordinated and integrated in the relevant processes across the organization, and adequate resources are in place and establishes clear assignment and designation of authority for the information security roles and responsibilities across line organizations.<br><br>The Company adopts an Information Security Policy which guides the MERALCO workforce in supporting this company thrust and in managing and protecting the Company's information assets, forming the basis of information security plans and initiatives in MERALCO. The policy provides mechanisms to help identify weaknesses, protect from possible threats, detect attacks, respond and recover during incidents that will compromise the security of | |

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| | | information assets and critical infrastructure.<br><br>Links:<br>***SEC Form 17-A Annual Report, page 148***<br>*mer.ph/2025AR17A*<br><br>***Integrated Report attached to SEC Form 17-A, pages 36, 114-116***<br>*mer.ph/2025AR17A*<br><br>***Information on the Company's Information Security Governance process is detailed in the Company website.***<br>*https://company.meralco.com.ph/corporate-governance/information-security-governance-and-data-privacy* | |
| **Recommendation 12.2** | | | |
| 1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations. | Compliant | Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.<br><br>The Company has in place an in-house independent internal audit function. The internal audit activities conform to the concepts and principles enunciated in the definition of internal auditing as an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. Internal audit services are performed in accordance with the International Standards for the Professional Practice of Internal Auditing. | |

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| | | The Internal Audit group is led by the Chief Audit Executive and includes highly qualified professionals with certifications, which include Certified Internal Auditors, Certified Information Systems Auditor, Certified Public Accountants and Registered Electrical Engineers.<br><br>Links:<br>***Internal Controls and Audit page, Meralco website:***<br>*https://company.meralco.com.ph/corporate-governance/internal-controls-and-audit*<br><br>***SEC Form 17-A Annual Report, pages 150-152***<br>*mer.ph/2025AR17A*<br><br>***Preliminary Information Statement 2026, pages 159-161***<br>*https://mer.ph/PIS2026* | |
| **Recommendation 12.3** | | | |
| 1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board. | Compliant | Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.<br><br>Ms. Melanie T. Oteyza is the Chief Audit Executive of the Manila Electric Company or MERALCO. Ms. Oteyza is a certified public accountant with international certifications from IIA USA such as Certified Internal Auditor, Certification in Risk Management Assurance, Certification in Control Self | |

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| | | Assessment and a Qualified Validator in Quality Assurance for Internal Audit.<br><br>The responsibilities of the CAE are defined in Section 4.11.6.1.5 of the Revised Manual of Corporate Governance and Revised Internal Audit Charter.<br><br>Links:<br>***Revised Manual of Corporate Governance, pages 43-44:***<br>*mer.ph/CGManual2024*<br><br>***Revised Internal Audit Charter:***<br>*mer.ph/AuditComCharter2024*<br><br>***Revised Internal Audit Charter (2026):***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/MER_Internal%20Audit%20Charter_v2026.pdf*<br><br>***SEC Form 17-A Annual Report, pages 150-151***<br>*mer.ph/2025AR17A*<br><br>***Preliminary Information Statement 2026, 105-106, 159-160***<br>*https://mer.ph/PIS2026* | |
| 2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider. | Compliant | The Chief Audit Executive (CAE) oversees and is responsible for the internal audit activity of the organization.<br><br>Links: | |

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| | | Links:<br>***Revised Manual of Corporate Governance, pages 43-44:***<br>*mer.ph/CGManual2024*<br><br>***Revised Internal Audit Charter:***<br>*mer.ph/AuditComCharter2024*<br><br>***Revised Internal Audit Charter (2026):***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/MER_Internal%20Audit%20Charter_v2026.pdf*<br><br>***SEC Form 17-A Annual Report, pages 150-152***<br>*mer.ph/2025AR17A*<br><br>***Preliminary Information Statement 2026, 159-161***<br>*https://mer.ph/PIS2026* | |
| 3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity. | Compliant | Identify qualified independent executive or senior management personnel, if applicable.<br><br>Section 3, Definition of Terms (3.13) of the Revised Manual of Corporate Governance provides that the Internal Auditor or Chief Audit Executive is the highest position in the corporation responsible for internal audit activities. If internal audit activities are performed by outside service providers, s/he is the person responsible for overseeing the service contract, the overall quality of these activities, and follow-up of engagement results. In 2025, the | |

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| | | internal audit activity of the Company has not been outsourced.<br><br>Link:<br>***Revised Manual of Corporate Governance, Definition of Terms, page 4:***<br>*mer.ph/CGManual2024* | |
| **Recommendation 12.4** | | | |
| 1. Company has a separate risk management function to identify, assess and monitor key risk exposures. | Compliant | Provide information on company's risk management function.<br><br>The Company has a separate risk management function to identify, assess and monitor key risk exposures.<br><br>Meralco has a robust Enterprise Risk Management (ERM) framework to monitor and manage its strategic, regulatory, operational and financial risks. The EWRM is also a proactive process that is well linked to corporate goals and objectives, embedded in the corporate culture and is well integrated into critical and strategic planning and operational processes of the company. EWRM helps manage risks by influencing and collaborating with internal organizations and external stakeholders to identify best practices, controls and process improvement opportunities to address risks. | |

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| | | The Risk Management Policy Manual of the company which was approved in September 2009, provides for the methodology and process for the identification and assessment of risks, defines management accountability and covers a systematic process of assessing and reporting the company's top business risks.<br><br>The Risk Management Committee oversees the EWRM framework, the identification and assessment of top risks and reviews the effectiveness of risk mitigation strategies and treatment plans developed by management.<br><br>Links:<br>***Meralco website***<br>*https://company.meralco.com.ph/corporate-governance/enterprise-wide-risk-management*<br><br>***SEC Form 17-A Annual Report, pages 152-153***<br>*mer.ph/2025AR17A*<br><br>***Preliminary Information Statement 2026, pages 162-164***<br>*https://mer.ph/PIS2026*<br><br>***Integrated Report attached to the SEC 17-A, pages 463-468***<br>*mer.ph/2025AR17A* | |
| **Supplement to Recommendation 12.4** | | | |

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| 1. Company seeks external technical support in risk management when such competence is not available internally. | Compliant | Identify source of external technical support, if any.<br><br>The Company's Chief Risk Officer and risk management function suggests ERM policies and related guidance, as may be needed - this may include seeking external technical support in risk management if such competence is not available internally.<br><br>In 2025, the Company's risk management function was able to adequately perform the necessary risk management activities and did not require external technical support.<br>***Meralco website:***<br>*https://company.meralco.com.ph/corporate-governance/enterprise-wide-risk-management*<br><br>***SEC Form 17-A Annual Report, pages 152-153***<br>*mer.ph/2025AR17A*<br><br>***Preliminary Information Statement 2026, pages 162-164***<br>*https://mer.ph/PIS2026*<br><br>***Integrated Report attached to the SEC 17-A, pages 463-468***<br>*mer.ph/2025AR17A*<br><br>***Audit Committee Report:***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/2025%20Annual%20Audit%20Committee%20Report%20%28Sgd%29.pdf* | |

| Recommendation 12.5 | | | |
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| 1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM). | Compliant | Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.<br><br>She is a Director of MIESCOR Builders Inc., Customer Frontline Solutions, Inc., and Meralco Financial Services Corporation. She is also an agent of the Meralco Pension Fund. Prior to joining MERALCO, she was a Partner of SyCip Gorres Velayo & Co. (a Member Firm of Ernst & Young Global) and was a former Senior Vice President for Finance of Trans-Asia Oil and Energy Development Corporation. Ms. Bachoco holds a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines and a Master's degree in Business Management from the Asian Institute of Management.<br><br>Ms. Betty C. Siy-Yap is the Company's Chief Risk Officer. She is a member of the Holdings Market Governance Board of the Philippine Dealing System Corp. She was a Partner at SyCip Gorres Velayo & Co. (a Member Firm of Ernst & Young Global) before joining Meralco. Ms. Siy-Yap holds a Bachelor of Science in | |

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| | | Business Administration and Accountancy degree from the University of the Philippines and a Masters in Business Administration from the J.L. Kellogg School of Management at Northwestern University/The Hong Kong University of Science and Technology.<br><br>Links:<br>***SEC Form 17-A Annual Report, page 109***<br>*mer.ph/2025AR17A*<br><br>***Preliminary Information Statement 2026, page 33-34***<br>*https://mer.ph/PIS2026*<br><br>***The responsibilities of the Chief Risk Officer are detailed in Section 4.11.6.2.3 of the Revised Manual of Corporate Governance, page 46:***<br>*mer.ph/CGManual2024* | |
| 2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities. | Compliant | Ms. Betty C. Siy-Yap, the Company's CRO, has the position of Senior Vice President and has adequate authority, stature, resources and support to fulfill her responsibilities.<br><br>Links:<br>***SEC Form 17-A Annual Report, page 109***<br>*mer.ph/2025AR17A*<br><br>***Preliminary Information Statement 2026, page 33-34***<br>*https://mer.ph/PIS2026* | |
| **Additional Recommendation to Principle 12** | | | |

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| 1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively. | Compliant | Provide link to CEO and CAE's attestation<br><br>The Company's Chairman and Chief Executive Officer and Chief Audit Executive reviewed the adequacy and effectiveness of the overall internal control system of MERALCO and its subsidiaries, covering all material controls, including financial, operational and compliance controls and confirmed that the MERALCO Group's systems of internal control for 2025 are adequate and effective.<br><br>Links:<br>***Meralco website:***<br>*https://company.meralco.com.ph/corporate-governance/internal-controls-and-audit*<br><br>***Confirmation Statement on Internal Control:***<br>*https://meralcomain.s3.ap-southeast-1.amazonaws.com/2026-03/2025_confirmation_of_internal_controls_-_website_redacted.pdf* | |
| **Cultivating a Synergic Relationship with Shareholders** | | | |
| **Principle 13:** The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights. | | | |
| **Recommendation 13.1** | | | |
| 1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance. | Compliant | Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.<br><br>Shareholders' rights, namely Voting Right; Pre-emptive Right; Right of Inspection; Right to Information; Right to Dividends; Appraisal Right; Right to Transparent, Fair Conduct of | |

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| | | Stockholders' Meeting; and all other relevant rights are all provided in the Revised Manual of Corporate Governance, particularly in Section 4.11.7 thereof (pages 46-51):<br><br>Link:<br>***Revised Manual of Corporate Governance***<br>*https://mer.ph/CGManual* | |
| 2. Board ensures that basic shareholder rights are disclosed on the company's website. | Compliant | Provide link to company's website<br><br>The Revised Manual of Corporate Governance which provides the basic rights of the shareholders is uploaded to the Company Website. Furthermore, the rights of shareholders are separately discussed in the Company Website under the page discussing Key Players in ensuring the application of good governance practices and policies within the Company.<br><br>Links:<br>*Revised Manual of Corporate Governance, page 46-51:*<br>*mer.ph/CGManual*<br>*https://mer.ph/CGManual2024*<br><br>*Key Players page:*<br>Key Players (meralco.com.ph) | |
| **Supplement to Recommendation 13.1** | | | |
| 1. Company's common share has one vote for one share. | Compliant | The Company's class of outstanding shares entitles the holder to one vote | |

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| | | for one share. The same is disclosed in the Annual Report.<br><br>Link:<br>***SEC Form 17-A Annual Report, page 151***<br>https://mer.ph/2025AR17A | |
| 2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights. | Compliant | Provide information on all classes of shares, including their voting rights if any.<br><br>The Company has only one (1) classification of shares (common shares), with each share entitled to one (1) vote.<br><br>Link:<br>***SEC Form 17-A Annual Report, page 151***<br>https://mer.ph/2025AR17A | |
| 3. Board has an effective, secure, and efficient voting system. | Compliant | Provide link to voting procedure. Indicate if voting is by poll or show of hands.<br><br>The ASM was held on Tuesday, May 27, 2025, at 10:20 AM. The Annual Stockholders' Meeting was conducted virtually and streamed live from the MERALCO Theater, Ortigas Avenue, Brgy. Ugong, Pasig City. The Company conducted its virtual ASM via live broadcast of the proceedings through the Stockholders Electronic Registration and Voting Express (SERVE). Stockholders were given opportunity to propound questions and raise | |

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| | | concerns to the Board during the meeting.<br><br>As in the previous years, the Company facilitated participation of stockholders who cannot attend virtually 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.<br><br>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.<br><br>Voting Procedures<br><br>The Corporate Secretary reported a quorum with the attendance of | |

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| | | stockholders who own or hold a total of approximately over 910,775,522 or 80.81% of the total issued and outstanding shares of 1,127,092,509 represented in person and by proxy. 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.<br><br>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 SyCip Gorres Velayo & 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.<br><br>The Chairman of the Board, Chairman of the AuditCom, Chairman of the RLDC, Chairman of the Nom&Gov, Chairman of the | |

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| | | Finance Committee, the Board, Chief Operations Officer (COO), Chief Finance Officer (CFO), Corporate Secretary, Compliance Officer and Assistant Corporate Secretary, other officers of the Company, and its 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.<br><br>The Company posted the resolutions approved during the ASM on its website the following day so that non-attending shareholders may be immediately informed.<br><br>Link:<br>***2025 ASM Voting Results (Page 3-22)***<br>mer.ph/MinutesASM<br><br>https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2025-05/voting_results_per_resolution_2025_asm_-_rtco_.pdf<br><br>***SEC Form 17-A Annual Report, pages 150***<br>https://mer.ph/2025AR17A | |

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| 4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders. | Compliant | Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.<br><br>The Company's policies embody an utmost respect to the right of the minority shareholders while pursuing corporate interest. Salient provisions are:<br><br>a) Timely, fair, and accurate disclosure of material information<br><br>b) Review of existing, and development of new, policies that will prevent the major shareholders from gaining undue advantage over and at the expense of minority shareholders<br><br>c) Related Party Transactions are disclosed in the Company's Notes to financial statements<br><br>d) Disinterested shareholders decide on all Related Party Transactions which require shareholders' approval.<br><br>Link:<br>***SEC Form 17-A Annual Report, page 152***<br>https://mer.ph/2025AR17A | |
| 5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting. | Compliant | Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)<br><br>The Board affords stockholders the right to propose the holding of | |

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| | | meetings and to include agenda items ahead of the scheduled Annual and Special Shareholders' Meeting. The Board also adopts appropriate measures to ensure that stockholders' meetings are conducted in a fair and transparent manner as provided in its Revised Manual of Corporate Governance – Investors' Rights and Protection, Right to Transparent and Fair Conduct of Stockholders Meeting - which is similarly posted in the Company Website.<br><br>Link:<br>***Revised Manual of Corporate Governance***<br>*mer.ph/CGManual*<br>*https://mer.ph/CGManual2024*<br><br>In accordance with the Revised Manual of Corporate Governance, the Board affords shareholders the right to propose the holding of meetings and to include agenda items ahead of the scheduled Annual and Special Shareholders' Meeting. Proposals for agenda items and for the holding of special stockholders meeting may be sent to the Corporate Governance Office | |

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| | | through cgo.staff@meralco.com.ph. Proposals shall be evaluated by the Nomination and Governance Committee and/or endorsed to the Board of Directors for its review and/or approval.<br><br>Link:<br>***Meralco website:***<br>*Stakeholder Engagement (meralco.com.ph)* | |
| 6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders. | Compliant | Provide information or link/reference to the policies on treatment of minority shareholders<br><br>The Board commits to treat all shareholders fairly and equitably, and recognize, protect, and facilitate the exercise of their rights. Salient provisions are:<br><br>a) Timely, fair, and accurate disclosure of material information<br><br>b) Review of existing, and development of new, policies that will prevent the major shareholders from gaining undue advantage over and at the expense of minority shareholders<br><br>c) Related Party Transactions are disclosed in the Company's Notes to financial statements | |

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| | | d) Disinterested shareholders decide on all Related Party Transactions which require shareholders' approval.<br><br>Link:<br>***SEC Form 17-A Annual Report, page 152***<br>https://mer.ph/2025AR17A<br><br>Policies with respect to protection of shareholders' rights are also detailed in the Company's Revised Manual of Corporate Governance.<br><br>Link:<br>***Revised Manual of Corporate Governance, Section 4.11.7:***<br>*mer.ph/CGManual*<br>*https://mer.ph/CGManual2024* | |
| 7. Company has a transparent and specific dividend policy. | Compliant | Provide information on or link/reference to the company's dividend Policy.<br><br>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration<br><br>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 dividend equivalent to 50% of the audited Consolidated Core Net Income (CCNI) for the year with a "look-back" basis, which allows the | |

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| | | 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.<br><br>**Declaration Date** \| **Record Date** \| **Payable Date** \| **Rate per Share**<br>February 24, 2025 \| March 12, 2025 \| April 4, 2025 \| PhP 13.736<br>July 28, 2025 \| August 27, 2025 \| September 22, 2025 \| PhP 11.328<br><br>Link:<br>***SEC Form 17-A Annual Report, page 165-166***<br>https://mer.ph/2025AR17A<br><br>The Company follows the general practice in the country in the declaration and payment of dividends to its shareholders:<br><br>• The Declaration Date is the day that the corporation's Board of Directors announces its approval of a dividend payment. The Board will also announce the Record Date and the Payment Date of the dividend.<br>• The Ex-Dividend Date is the first day when buying a stock does not entitle the buyer to the dividends. | |

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| | | • The Record Date is the date after which new buyers of the shares will not qualify to receive dividend payments.<br><br>The Payment Date is the date that the dividends are actually paid in the form of checks or credited to shareholders' investment accounts. | |
| **Optional: Recommendation 13.1** | | | |
| 1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting. | Compliant | Identify the independent party that counted/validated the votes at the ASM, if any.<br><br>The Company appointed an independent auditing firm, SyCip Gorres Velayo & Co. to supervise and validate the canvassing of votes of the shareholders during the Annual Stockholders' Meeting (ASM) of 2025. This was recorded in the ASM Minutes which was also posted in the company website.<br><br>Link:<br><br>***Minutes of the 2025 ASM, page 17-18:***<br>*mer.ph/MinutesASM* | |
| **Recommendation 13.2** | | | |
| 1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting | Compliant | Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out<br><br>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. | |

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| with sufficient and relevant information at least 28 days before the meeting. | | Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)<br><br>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. Stockholders who have provided their email address were furnished a copy of the Notice through electronic mail. The Notice was also published in the Business Mirror and Philippines Star and posted in the Company's website at www.meralco.com.ph. The notices were released through various means prior to the annual stockholders meeting in accordance with the Revised Corporation Code, Securities Regulation Code, By-Laws of the Company, and the internal guidelines for participation in meetings via remote communications and for voting in absentia, which are embodied in the Company's Definitive Information Statement as approved by the Securities and Exchange Commission (SEC).<br><br>Links: | |

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| | | ***2025 Annual Stockholders' Meeting with detailed agenda:***<br>*https://company.meralco.com.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings*<br><br>***Minutes of the 2025 ASM, page 2:***<br>*https://mer.ph/MinutesASM*<br><br>***Notice of the 2025 Annual Stockholders' Meeting with detailed agenda:***<br>*https://company.meralco.com.ph/company-disclosures/notice-of-annual-or-special-stockholders-meetings*<br><br>***Preliminary Information Statement 2026,***<br>*page 5:*<br>*https://mer.ph/PIS2026*<br><br>The Company upholds the rights of all shareholders, including minority stockholders, to participate in decisions affecting the Company such as in the approval of remuneration or increase in remuneration of non-executive and executive directors.<br><br>Link:<br>***SEC Form 17-A Annual Report, page 151-152***<br>*https://mer.ph/2025AR17A* | |
| **Supplemental to Recommendation 13.2** | | | |
| 1. Company's Notice of Annual Stockholders' Meeting contains the following information: | | Provide link or reference to the company's notice of Annual Shareholders' Meeting | |

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| a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies) | Compliant | The profiles of the Directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies) are stated in Notice of Annual Stockholders' Meeting incorporated in the Preliminary Information Statement:<br><br>Links:<br>***Preliminary Information Statement 2026,*** *page 14:*<br>https://mer.ph/PIS2026<br><br>Links:<br>***SEC Form 17-A Annual Report, page 151-152***<br>*https://mer.ph/2025AR17A* | |
| b. Auditors seeking appointment/re-appointment | Compliant | The information on the Auditors seeking re-appointment is stated in Notice of Annual Stockholders' Meeting incorporated in the Preliminary Information Statement:<br><br>Link:<br>***Preliminary Information Statement 2026, Notice of Annual Stockholders' Meeting, Agenda No. 10 in reference to pages 58-59 of the Preliminary Information Statement***<br><br>*https://mer.ph/PIS2026* | |

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| c. Proxy documents | Compliant | Proxy forms are provided in the Notice and can be downloaded from the Company Website as well.<br><br>Links:<br>***Preliminary Information Statement 2026 (Page 6):***<br>https://mer.ph/PIS2026<br><br>***Meralco website:***<br>*Notice of Annual or Special Stockholders' Meeting:*<br>*Notice of Annual or Special Stockholders' Meetings (meralco.com.ph)* | |
| **Optional: Recommendation 13.2** | | | |
| 1. Company provides rationale for the agenda items for the annual stockholders meeting | Compliant | Provide link or reference to the rationale for the agenda items<br><br>The Notice of 2025 ASM issued to all shareholders provided the rationale for each agenda item requiring shareholders' approval/ ratification. Copy of the Notice of 2025 ASM was also posted in the Company website.<br><br>Links:<br>***Notice of the 2025 Annual Stockholders' Meeting with detailed agenda:***<br><br>***Preliminary Information Statement 2026***<br>*Annex A (page 117):*<br>https://mer.ph/PIS2026<br><br>***Meralco website:***<br>*Notice of Annual or Special Stockholders' Meeting:* | |

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| | | Notice of Annual or Special Stockholders' Meetings (meralco.com.ph)<br><br>***Meralco website:***<br>*Notice of Annual or Special Stockholders' Meeting:*<br>Notice of Annual or Special Stockholders' Meetings (meralco.com.ph) | |
| **Recommendation 13.3** | | | |
| 1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. | Compliant | Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.<br><br>The 2025 ASM Minutes, together with the 2025 ASM Voting Results per resolution, were also posted on the Company website, the day after the ASM, for the information of the shareholders. All relevant questions raised and answers during the 2025 ASM and the resolution and the number of votes of the shareholders for each of the issues to be resolved or voted upon are found in the Minutes of the Annual Stockholders' Meeting.<br><br>Links:<br>***Minutes of the 2025 ASM:***<br>https://mer.ph/MinutesASM<br><br>***Meralco website:***<br>Minutes of all General or Special Stockholders' Meetings (meralco.com.ph) | |

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| 2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting. | Compliant | Provide link to minutes of meeting in the company website.<br><br>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.<br><br>Indicate also if the voting on resolutions was by poll.<br><br>Include whether there was opportunity to ask question and the answers given, if any<br><br>The minutes of the 2025 ASM was posted in the Company's Website, on May 28, 2025, the day after the ASM, for the information of the shareholders.<br><br>Also posted on the Company Website are the Voting Results for all the items, including approving, dissenting, and abstaining votes. At the Annual Stockholders' Meeting (ASM) held at the Meralco Theater, Ortigas Avenue, Pasig and virtually via https://sms.meralco.com.ph/smsonline/ on May 27, 2025, approximately over 910,775,522 or 80.81% of the total issued and outstanding shares of 1,127,092,509 represented in person and by proxy. Stockholders voted on each of the ASM resolutions by poll. Sycip Gorres Velayo and Co. (SGV & Company) was the independent party duly appointed to validate the votes. Stockholders were afforded opportunity to ask questions. Issues raised during the meeting together | |

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| | | with answers are stated in the ASM Minutes.<br><br>Below are the voting results for the ASM Resolutions. The difference between the total stockholder votes and the total stock represented during the ASM is the volume of shares whose owners or proxy did not vote as to whether they approved, abstained or were against:<br><br>**Resolution 1.** Approval of the Minutes of the Annual Meeting of Stockholders held on May 28, 2024. Copies of the draft Minutes are available for examination during office hours at the Office of the Corporate Secretary and at the website of Meralco, www.meralco.com.ph. Stockholders will be asked to approve the draft Minutes and acknowledge the completeness and accuracy thereof.<br><br>Below is the text of the proposed resolution: "RESOLVED, that the Stockholders of the Corporation hereby approve the Minutes of the | |

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| | | Annual Stockholders' Meeting held on May 28, 2024."<br><br>**Resolution 2.** Approval of the 2024 Audited Consolidated Financial Statements. Meralco's audited financial statements, highlights of which are explained in the President's Report and in the Information Statement, will be presented to the Stockholders for approval. Copies of the 2024 Audited Financial Statements, previously approved by the Board of Directors, were also submitted to the Securities and Exchange Commission and the Bureau of Internal Revenue.<br><br>Below is the proposed resolution: "RESOLVED, that the audited consolidated financial statements for the year ended December 31, 2024 be, as the same are hereby, approved." | |

| | Count | % |
|---|---|---|
| Approved | 908,484,839 | 80.60% |
| Against | 0 | 0 |
| Abstained | 1,464,762 | 0.13% |

| | NUMBER OF VOTES CAST (1 share = 1 vote) | PERCENTAGE OF VOTING |
|---|---|---|
| Approved | 908,203,102 | 80.58% |
| Against | 138,258 | 0.01% |
| Abstained | 1,585,041 | 0.14% |

**Resolution 3.** Ratification of Acts of the Board and Management. Ratification of the acts of the Board of Directors and Management crucial to the successful performance of the Company in 2024 will be sought from the Stockholders.

Below is the proposed resolution: "RESOLVED, that all acts, resolutions, and deeds of the Board of Directors and Management of the Company from the Annual Stockholders' Meeting held on May 28, 2024 up to the date of this meeting be as they hereby are, confirmed, ratified and approved."

| | **Count** | **%** |
|---|---|---|
| 1. Approved | 907,543,263 | 80.52% |
| 2. Against | 761,547 | 0.07% |
| 3. Abstained | 1,667,991 | 0.15% |

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| | | **Resolution 4.** Change in the schedule of the Annual Stockholders' Meeting and the Corresponding Amendment of Article 1 of the By-Laws of the Corporation.<br><br>The Management proposes that the schedule be changed to the last Tuesday of June each year to enable the Company to comply with the Revised Securities Regulation Code Rule 68 Part II, Item 5(C)(i) and (ii), which requires publicly listed companies to include a separate Unaudited Interim Consolidated Financial Statements and Management Discussion and Analysis as of end of the most recent quarter in its Information Statement.<br><br>Below is the proposed resolution:<br>"RESOLVED, as recommended by the Board of Directors during its regular meeting on January 27, 2025, to approve the amendment of Article 1, Section 1 of the By-Laws of the Corporation, such that as amended, Article 1, Section 1 shall henceforth read as follows (changes are underlined): | |

SECTION 1. ANNUAL MEETING – The annual meeting of the stockholders shall be held on the last Tuesday of June in each year at the principal office of the Company, or at any place in the city where the principal office of the Corporation is located as may be fixed by the Board of Directors of the Chairman of the Board and specified in the notice, at such day and hour as the Board or the Chairman shall direct."

| | Count | % |
|---|---|---|
| 1. Approved | 908,490,107 | 80.60% |
| 2. Against | 25,176 | 0.00% |
| 3. Abstained | 1,570,521 | 0.14% |

**Resolution 5.** Increase in the per diem of the Board members. Approval of the proposed new per diem rates for the attendance of each director, i.e., Two Hundred Thousand Pesos (PhP200,000) for every attendance at a board meeting and Fifty Thousand Pesos (PhP50,000) for every attendance at a board committee meeting. The proposal for the new per diem rates aims to align the remuneration of the directors with the

current market standards and industry benchmarks and reflects the Company's recognition of the Board's critical role in sustaining corporate performance and driving long-term value for all stakeholders.

Below is the proposed resolution:
"RESOLVED, that the new per diem rate for each board and board committee meeting attended by each director be as it is hereby approved as follows: Per Diem for Attendance in each Board Meeting = PhP200,000.00 Per Diem for Attendance in each Board Committee Meeting = PhP50,000.00 RESOLVED, finally that the new per diem rates shall take effect on June 1, 2025."

| | Count | % |
|---|---|---|
| 1. Approved | 908,096,398 | 80.57% |
| 2. Against | 132,511 | 0.01% |
| 3. Abstained | 1,728,072 | 0.15% |

**Resolution 6.** Election of Directors for the ensuing year. Copies of the curriculum vitae and profiles of the candidates to the Board of Directors

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| | | are provided in the Information Statement for the examination of the Stockholders. Stockholders will be given the opportunity to elect the directors who will serve for the term 2025-2026 by way of individual voting administered by a third party. For this year, the stockholders elected the following to the Company's 11-seat Board:<br><br>**Name** / **Yes** / **No** / **Abstain**<br>June Cheryl A. Cabal-Revilla / 858,165,353 / 50,083,383 / 1,460,235<br>Ray C. Espinosa / 869,742,649 / 38,579,103 / 1,551,485<br>James L. Go / 855,554,319 / 52,700,721 / 1,551,485<br>Patrick Henry C. Go / 856,019,432 / 52,345,861 / 1,551,485<br>Lance Y. Gokongwei / 856,080,976 / 52,325,841 / 1,551,485<br>Jose Ma. K. Lim / 858,099,194 / 50,139,339 / 1,551,485<br>Lydia B. Echauz* / 906,811,397 / 1,401,244 / 1,551,485<br>Artemio V. Panganiban* / 870,542,781 / 38,077,644 / 1,551,485<br>Manuel V. Pangilinan / 894,895,880 / 15,335,874 / 1,460,235<br>Pedro Emilio O. Roxas* / 885,951,698 / 22,388,940 / 1,460,235<br>Victorio P. Vargas / 858,531,468 / 49,765,201 / 1,511,485<br>**Independent Director*<br><br>**Resolution 7.** Appointment of External Auditors. Meralco's external auditors for 2024-2025, tasked with the preparation of the annual audited financial statements, will be appointed by the Stockholders. This is upon favorable recommendation by the Audit Committee. Below is the text of the proposed resolution: "RESOLVED, that SGV & Company, Certified Public Accountants, be, as | |

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<td>they hereby are, re-appointed as external auditors of the Company for the year 2025-2026."<br><br>
<table>
<tr><th></th><th>Count</th><th>%</th></tr>
<tr><td>1. Approved</td><td>907,778,111</td><td>80.54%</td></tr>
<tr><td>2. Against</td><td>611,518</td><td>0.05%</td></tr>
<tr><td>3. Abstained</td><td>1,559,965</td><td>0.14%</td></tr>
</table>
<br>Links:<br><br>Minutes of the 2025 ASM:<br>mer.ph/MinutesASM<br><br>2025 ASM Voting Results per Resolution:<br>https://meralcomain.s3.ap-southeast-1.amazonaws.com/documents/pdf_listing/2025-05/voting_results_per_resolution_2025_asm_-_rtco_.pdf<br><br>Meralco website:<br>Minutes of all General or Special Stockholders' Meetings (meralco.com.ph)</td>
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<tr><td colspan="4">Supplement to Recommendation 13.3</td></tr>
<tr>
<td>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</td>
<td>Compliant</td>
<td>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting<br><br>Board ensures the attendance of relevant individuals to answer shareholders' questions during the ASM.</td>
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| | | The 2025 ASM was presided by the Chairman of the Board, Mr. Manuel V. Pangilinan, and was attended by stockholders, who own or hold approximately over 910,775,522 or 80.81% of the total issued and outstanding shares of 1,127,092,509 represented in person and by proxy.<br><br>The ASM was attended by the Chairperson of the Audit Committee, Retired Chief Justice Artemio V. Panganiban; and all other members of the Board elected at the ASM. The members of the Company's External Auditor were also present during the stockholders' meeting as well as key officers of the Company. In compliance with the disclosure requirements, the results of the meeting, together with the list of attendees including the elected board members, were disclosed to the SEC and PSE within the day of the ASM.<br><br>Please refer to the section on Board Performance for the detailed attendance of the Board to the ASM.<br><br>Links: | |

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| | | ***Minutes of the 2025 ASM, page 1:***<br>*mer.ph/MinutesASM*<br><br>***Integrated Report (page: 137)***<br>*https://mer.ph/2025AR17A*<br>*Annual Reports (meralco.com.ph)*<br><br>All Shareholders were given equal opportunity to voice their opinions and raise questions during the meeting within the appropriate time frame and allowed concerned directors and officers of the Company to answer and provide clarifications. Even prior to the meeting, shareholders were also allowed to submit their questions through phone or e-mail to the Stockholder Relations office at stockholder.affairs@meralco.com.ph.<br><br>However, only questions related to the Company's operations or with material impact on the operating results were considered in the ASM. | |
| **Recommendation 13.4** | | | |
| 1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. | Compliant | Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes<br><br>Provide link/reference to where it is found in the Manual on Corporate Governance<br><br>The Board adopts and makes available at the option of a | |

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| 2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance. | Compliant | shareholder, an established alternative dispute resolution (ADR) mechanism to resolve intra-corporate disputes in an amicable and effective manner as provided in the Alternative Dispute Resolution Policy and Revised Manual of Corporate Governance.<br><br>Links:<br>***Alternative Dispute Resolution Policy:***<br>ADR.pdf (amazonaws.com)<br><br>***Revised Manual of Corporate Governance:***<br>Mer.ph/CGManual<br>https://mer.ph/CGManual2024 | |
| **Recommendation 13.5** | | | |
| 1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders. | Compliant | Disclose the contact details of the officer/office responsible for investor relations, such as:<br>1. Name of the person<br>2. Telephone number<br>3. Fax number<br>4. E-mail address<br><br>Meralco has an Investor Relations Office which regularly communicates relevant and timely information about the Company to both current and potential investors, to analysts, fund managers, potential business partners and the general public.<br><br>Investors may get in touch with the Company's Investor Relations Office located at 11/F of Lopez Building, | |

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| | | Ortigas Avenue, Barangay Ugong, Pasig City, 1604 Philippines with the e-mail address: investor.relations@meralco.com.ph. Such information can be found on the Annual Report.<br><br>Link:<br>***SEC Form 17-A Annual Report Section, page 118 (part 3)***<br>*https://mer.ph/2025AR17A*<br><br>***Integrated Report***<br>*Annual Reports (meralco.com.ph)*<br><br>Shareholders may also access daily updates on Meralco's shares of stock through the Investor Relations page of the Company's Website.<br><br>Link:<br>***Meralco website:***<br>*Investor Relations Page*<br>*Overview (meralco.com.ph)*<br><br>The Company presents 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. | |

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| | | 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.<br><br>Link:<br>***Meralco website:***<br>*Quarterly Reports*<br>*Quarterly Reports (meralco.com.ph)* | |
| 2. IRO is present at every shareholder's meeting. | Compliant | Indicate if the IRO was present during the ASM.<br><br>The Company's Chief Investor Relations Officer (CIRO), Mr. Paul Jayson I. Ramos, currently handles the Investor Relations Office and is present at the recent shareholders' meeting held last 2025.<br><br>Link:<br>***Integrated Report***<br>*Annual Reports (meralco.com.ph)*<br><br>***Minutes of the 2025 ASM:***<br>*mer.ph/MinutesASM* | |
| **Supplemental Recommendations to Principle 13** | | | |
| 1. Board avoids anti-takeover measures or similar devices that may entrench | Compliant | Provide information on how anti-takeover measures or similar devices were avoided by the board, if any. | |

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| ineffective management or the existing controlling shareholder group | | The Company does not employ any anti-takeover measure or similar devices that may entrench ineffective management or the existing controlling shareholder group.<br><br>The Company upholds the rights of all shareholders, including the minority shareholders, to effectively participate in decisions affecting the Company:<br><br>• Changes or amendments to the Company's Articles of Incorporation or By-laws<br>• Authorization for issuance of additional shares<br>• Authorization of extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the Company<br>• Approval of remuneration or increase in remuneration of non-executive and executive directors<br>• Voting on matters in absentia through the use of proxy forms | |

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| | | Submitting the foregoing items to the approval of all shareholders prevents or discourages the Board from devising measures or defenses intended to prevent takeover of the Company. In particular, the Board is prevented from unilaterally transferring all or substantially all its assets, increasing remuneration of directors, or effecting changes in the Charter that tend to make the Company less attractive to investors or less conducive for takeover or acquisition.<br><br>The Company likewise allows tender offer of shares and exercise of proxy vote which are recognized strategies in takeovers.<br><br>Link:<br><br>***SEC Form 17-A Annual Report, page 149-150***<br>https://mer.ph/2025AR17A | |
| 2. Company has at least thirty percent (30%) public float to increase liquidity in the market. | Non-compliant | Indicate the company's public float. | Based on the Company's Annual Report and Public Ownership Report as of December 31, 2025, 26.09% of its issued and outstanding shares are freely available and tradable in the market.<br><br>This is above the current 10% minimum public float requirement prescribed by the |

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| | | | Philippine Stock Exchange Inc. (as approved by the SEC), and has increased from 18.68% in 2016.<br><br>Links:<br>***Integrated Report***<br>*Annual Reports (meralco.com.ph)*<br><br>***MER Public Ownership Report December 31, 2025***<br>manila_electric_company_public_ownership_report_summary_as_of_31_dec_2025.pdf<br><br>***PSE Memorandum CN No. 2012-003 (Annex B) dated 3 January 2012 re: Amended Rule on Minimum Public Ownership***<br>*https://www.pse.com.ph/stockMarket/circulars.html* |
| **Optional: Principle 13** | | | |
| 1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting | Compliant | Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM<br><br>The Stockholders' Affairs Office/Corporate Compliance Office under the Corporate Governance and Compliance Office encourages shareholders to engage with the Company beyond the Annual Stockholders' Meeting by providing them with accessible channels through which timely, fair, and accurate disclosures of material information affecting their shares are made and through which concerns on their share may be addressed. | |

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| | | To ensure comprehensive dissemination to all stakeholders and investors, share prices, financial results of the Company, top 20 stockholders of the Company, and Company disclosures which may affect the share prices are regularly updated and uploaded to the Company website.<br><br>Links:<br><br>*Meralco website:*<br><br>*Investor Relations*<br><br>*Investor Relations (meralco.com.ph)*<br><br>*Disclosures*<br><br>*SEC and PSE Filings (meralco.com.ph)*<br><br>Shareholders and investors are provided with adequate facilities to communicate with Meralco through telephone, mail, electronic mail, and website, www.meralco.com.ph. The Investor Relations Office supervises the investors' briefings and teleconference and attends to institutional investors' needs. Stockholder Affairs Office attends to the inquiries and other concerns of shareholders.<br><br>Shareholders are given Notice and Agenda of the Annual Stockholders | |

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| | | Meeting, or ASM, at least twenty-eight (28) working days before the said meeting. ASM Notices are posted in Notice of Annual or Special Stockholders' Meetings (meralco.com.ph)<br><br>In accordance with the Revised Manual of Corporate Governance, the Board affords shareholders the right to propose the holding of meetings and to include agenda items ahead of the scheduled Annual and Special Shareholders' Meeting. Proposals for agenda items and for the holding of special stockholders meeting may be sent to the Corporate Governance Office through cgo.staff@meralco.com.ph. Proposals shall be evaluated by the Nomination and Governance Committee and/or endorsed to the Board of Directors for its review and/or approval.<br><br>To allow minority shareholders to nominate candidates to the Board of Directors, Meralco submits a call for nomination to the Securities and Exchange Commission (SEC) which is also published on the website for public notice. | |

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| | | The Company facilitates participation of shareholders who cannot attend the stockholders' meeting in person by enclosing proxy forms in the ASM Notice where they can indicate their votes on matters that will be taken during the meeting. Shareholders may download proxy forms together with details on how to appoint a proxy by clicking this link: Notice of Annual or Special Stockholders' Meetings (meralco.com.ph)<br><br>For shareholders who are able to attend the ASM, an electronic system facilitates the registration and vote tabulation to ensure accuracy and reliability of information.<br><br>Link:<br><br>***Meralco website:***<br><br>*Stakeholder Engagement (meralco.com.ph)* | |
| 2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting. | Compliant | Disclose the process and procedure for secure electronic voting in absentia, if any.<br><br>During the 2025 ASM, the Company conducted its virtual ASM via live broadcast of the proceedings through the Stockholders Electronic Registration and Voting Express (SERVE). The online platform fully enabled the electronic voting in absentia by the stockholders during the ASM. Stockholders were also given | |

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| | | opportunity to propound questions and raise concerns to the Board during the meeting.<br><br>Link:<br>***Meralco website SERVE portal for electronic voting in absentia:***<br>*SERVE - Voting in Absentia (meralco.com.ph)*<br><br>*Key Players (meralco.com.ph)* | |
| **Duties to Stakeholders** | | | |
| **Principle 14:** The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights. | | | |
| **Recommendation 14.1** | | | |
| 1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability. | Compliant | Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.<br><br>The following are the Company's stakeholders:<br>• Shareholders<br>• Employees<br>• Subsidiaries<br>• Community<br>• Other Stakeholders such as creditors and suppliers<br><br>As a result of its continuous interactions with its stakeholders, the Company has formulated guidelines and strategies to ensure sustainable development determined to operate | |

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| | | a business that is anchored on good governance.<br><br>The policies and programs for the Company's stakeholders are disclosed in the Annual Report and the Company Website.<br><br>Links:<br>***SEC Form 17-A Annual Report, pages 152, 155***<br>https://mer.ph/2025AR17A<br><br>***Integrated Report*** *(Page 223)*<br>Annual Reports (meralco.com.ph)<br><br>***Meralco website:***<br>*Key Players:*<br>Key Players (meralco.com.ph)<br><br>*Stakeholder Engagement:*<br>Stakeholder Engagement (meralco.com.ph) | |
| **Recommendation 14.2** | | | |
| 1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders. | Compliant | Identify policies and programs for the protection and fair treatment of company's stakeholders<br><br>The Company implements policies and activities that protect the rights and promote the interest of its various stockholders:<br><br><u>Customers</u><br>It is the Company's policy to provide all customers with excellent service and fair treatment, and complete | |

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| | | and accurate information. Towards this end, the Company:<br><br>- Provides customized services to home and micro businesses, small and medium-size enterprises and corporate business groups;<br><br>- Standardizes policies and work processes related to customers in all business centers and public information on the services and rates affecting them (e.g., the monthly Meralco Advisory);<br><br>- Communicates significant operational plans and holding appreciation events such as Meralco Luminaries with customers at least once a year;<br><br>- Undertakes surveys on customers' level of satisfaction to improve the Company's service standards;<br><br>- Establishes a Consumer Welfare Desk (CWD) at the business centers and a Customer Assistance Office (CAO) at the Energy Regulatory Commission (ERC), both manned by trained CWD | |

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| | | officers, pursuant to ERC Resolution No. 42, series of 2006;<br><br>- Implements various programs to delight the customers (Information Drive on Rates and Tips such as the Orange Tag and Power Ideas, Customer eXperience Transformation Program, Partnership and customer engagements through Power Up Forums and the Power Club Magazine, Meralco Business (Biz) Partnership with SME entities, and Meralco Home and Microbiz engagements with local government units, Variety of payment programs such as the Automatic Debit Arrangement program and Interruptible Load program<br><br>The Company promotes safety as a way of life by providing a safe and healthy environment to prevent accidents or injuries to its customers. As such, the Company's activities include:<br><br>- Undertaking safety and health orientation programs to enhance safety consciousness and safe practice for all customers and stakeholders. | |

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| | | - Complying with all applicable safety, and environmental regulations and closely monitoring the state of well-being and safety of all customers and the public at-large.<br><br>- Conduct of the *Kuryenteng Ligtas* Awards, the first award-giving body that honors organizations, businesses and individuals that uphold excellence in their practice of electrical safety and promotion of safety in the workplace.<br><br><u>Suppliers/Contractors</u><br>The Company observes a clearly defined and transparent procurement and supplier selection process through the Suppliers' Business Conduct Policy and the Vendor Accreditation Program. It ensures faithful compliance to all the terms and conditions of its procurement contracts. Under these programs:<br><br>- Only accredited suppliers are qualified to participate in bids and awards. | |

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| | | - Purchases are made on the basis of competitive bidding – where the commercial and technical requirements are jointly evaluated.<br><br>- Suppliers are responsible and accountable for providing the required information in the Suppliers' Business Conduct Commitment Form. They are likewise expected to adhere to certain corporate governance standards and undertaking to apply these standards to their offices and employees.<br><br><u>Creditors</u><br>The Company faithfully complies with all loan agreements with creditors. It ensures timely payment of its loans and efficiently operates its business to assure creditors of the Company's sound financial standing and loan payment capabilities. In this regard, the Standard & Poor's (S&P) global ratings raised its long-term corporate credit rating on Meralco to Investment Grade at BBB- with Stable Outlook from BB+ with Positive Outlook in 2017. | |

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| | | The rights of creditors are protected by public disclosures of material information such as results of operations, systems of internal controls and regular assessment of risks to compliance with loan covenants and bonds. Periodic reports are made by the Company of its financial position through the submission of its quarterly and latest audited financial statements. The Company also conducts regular financial and operating results briefings.<br><br><u>Environment and Community</u><br>As an advocate of sustainable development, the Company is committed to operate profitably within the bounds of its social and environmental responsibility. Its commitment is expressed in the One Meralco Foundation, Inc. *(http://www.onemeralcofoundation.org/)*<br><br>***SEC Form 17-A Annual Report, pages 152-153***<br>*https://mer.ph/2025AR17A*<br><br>*Annual Reports (meralco.com.ph)*<br><br>*Sustainability at Meralco*<br><br>***Company Website, Key Players:***<br>*Key Players (meralco.com.ph)* | |

| Recommendation 14.3 | | | |
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| 1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights. | Compliant | Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.<br><br>Provide information on whistleblowing policy, practices and procedures for stakeholders<br><br>The *e-Report Mo* (Whistleblowing Policy/Anti-Corruption Programs and Procedures) 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.<br><br>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 the Corporate Governance Office (CGO) by filling out a Retaliation Protection Report Form.<br><br>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 | |

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| | | the CGO through the following contact information:<br><br>**Corporate Governance Office**<br>Manila Electric Company (Meralco)<br>8th Floor, Lopez Building, Ortigas Avenue, Brgy. Ugong, Pasig City, Philippines<br>Tel: (+632) 1622-2798<br>Mobile: 09088661670<br>email: cgo.staff@meralco.com.ph<br><br>Links:<br>***Whistleblowing Policy (Speak Out Policy):***<br>*Speak Out Policy.pdf (amazonaws.com)*<br><br>***Whistleblowing Report, Annex 1:***<br>*Microsoft Word - eReport Form (amazonaws.com)*<br><br>***Protection from Retaliation Form:***<br>*Microsoft Word - Retaliation Protection Report Form (amazonaws.com)*<br><br>***SEC Form 17-A Annual Report, page 155-156***<br>*https://mer.ph/2025AR17A* | |
| **Supplement to Recommendation 14.3** | | | |
| 1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner. | Compliant | Provide information on the alternative dispute resolution system established by the company.<br><br>The Company adopts the following alternative dispute resolution system to address conflicts and differences with key stakeholders:<br><br>***Corporation & Stakeholders*** | |

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| | | The Company has created the office of Stockholder Affairs/ Corporate Compliance Office in assisting shareholders to resolve issues affecting their concerns. The Board has adopted and made available at the option of a shareholder, an established alternative dispute resolution (ADR) mechanism to resolve intra-corporate disputes in an amicable and effective manner as provided in the Alternative Dispute Resolution Policy and Revised Manual of Corporate Governance.<br><br>Links:<br>***Alternative Dispute Resolution Policy:***<br>ADR.pdf (amazonaws.com)<br><br>***Revised Manual of Corporate Governance***<br>https://meralcomain.s3.ap-southeast-1.amazonaws.com/images/ckeditor-documents/MANUAL%20OF%20CORPORATE%20GOVERNANCE_rev%20July%202022.pdf<br><br>***Corporation & Third Parties***<br>The Company complies with all relevant rules and regulations promulgated by the Energy Regulatory Commission (ERC) on the settlement of disputes between the Company and its customers. | |

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| | | Pursuant to the Electric Power Industry Reform Act of 2001 (EPIRA), the ERC handles consumer complaints and ensures the adequate promotion of consumer interests. Similarly, the ERC has the original and exclusive jurisdiction over all cases contesting rates, fees, fines and penalties imposed by the ERC in the exercise of its powers, functions and responsibilities and over all cases involving disputes between and among participants or players in the energy sector.<br><br>To assist the ERC in the handling of consumer complaints and to provide maximum efforts to resolve these matters amicably, the ERC, under its Resolution No. 42, series of 2006, set minimum standards for frontline customer services of Distribution Utilities (DUs) and other electric service providers. Pursuant thereto, the Company has established a Consumer Welfare Desk (CWD) in its branches as well as a Consumer Assistance Office (CAO) at the Pacific Center Building, San Miguel Avenue, Ortigas City. | |

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| | | The CWD desk and the CAO are manned by CWD Officers who have undergone relevant training and are able to assist the customers with their complaints.<br><br>CWD Officers are likewise required to be familiar with the operations of the Company and with ERC laws, rules, regulations, decisions and policies. The primary responsibilities of CWD Officers include entertaining complaints by consumers against the Company as well as queries on its services and ERC decisions, orders, resolutions, laws, rules and regulations. They help serve as the initial contact person of consumers before complaints are lodged with the ERC to assist in resolving matters amicably.<br><br>For disputes in connection with matters concerning the Philippine Electricity Market Corporation, the Company<br>complies with the dispute resolution mechanism provided in the Wholesale Electricity Spot Market (WESM)<br>Manual.<br><br>***Corporation & Regulatory Authorities*** | |

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| | | The Company has adopted the policy of proactively and amicably engaging the ERC, SEC, DOE, and other agencies in resolving issues affecting the Company and the concerned agencies.<br><br>***Employees***<br>The Company enforces a Code on Right Employee Conduct (COREC) and mechanisms that resolve employee-related conflict and provide for effective grievance machinery. | |
| **Additional Recommendations to Principle 14** | | | |
| 1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation. | Compliant | Disclose any requests for exemption by the company and the reason for the request.<br><br>The Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. | |
| 2. Company respects intellectual property rights. | Compliant | Provide specific instances, if any.<br><br>The Company respects intellectual property rights as provided by law. This is signified in the Revised Code of Ethics which provides that the directors, officers and employees of | |

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| | | the Company shall respect and uphold the confidential and proprietary information of other companies and shall not knowingly appropriate, infringe or make an unauthorized use of a valid trademark, patent, trade secret or proprietary technology belonging to the Company or to another person or entity.<br><br>Link:<br>***Revised Code of Ethics***<br>*https://mer.ph/COEthics*<br><br>Pursuant thereto, the Company has always applied for and sought approval of the Intellectual Property Office for the registration and use of any trademark related to the Company's services and programs such as:<br><br>– *Bright Ideas* for electric service, appliance, promotions, andenergy efficiency tips to help consumers make informed decisions on managing their electric consumptions and; | |

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| | | - *Kuryente Load (KLoad)* for prepaid electricity service for consumers to manage electricity spending. It allows daily and on-demand load balance notification via SMS, and notification of rate adjustments, disconnection/reconnection alerts, among others through mobile device and network.<br><br>https://www.meralco.com.ph/residential/bright-ideas | |
| **Optional: Principle 14** | | | |
| 1. Company discloses its policies and practices that address customers' welfare | Compliant | Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.<br><br>The Company remains responsive to the requirements of our customers. The Company implements various policies and programs to continually engage customers and ensure their welfare.<br><br>It is the Company's policy to provide all customers with excellent service and fair treatment, and complete and accurate information. Towards this end, the Company:<br><br>- Provides customized services to home and micro businesses, small | |

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| | | and medium-size enterprises and corporate business groups;<br><br>- Standardizes policies and work processes related to customers in all business centers and public information on the services and rates affecting the customers, e.g., the monthly Meralco Advisory;<br><br>- Communicates significant operational plans and holding appreciation events such as Meralco Luminaries with customers at least once a year;<br><br>- Undertakes surveys on customers' level of satisfaction to improve the Company's service standards;<br><br>- Establishes a Consumer Welfare Desk (CWD) at the business centers and a Customer Assistance Office (CAO) at the Energy Regulatory Commission (ERC), both manned by trained CWD officers, pursuant to ERC Resolution No. 42, series of 2006; and<br><br>- Implements various programs to delight the customers such as Information Drive on Rates and Tips | |

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| | | such as the Orange Tag and Power Ideas, Customer eXperience Transformation Program, Partnership and customer engagements through Power Up Forums and the Power Club Magazine, Meralco Business (Biz) Partnership with SME entities, and Meralco Home and Microbiz engagements with local government units, Variety of payment programs such as the Automatic Debit Arrangement program and Interruptible Load Program<br><br>The Company promotes safety as a way of life by providing a safe and healthy environment to prevent accidents or injuries to its customers. As such, the Company's activities include:<br><br>- Undertaking safety and health orientation programs to enhance safety consciousness and safe practice for all customers and stakeholders;<br><br>- Complying with all applicable safety, and environmental regulations and closely monitoring the state of well-being and safety of all customers and the public at-large; and | |

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| | | - Conduct of the *Kuryenteng Ligtas* Awards, the first award-giving body that honors organizations, businesses and individuals that uphold excellence in their practice of electrical safety and promotion of safety in the workplace.<br><br>The policies and programs for customers are also disclosed in the Company's Annual Report and in the Meralco website:, https://www.meralco.com.ph/:<br><br>Links:<br>***SEC Form 17-A Annual Report, Sustainability section***<br>*https://mer.ph/2025AR17A*<br><br>***Integrated Report***<br>*Annual Reports (meralco.com.ph)*<br><br>***Company Website, Key Players:***<br>*Key Players (meralco.com.ph)* | |
| 2. Company discloses its policies and practices that address supplier/contractor selection procedures | Compliant | Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.<br><br>The Company observes a clearly defined and transparent procurement and supplier selection process through the Suppliers' Business Conduct Policy and Vendor Accreditation Program. These ensure | |

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| | | faithful compliance to all the terms and conditions of its procurement contracts.<br><br>Under these programs,<br>• Only accredited suppliers are qualified to participate in bids and award.<br>• Purchases are made on the basis of competitive bidding – where the commercial and technical requirements are jointly evaluated.<br>• Suppliers are responsible and accountable for providing the required information in the Suppliers' Business Conduct Commitment Form. They are likewise expected to adhere to corporate governance standards and apply these standards to their offices and employees.<br><br>***Vendor's Code of Business Conduct and Ethics:***<br>*Revised Code of Business Conduct and Ethics for Vendors 1.pdf (amazonaws.com)*<br><br>***Meralco Website:***<br>*Key Players (meralco.com.ph)*<br><br>*Stakeholder Engagement (meralco.com.ph)* | |

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| **Principle 15:** A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes. | | | |
| **Recommendation 15.1** | | | |
| 1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance. | Compliant | Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.<br><br>The Company encourages the development of performance-enhancing mechanisms for employee participation. The Company recognizes that performance enhancing mechanisms for participation benefits companies directly as well as indirectly through the readiness by employees to invest in firm specific skills, or skills/competencies that are related to production technology and/or organizational aspects that are unique to Meralco.<br><br>Mechanisms for employee participation in Meralco include: employee representation on senior management committee, board and board committee meetings; work committees and councils that consider employee viewpoints in certain key decisions such as the Meralco Rescue Team, Anti-Sexual Harassment Committee, First Line Association of Meralco Supervisory | |

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| | | Employees and Meralco Employees and Workers Association.<br><br>Other performance enhancing mechanisms in Meralco are the Employee Stock Purchase Plans (ESPP), balanced scorecard and other profit-sharing mechanisms.<br><br>The Company provides its employees with opportunities for learning and development, fair and competitive remuneration, and programs to promote health and safety in a conscious effort to build a culture of excellence, knowledge sharing, and personnel integrity, and development through the following:<br><br>**Recruitment and Onboarding**<br>The Company uses an online hiring portal, *eRecruit,* which is a fully web-enabled system powered by SAP with the following features and benefits to job applicants:<br>• Keeps resumes readily available when search process is initiated by the recruiter;<br>• Tracks and notifies applicants on the status of their applications; and | |

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| | | • Allows job applicants mobility as it enables them to apply anytime, anywhere using their mobile device.<br><br>Once hired, the employees attend an orientation by Learning & Development (L&D) to understand Meralco's history, mission, values, and business practices, and undergo a customized immersion program through *Orange Plug-in*.<br><br>*Orange Plug-In (OPI)* is the onboarding program of the Company that aims to facilitate a new hire's immersion into the Company's organization and culture leading to early employee engagement and productivity.<br><br>OPI is a one-day orientation for new employees in general that aims to inform new employees about Meralco. It is divided into five segments: Meralco Facilities, Meralco Business, Meralco Policies, Meralco Tools, Meralco Benefits, and Engagement Programs.<br><br>Through the *Orange Plug-in Plus (OPI+)*, a separate orientation day is | |

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| | | provided to all new employees holding leadership positions. This portion will give them the necessary information they need to better manage their people.<br><br>The OPI is being managed by Talent Resourcing and it covers the following:<br><br>• *Digital Welcome Kit* which contains relevant information about the company and campus-like home;<br>• *The Buddy System* where an onboarding "buddy" will be assigned to a new hire and will help him/her navigate his/her way about Meralco way of life, key people, and company policies and practices; and<br>• *My First 100 Days Plan* where the new hire's supervisor will help him/her set milestones from Day 1 and every month thereafter, capped with an assessment of his/her immersion, and the development of intervention plans, as needed.<br><br>**Learning and Development** | |

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| | | The Company is committed to the development and welfare of its employees. Training programs and other developmental interventions are implemented to enable employees to acquire the technical and leadership competencies to effectively perform their jobs for their professional growth.<br><br>The Company uses a globally-accepted training and development metrics relevant to value creation for business and society. Learning and development initiatives are delivered using the strategic framework of 70-20-10: 70% **experiential learning** / on-the-job learning, 20% from **social learning and learning through others** such as coaching and mentoring, and 10% **formal learning**. In 2023, the average annual training man-hours is at 53.76 hours per person.<br><br>Key talent management and development programs include:<br><br>**Talent Management and Development** / **Program Description**<br>**Analyst Curriculum** / In Meralco, analysts are the second largest | |

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| | | | employee group. Their role in the company is vital in the day-to-day operations. There is a need for our analysts to be fully equipped in performing their roles — hence the Analyst Curriculum was developed. The Analyst Curriculum is composed of eight common competencies that an analyst should possess, namely: (1) Problem Analysis and Solution Formulation, (2) Process Management, (3) Policy Management, (4) Data Management, (5) Project Management, (6) Stakeholder Management, (7) Documents & Records Management, and (8) Risk Management. Meralco has | |

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| | | | already conducted training programs for 6 out of the 8 competencies in the curriculum, with last 2 (Policy and Documents & Records Management) for curriculum design. | |
| | | **New Frontiers** | New Frontiers is a 20-day/ 40- half day program which is in partnership with the Asian Institute of Management. This program is composed of modules that are linked with Meralco's Leadership Competencies and identified Job Focus Areas for middle managers. The curriculum includes modules like Thinking Suite, Strategy Series, Finance and Accounting, Functional Drivers and Enablers, and Leadership and Mastery. It uses a blended learning | |

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| | | | approach consisting of action learning projects, case studies, gamification, and business simulations. Completion of the course is a minimum requirement for consideration of any future nominations for promotion to EC/SC Ranks. | |
| | | **Breakthroughs** | Breakthroughs is a twice a week, 3-month classroom / virtual instructor-led training program which aims to equip high potential individual contributors to be ready to take on a first-line leadership position. This program focuses on the important roles and functions one must have as a Team Leader and highlights skills like Data Analytics, Developing a Business Mindset, Execution Excellence, and | |

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| | | | Enhancing Team Performance. E-learning, Case Study, Lecturette, Structured Learning Experiences, Simulation, and Action Learning Projects are utilized as delivery methods. Completion of the course is a minimum requirement for consideration of any future nominations for promotion to TC 1-4 ranks. | |
| | | **LEAP** | This is a 5 half-day leadership program designed for incumbent team leaders or supervisors in the organization. This is to aid them (1) in carrying out the responsibilities expected from supervisor-leaders; and (2) in managing and leading teams and its resources in support of their | |

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| | | | organization's business goals. | |
| | | **Meralco Linecrew Training Curriculum** | The Meralco Linecrew Training Curriculum 1, which is intended for apprentice/linecrew- trainees, is a six-month program which aims to equip linecrew trainees with the necessary knowledge, skills, and attitude to perform duties and responsibilities of a linecrew trainee as an individual and working as part of a crew. At the end of the program, the participants are expected to observe industrial safety practices, apply electrical formula in simple circuits, install and retire line materials and equipment of de-energized overhead line, and assist upper class | |

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| | | | lineman by acting as the groundman and performing good housekeeping. Through this, we are able to ensure that the Business is supported by a steady supply of skilled workforce to support business requirements. | |
| | | **Meter Technician Curriculum** | The Meter Technician Curriculum is divided into three parts – Basic, Specialized and Supplemental Courses. Each part is anchored on the approved technical competency framework which serves as guide for the development of our Meter Field Technicians. The training programs and learning interventions were mapped based on the competency descriptors identified. This curriculum aims to provide the | |

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| | | | participants necessary knowledge and skills to perform their job responsibilities efficiently and safely . | |
| | | **MERALCO Cadet Engineering Program** | MERALCO Cadet Engineering Program (MCEP) is a five to seven-month onboarding program of MERALCO Learning & Development for cadet engineers -- newly hired registered electrical engineers, that aims to expose them to the business of MERALCO. This cadetship program is designed to help cadets gain basic knowledge about the whole MERALCO, specializing on the assigned organization. Over the course of this program, cadets will learn theoretical knowledge through classroom sessions and experience them in practical setting to help prepare cadets upon their deployment by immersing them in | |

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| | | | different offices. During the immersion, cadets will be able to meet and interact with the employees which would also enable understanding of the MERALCO culture. We also incorporated programs to develop in the cadets the necessary life skills to be able to upgrade themselves not just professionally, but also personally. | |
| | | **Performance and Rewards**<br>The Company values and recognizes the contributions of individuals in the attainment of team, organization and corporate goals.<br><br>*Revving up to Achieve a Culture of Excellence (RACE)* is Meralco's Employee Performance Management System. It was created to ensure alignment between performance and the overall company objectives to promote a culture of high performance and meritocracy (advancement based on individual ability or achievement). It is a holistic approach that captures the key elements of effective | | |

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| | | performance management such as performance planning, monitoring and development, and evaluation.<br><br>The *appRACE*, a cloud-based people and performance management system, designed to support the RACE, was developed and launched last April 20, 2016.<br><br>Through the *Performance Evaluation Plan (PEP)*, the overall contributions of individuals are recognized by accurately measuring what the employee delivers (i.e., results) and objectively assessing how the employee delivers results (i.e., behavior) over set targets for each year. It is the aim of the PEP to produce relevant information on employee performance that will serve as basis for various people management decisions relating to employee development and rewards.<br><br>**Compensation Philosophy**<br>The Company implements short-term and long-term incentive programs to attract, retain, and motivate its employees. The Company compensates employees based on | |

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| | | Company, team, and individual performance to help achieve corporate goals and targets. The Company provides for assessment that account for performance beyond short-term financial measures.<br><br>The Company's performance management process assesses employee performance on the basis of:<br><br>1) actual vs. desired results; and<br>2) how results were delivered in light of corporate core values.<br><br>Therefore, the achievement of financial and non-financial measures is reflected in performance planning and assessment which drives the Company's merit and incentive pay programs.<br><br>**Employee Benefits**<br>On top of legislated benefits, the Company implements several benefits policies for its qualified employees such educational loan, housing equity assistance loan, cash | |

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| | | assistance for death or disasters, among others.<br><br>**In-Job Progression**<br>The Company fosters the advancement of its people. It is therefore the policy of the Company to recognize and reward employees who contribute to the achievement of organizational goals while continuously enhancing their competencies and performance on the job.<br><br>Accordingly, in addition to merit increases granted to employees with good performance rating, an employee may also be considered for in-job progression by his/her supervisor given consistent demonstration of higher-level competencies. An employee who qualifies for in-job progression will be granted an appropriate pay adjustment as determined by Human Resources and approved by the functional head.<br><br>**Work-life balance**<br>The Company promotes work-life balance through a wide array of employee engagement activities. To determine people engagement | |

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| | | levels, *THE PULSE: Employee Engagement Survey* was conducted in 2017 and was participated in by 99% of employees. The survey showed a 91% total engagement score, the highest so far.<br><br>The program *Orange Fit* remained to be a highly motivating program for employees' total wellness in body, mind, and spirit. Teamwork, communication, employee engagement, and productivity were strengthened through activities on values cascade, management dialogues.<br><br>Link:<br>***Meralco website:***<br>*Employee Development and Engagement:*<br>*Employee Development and Engagement (meralco.com.ph)* | |
| **Supplement to Recommendation 15.1** | | | |
| 1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures. | Compliant | Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.<br><br>As disclosed in the Annual Report, the Company compensates employees based on Company, team, and individual performance to help achieve corporate goals and targets. | |

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| | | The Company provides for assessment that account for performance beyond short-term financial measures. It also provides for short-term incentives through variable pay, such as *Annual Performance-Based Bonuses (APB)* and *Variable Incentive Plan (VIP)*, to reward individual and team performance that contribute to the achievement of corporate goals and objectives.<br><br>*Revving up to Achieve a Culture of Excellence (RACE)* is Meralco's Employee Performance Management System. It was created to ensure alignment between performance and the overall company objectives to promote a culture of high performance and meritocracy (advancement based on individual ability or achievement). It is a holistic approach that captures the key elements of effective performance management such as performance planning, monitoring and development, and evaluation.<br><br>The *appRACE*, a cloud-based people and performance management system, designed to support the | |

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| | | RACE, was developed and launched last April 20, 2016.<br><br>Through the *Performance Evaluation Plan (PEP)*, the overall contributions of individuals are recognized by accurately measuring what the employee delivers (i.e., results) and objectively assessing how the employee delivers results (i.e., behavior) over set targets in a year. It is the aim of the PEP to produce relevant information on employee performance that will serve as basis for various people management decisions relating to employee development and rewards.<br><br>Employee performance is evaluated based on two critical factors:<br><br>1. *Goals & Initiatives (GAINs)* – measures the employee's work accomplishments during the performance period (i.e., individual goals vs. actual work accomplishments); and<br>2. *Values & Behavior (V&B)* – measures how well the employee met expectations based on the behavioral manifestations of the seven Corporate Values, namely: | |

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| | | – Customer Service,<br>– Performance,<br>– Accountability/ Empowerment<br>– Integrity/Transparency,<br>– Teamwork/ Collegiality,<br>– Malasakit and<br>– Makabayan.<br><br>The merit increase is based on the employee's performance rating, and is effective January 1 of every year.<br><br>For covered employees with less than 12 months of service during the performance period (e.g. involuntary separation, death, new hires), the merit increase will be prorated based on the actual number of months and days served.<br><br>For PG employees promoted to the Exempt Group within the performance year, merit increases will also be pro-rated.<br><br>***SEC Form 17-A Annual Report, pages 153-154, 140-142***<br>*https://mer.ph/2025AR17A*<br><br>***Integrated Report***<br>*Annual Reports (meralco.com.ph)* | |

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| 2. Company has policies and practices on health, safety and welfare of its employees. | Compliant | Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.<br><br>Employee Engagement and Wellness is a holistic approach through the Company's ORANGE FIT program that targets physical, mental and spiritual well-being. To develop physical wellness, the ORANGE FIT campaign has institutionalized sports clubs, after-work health programs (Zumba, Yoga, Cross-fit), employee sports events (sports fests, interoffice sports competition), the orange lane (to encourage walking in the Meralco Center), health reminders, and the use of the sports and health facilities.<br><br>Emotional and mental wellness are also elements of the ORANGE FIT campaign with the provision of in-house counselors and medical experts as well as access to the Zen Room made available to all employees through the Corporate Wellness Center.<br><br>Spirituality is also of major importance as the Company ensures that different beliefs and religions have a place and venue for worship. Meralco Employees actively | |

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| | | participate in the different ORANGE FIT initiatives.<br><br>On the other hand, to help drive the sustainability of the Company and ensure a safe workplace, Meralco's "TARGET ZERO: Zero Incident, Zero Harm" was launched in 2019 and immediately improved safety performance by significantly decreasing incident frequency and severity. This was supported by award-winning safety programs such as safety alerts, an improved Incident Report Management System and Daily Safety Huddles (DASH). Meralco also successfully transitioned to the new Occupational Health and Safety (OHS) ISO Management System (45001:2018).<br><br>As part of Meralco's vision to be resilient in times of disaster, the Company partnered with various local government units and agencies through programs such as the Makati Shakeout Simex, the Metro Manila Shake Drill, the hosting of the 4th Quarter Nationwide Simultaneous Earthquake Drill, and the training of 17 Meralco Rescue Team Members and | |

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| | | 31 Incident Response Team Members through TESDA.<br><br>All employees are required to attend the Mandatory 8-Hour Occupational Safety and Health (OSH) Seminar to enable the participants to identify hazards, evaluate and correct them, so none of unsafe conditions or acts turn to life-threatening situations that may curb the Company's productive output.<br><br>The OSH Seminar is in compliance with Section 16 (b) of Republic Act No. 11058 "*An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof*" and Section 3 of the Department Order No. 198-18 "*Implementing Rules and Regulations of RA 11058*".<br><br>Meralco successfully passed both the surveillance audit conducted by a third- party certifying body for its OHSAS 18001 Certification on Occupational Health and Safety Management System as well as the Department of Labor and Employment (DOLE) audit on the | |

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| | | compliance to Occupational Safety and Health (OSH) Standards. Likewise, an additional eight (8) safety officers of the<br>Company were able to secure their Safety Practitioner accreditation from the DOLE.<br><br>The Company was invited to be part of the DOLE Technical Working Group and actively contributed to the development of the implementing rules and regulations of Republic Act 11058, also known as the *New OSH Law* intended to strengthen OSH practices and compliance in all workplaces in the country.<br><br>***Integrated Report***<br>*Annual Reports (meralco.com.ph)*<br><br>***SEC Form 17-A Integrated Report Pages 94-97***<br>*https://mer.ph/2025AR17A*<br><br>***Meralco website:***<br>*Key Players:*<br>*Key Players (meralco.com.ph)*<br><br>*Stakeholder Engagement:*<br>*Stakeholder Engagement (meralco.com.ph)* | |
| 3. Company has policies and practices on training and development of its employees. | Compliant | Disclose and provide information on policies and practices on training and development of employees.<br>Include information on any training conducted or attended.<br><br>The Company is committed to the development and welfare of its | |

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| | | employees. Training programs and other developmental interventions are implemented to enable employees to acquire the technical and leadership competencies to effectively perform their jobs for their professional growth.<br><br>The Company uses a globally accepted training and development metrics relevant to value creation for business and society. Learning and development initiatives are delivered using the strategic framework of 70-20-10: 70% **experiential learning** / on-the-job learning, 20% from **social learning and learning through others** such as coaching and mentoring, and 10% **formal learning**.<br><br>The Company dedicated in 2025 an average of 47.90 training hours per employee hours per employee. These programs covered competency upgrade, professional and leadership development, and safety and technical skills development.<br>***SEC Form 17-A Annual Report (89-90)***<br>*https://mer.ph/2025AR17A*<br><br>***Integrated Report***<br>*Annual Reports (meralco.com.ph)* | |

| Recommendation 15.2 | | | |
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| 1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. | Compliant | Identify or provide link/reference to the company's policies, programs and practices on anti-corruption<br><br>The Company adopted the Anti-Bribery and Corruption Policy which formalized its anti-corruption policy and program to curb and penalize company involvement in offering, paying, and receiving bribes.<br><br>Link:<br>***Anti-Bribery and Corruption Policy***<br>*Anti-Bribery and Corruption Policy.pdf (amazonaws.com)*<br><br>The Company's Anti-Bribery and Corruption Policy and Program is also embodied in the Revised Code of Ethics which prohibits the commission of any act that may be construed as direct or indirect bribery and corruption, as defined by law, of government officials to facilitate any transaction or gain any perceived or actual favor or advantage.<br><br>***Revised Code of Ethics:*** *Revised Code of Ethics (meralco.com.ph)* | |

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| | | The Company's anti-corruption policy is reinforced by the following policies:<br>A. Conflict of Interest Policy which requires all Directors, Officers and Employees to observe at all times the highest degree of fairness, accountability, transparency and integrity in the performance of their duties and responsibilities to the Company, free from any form of conflict or contradiction with their own personal interest.<br><br>Mer.ph/COI2012<br><br>B. Policy on Solicitation and Acceptance of Gifts which requires Directors, Officers, and Employees to refrain from putting themselves in situations or acting in a manner that could significantly affect the fair, objective, independent, and/or effective performance of their duties and responsibilities in the Company while transacting with third parties. As such, solicitation and acceptance of gifts from Third Party entities are prohibited. | |

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| | | Policy on Solicitation and Acceptance of Gifts.pdf (amazonaws.com)<br><br>C. Vendor's Code of Business Conduct and Ethics which prohibits corruption, extortion and embezzlement. Suppliers shall comply, at all times, will all applicable anti-bribery and corruption laws. Suppliers shall not offer, accept, promise, pay, permit, or authorize bribes and kickbacks, which include giving of gifts to the Company's Directors, Officers or Employees or other means to obtain an undue or improper advantage.<br><br>Revised Code of Business Conduct and Ethics for Vendors 1.pdf (amazonaws.com)<br><br>Violations of these policies are penalized in the Company's Code on Right Employee Conduct.<br><br>These policies are uploaded to the Company Website.<br><br>Link:<br>***Meralco website:*** *(Other Policies):*<br>Other Policies (meralco.com.ph) | |
| 2. Board disseminates the policy and program to employees across the organization | Compliant | Identify how the board disseminated the policy and program to employees across the organization | |

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| through trainings to embed them in the company's culture. | | Company policies are discussed during new employee orientation programs and included in Company Corporate Governance trainings and roadshows. Said policies are also made available in the Company Website.<br><br>Link:<br>***Meralco website:***<br>*Policies:*<br>*Other Policies (meralco.com.ph)*<br><br>*Programs:*<br>*Corporate Governance Programs (meralco.com.ph)* | |
| **Supplement to Recommendation 15.2** | | | |
| 1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes. | Compliant | Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.<br><br>Include any finding of violations of the company policy.<br><br>The Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes as embodied in the Anti-Bribery and Corruption Policy approved by the Board aiming to curb and penalize company involvement in offering, paying, and receiving bribes.<br><br>Link:<br>*Anti-Bribery and Corruption Policy* | |

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| | | Anti-Bribery and Corruption Policy.pdf (amazonaws.com)<br><br>The Company's Anti-Bribery and Corruption Policy and Program is also embodied in Article VIII, Section 1 of the Revised Code of Ethics which prohibits the commission of any act that may be construed as direct or indirect bribery and corruption, as defined by law, of government officials to facilitate any transaction or gain any perceived or actual favor or advantage. The Company's anti-corruption policy is reinforced by the following policies:<br><br>A. Conflict of Interest Policy which requires all Directors, Officers and Employees to observe at all times the highest degree of fairness, accountability, transparency and integrity in the performance of their duties and responsibilities to the Company, free from any form of conflict or contradiction with their own personal interest.<br><br>Mer.ph/COI2012<br><br>B. Policy on Solicitation and Acceptance of Gifts which requires Directors, Officers, and | |

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| | | Employees to refrain from putting themselves in situations or acting in a manner that could significantly affect the fair, objective, independent, and/or effective performance of their duties and responsibilities in the Company while transacting with third parties. As such, solicitation and acceptance of gifts from Third Party entities are prohibited.<br><br>*Policy on Solicitation and Acceptance of Gifts.pdf (amazonaws.com)*<br><br>C. Vendor's Code of Business Conduct and Ethics which prohibits corruption, extortion and embezzlement. Suppliers shall comply, at all times, will all applicable anti-bribery and corruption laws. Suppliers shall not offer, accept, promise, pay, permit, or authorize bribes and kickbacks, which include giving of gifts to the Company's Directors, Officers or Employees or other means to obtain an undue or improper advantage.<br><br>*Revised Code of Business Conduct and Ethics for Vendors 1.pdf (amazonaws.com)* | |

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| | | Violations of these policies are penalized in the Company's Code on Right Employee Conduct.<br><br>These policies are uploaded to the Company Website.<br><br>Link:<br>***Meralco website:***<br>*Other Policies:*<br>*Other Policies (meralco.com.ph)* | |
| **Recommendation 15.3** | | | |
| 1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation | Compliant | Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.<br><br>Indicate if the framework includes procedures to protect the employees from retaliation.<br><br>Provide contact details to report any illegal or unethical behavior.<br><br>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.<br><br>The *Speak Out Policy* (Whistleblowing Policy/Anti-Corruption Programs and Procedures) 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. | |
| 2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. | Compliant | | |
| 3. Board supervises and ensures the enforcement of the whistleblowing framework. | Compliant | | |

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| | | 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 Corporate Governance Office (CGO) by filling out a Retaliation Protection Report Form.<br><br>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 following contact information:<br><br>**Corporate Governance Office**<br>Manila Electric Company (Meralco)<br>8th Floor, Lopez Building, Ortigas Avenue, Brgy. Ugong, Pasig City, Philippines<br>Tel: (+632) 1622-2798<br>Mobile: 09088661670<br>email: cgo.staff@meralco.com.ph<br><br>All reports will be referred to the CGO for preliminary validation. | |

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| | | CGO will refer the reports to the Assisting Investigation Unit whenever necessary.<br><br>All organizations are required to act immediately on the reports referred to them, in accordance with the existing relevant procedures. The Whistleblower should be provided with feedback within thirty (30) working days. The Company shall act expeditiously and conduct immediate investigation of the report, impose appropriate penalties/sanctions once proven, and provide feedback to the Whistleblower, if known. Resolution of the report shall be within a 60-day period from receipt thereof.<br><br>In the event however that a longer period is needed to resolve a case due to its complexity, the concerned AIU shall notify CGO in writing citing the justification for the extension not later than three days before the expiration of the 60-day period within which to resolve the report.<br><br>CGO will report quarterly to the Board through the Nomination and Governance Committee or the Audit | |

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| | | Committee (in case the Whistleblower alleged violations by the Internal Auditor/Corporate Audits) any progress in compliance with the handling of reports.<br><br>The offices concerned shall ensure the confidentiality of the identities of the Whistleblower, the witnesses and the information disclosed, except under any of the following:<br><br>a) the Whistleblower waives his right to confidentiality, or<br>b) identification is required by law or when essential to an investigation.<br><br>In either case, the Company shall inform the Whistleblower or the witnesses of the need to reveal their identities and/or information.<br><br>The immediate Head of the respondent shall initiate the necessary investigation on the report and gather the appropriate supporting documents/pieces of evidence. Said immediate Head may however seek assistance of the appropriate Assisting Investigation Unit (AIU) to facilitate the investigation. The immediate Head shall exercise judgment in | |

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| | | determining the appropriate office to seek assistance aside from those listed above.<br><br>If the violation is related to a breach in financial internal controls after a preliminary investigation has been conducted, Corporate Audits should immediately inform the President or Chief Financial Officer. The said officer, in turn, should carefully discern, considering materiality and/or severity, if the matter has to be elevated or merely transmitted as information to the relevant Board Committee or its Chairman.<br><br>The President shall determine if there is a need for convening the Management Disciplinary Committee or designate a Company official to conduct a full investigation. The President, in addition to the internal investigation, may allow such designated body or official to engage the services of external auditors or lawyers, or some other external investigating body. This Investigating Committee shall also handle reports where the respondents are directors and officers. | |

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| | | Links:<br>***Whistleblowing Policy (Speak Out Policy):***<br>*Speak Out Policy.pdf (amazonaws.com)*<br><br>***Whistleblowing Report, Annex 1:***<br>*Microsoft Word - eReport Form (amazonaws.com)*<br><br>***Protection from Retaliation Form:***<br>*Microsoft Word - Retaliation Protection Report Form (amazonaws.com)*<br><br>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.<br><br>Links:<br>***Meralco website:***<br>*Other Policies (meralco.com.ph)*<br><br>***17-A Integrated Report, page 154-156***<br>*https://mer.ph/2025AR17A*<br><br>***Integrated Report***<br>*Annual Reports (meralco.com.ph)* | |
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| **Principle 16:** The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development. | | | |
| **Recommendation 16.1** | | | |

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| 1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates. | Compliant | Provide information or reference to a document containing information on the company's community involvement and environment-related programs.<br><br>One Meralco continues to strengthen its commitment to delivering and enabling a good life for all by driving meaningful and inclusive growth through its business units and subsidiaries. The Group recognizes that sustainable progress can be achieved only through active collaboration across all its areas of expertise, including power generation and distribution, electric transport, telecommunications, digital payment services, engineering, construction, logistics, and manpower services. As such, in 2024, One Meralco introduced more sustainable and innovative solutions and offerings across its businesses to power—and empower—the millions of Filipinos that depend on the Group's vital services.<br><br>Meralco contributes to the Philippines' sustainable growth by electrifying government offices, central business districts, educational and health institutions, and industrial parks. It also powers the country's unserved or underserved communities. | |

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| | | One Meralco recognizes that a robust and comprehensive approach is integral to driving a meaningful and impactful sustainability journey. As such, the Group established a sustainability agenda, captured by the phrase Powering the Good Life, which is supported by four pillars: Power, Planet, People, and Prosperity. This agenda, which is core to and drives One Meralco's vision, guides the Group's pursuit of genuine progress towards the achievement of the United Nations' Sustainable Development Goals (SDGs). POWER Providing energy for all, always. One Meralco delivers affordable, accessible, reliable, and clean energy to all, with a special focus on bringing power to unserved and underserved communities. PLANET Protecting and preserving Mother Earth. One Meralco safeguards the health of the planet by reducing its impact on the natural environment. PEOPLE Nurturing sustainability from within. One Meralco promotes a shared vision and understanding of sustainability within the organization while ensuring the holistic development of employees in a safe and inclusive workplace. PROSPERITY | |

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| | | Creating better lives for all. One Meralco brings meaningful and enduring value to all its stakeholders, ensuring no one is left behind.<br><br>A comprehensive report on the Company's Sustainability and CSR efforts is found in the Sustainability Report attached to the Annual Report and One Meralco Foundation's website.<br><br>***SEC Form 17-A Integrated Report, Sustainability Report section (Page 39)***<br>*https://mer.ph/2025AR17A*<br><br>*One Meralco Foundation website*<br>*https://company.meralco.com.ph/one-meralco-foundation*<br>*Sustainability at Meralco* | |
| **Optional: Principle 16** | | | |
| 1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development | Compliant | Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.<br><br>The Company's sustainability initiatives are discussed in a GRI-compliant reflected in the Sustainability Report for 2025 attached to the Annual Report (SEC Form 17-A) submitted to the SEC on April 30, 2026.<br>***Meralco Sustainability Report 2025 (page 39):***<br>*https://mer.ph/2025AR17A* | |

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| 2. Company exerts effort to interact positively with the communities in which it operates | Compliant | Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.<br><br>Meralco's preference for solar-based technology is a testament of the Company's support for the development of renewables, especially in far-flung areas where connection to the grid is a challenge. Solar power is also abundant and unobstructed in most rural communities and is relatively easy to operate and less costly to maintain — an ideal solution for public schools, rural and agriculture farms and island-mountain health centers that mostly rely on government subsidy for Maintenance.<br><br>Meralco also endeavors to provide an alternative source of electricity to off-grid public schools, through its *School Electrification Program*. It benefits schools located in mountain and island communities, such as those that provide education to indigenous peoples. Under the program, schools are installed with up to 2 kilowatt-peak solar photovoltaic (PV) systems capable of producing enough electricity to power classroom lights, laptop computers and multimedia learning equipment. | |

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| | | The company also expanded its community electrification program where it started the energization of far-flung through its new programs:<br><br>**Agriculture and Livelihood Electrification**<br><br>This program helps power agricultural and livelihood facilities with solar energy systems, boosting crop yields and enabling families to better support themselves and their immediate communities.<br><br>**Rural Health Center Electrification**<br><br>Providing solar PV systems to rural health centers and barangay health stations in off-grid communities enables the use of basic medical equipment and improves the delivery of health services.<br><br>**Water Access Electrification**<br><br>The program enables access to clean water in communities by providing solar electrification to water supply and access facilities. | |

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| | | **Light Up Pilipinas**<br><br>Distributing solar lamps to empower underserved Filipinos in remote communities, including fishermen, forest rangers, students, and many others.<br><br>Meralco also plays a proactive role in promoting energy safety and efficiency in public schools within its franchise area. Each year, the Company participates in the week-long national school maintenance program called "*Brigada Eskwela*" of the Department of Education (DepEd), sending hundreds of employee-volunteers to inspect the electrical safety of classrooms and offices, clear nearby powerlines of safety hazards (e.g. tree branches), and recommend ways to improve efficient energy use.<br><br>Together with the Department of Environment and Natural Resources (DENR), Meralco launched a competition that recognizes the best energy efficiency and safety programs implemented in schools. | |

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| | | The Company's policies, programs and practices to interact positively with the communities in which it operates, through OMF, are discussed in detail in the Annual Report Annual Reports (meralco.com.ph) and its website:<br><br>*https://company.meralco.com.ph/one-meralco-foundation*<br><br>The Company's sustainability initiatives are discussed in a GRI-compliant Sustainability Report.<br><br>Link:<br>***SEC Form 17-A Integrated Report, Sustainability Report section (Page 120)***<br>*https://mer.ph/2025AR17A*<br><br>*A copy the Company's Sustainability Report for 2025 attached to the Annual Report (SEC Form 17-A) submitted to the SEC on April 30, 2026.*<br><br>*https://company.meralco.com.ph/company-disclosures/sec-filings*<br>*Sustainability at Meralco* | |

Securities and Exchange Commission
PHILIPPINES

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on 25 MAY 2026.

[redacted]

**ATTY. WILLIAM S. PAMINTUAN**
COMPLIANCE OFFICER and
ASSISTANT CORPORATE SECRETARY

[redacted]

**PEDRO EMILIO O. ROXAS**
INDEPENDENT DIRECTOR

[redacted]

**LYDIA B. ECHAUZ**
INDEPENDENT DIRECTOR

[redacted]

**RET. CHIEF JUSTICE ARTEMIO V. PANGANIBAN**
LEAD INDEPENDENT DIRECTOR

[redacted]

**MANUEL V. PANGILINAN**
CHAIRMAN and CHIEF EXECUTIVE OFFICER

**SUBSCRIBED AND SWORN** to before me this 25 MAY 2026, affiants exhibiting to me their competent evidence of identity as follows:

| Name | Competent Evidence of Identity | Date of Issue | Place of Issue |
|---|---|---|---|
| MANUEL V. PANGILINAN | [redacted] | [redacted] | [redacted] |
| RET. CJ ARTEMIO V. PANGANIBAN | | | |
| PEDRO EMILIO O. ROXAS | | | |
| LYDIA B. ECHAUZ | | | |
| ATTY. WILLIAM S. PAMINTUAN | | | |

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Book No. XIII
Series of 2026

"DOCUMENTARY STAMP TAX PAID"
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(DST Serial Number) (Date of Payment)

ATTY. FREEDOM IANFE M. NAVIDAD
NOTARY PUBLIC
ROLL NO. 53655
PATEROS AND PASIG CITY, PHILIPPINES

[redacted]

ATTY. FREEDOM IANFE M. NAVIDAD
Notary Public
Pasig and Pateros
Issued on June 23, 2025 at Pasig City
Appointment No. 220 (2025-2026)
Roll No. 53655/ IBP No. 589463 01/06/2026 RSM Chapter
PTR No. 3945405 01/7/2026 Pasig City
MCLE No, VIII – 0029348 04/22/28
8th Floor Lopez Bldg. Ortigas Avenue, Pasig City

**Atty. Rachel Ester J. Gumtang-Remalante**
Director, Corporate Governance and Finance Department
Securities and Exchange Commission
8/F SEC Headquarters,
7907 Makati Avenue, Bel-Air,
Makati City 1209

Dear Atty. Gumtang-Remalante:

Please be informed that the Corporate Secretary was unable to sign the attached Integrated Annual Corporate Governance Report (I-ACGR) as he was out of the country at the time of its execution and submission.

In order to ensure timely compliance with the reportorial requirements of the Securities and Exchange Commission, the undersigned, who serves as the Company's Compliance Officer and Assistant Corporate Secretary, was duly authorized to sign the I-ACGR on behalf of the Corporate Secretary.

Such authorization is made in accordance with the Company's internal governance processes and established practices, allowing the Assistant Corporate Secretary and/or Compliance Officer to act in the absence or unavailability of the Corporate Secretary, as necessary to ensure continuity of corporate functions and regulatory compliance.

The Company affirms that the contents of the report are complete and accurate to the best of its knowledge and that the execution thereof by the authorized signatory is valid and binding.

This is issued for the information and guidance of the Commission.

Very truly yours,

[redacted]

**Atty. William S. Pamintuan**
SVP and Assistant Corporate Secretary, Chief Legal Counsel,
Compliance Officer, and Head, Legal, Corporate Governance,
Compliance and Data Privacy Office

GGAPP
Good Governance Advocates & Practitioners of the Philippines

# CERTIFICATION

The Good Governance Advocates and Practitioners of the Philippines, Inc. (GGAPP), hereby certify that an independent Third-Party Board Evaluation was conducted for

## Manila Electric Company (MERALCO)

The evaluation covered 2025, and was conducted through surveys sent to and accomplished by the members of the MERALCO Board of Directors.

**24 April 2026**

[redacted]

**Vincent Edward R. Festin**
Chairman

[redacted]

**Reginald H. Tiu**
President